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Public Bill Committee

AGRICULTURE BILL

Seventh Sitting

Thursday 1 November 2018

(Morning)

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Monday 5 November 2018

The Committee consisted of the following Members:

Chairs: †Sir Roger Gale, Phil Wilson

† Antoniazzi, Tonia *(Gower)* (Lab)
† Brock, Deidre *(Edinburgh North and Leith)* (SNP)
† Chapman, Jenny *(Darlington)* (Lab)
† Clark, Colin *(Gordon)* (Con)
† Davies, Chris *(Brecon and Radnorshire)* (Con)
† Debbonaire, Thangam *(Bristol West)* (Lab)
† Drew, Dr David *(Stroud)* (Lab/Co-op)
† Dunne, Mr Philip *(Ludlow)* (Con)
† Eustice, George *(Minister for Agriculture, Fisheries and Food)*
† Goodwill, Mr Robert *(Scarborough and Whitby)* (Con)
† Harrison, Trudy *(Copeland)* (Con)
† Hoare, Simon *(North Dorset)* (Con)
† Huddleston, Nigel *(Mid Worcestershire)* (Con)
† Lake, Ben *(Ceredigion)* (PC)
† McCarthy, Kerry *(Bristol East)* (Lab)
† Martin, Sandy *(Ipswich)* (Lab)
† Stewart, Iain *(Milton Keynes South)* (Con)
† Tracey, Craig *(North Warwickshire)* (Con)
† Whitfield, Martin *(East Lothian)* (Lab)

Kenneth Fox, Anwen Rees, *Committee Clerks*

† attended the Committee

Public Bill Committee

Thursday 1 November 2018

(Morning)

[Sir Roger Gale *in the Chair*]

Agriculture Bill

11.30 am

The Chair: Good morning, ladies and gentlemen. I apologise: some colleagues seem to think that the room is rather cold. We have asked to have it warmed up, but the problem is that that takes about four days, by which time we shall be in a heatwave and you will all want it cooled down. Any brave Member who wishes to may remove their jacket, or put on an overcoat.

More importantly, will you please be kind enough to ensure that all your electronic bits and pieces are turned off? The wrath of God will descend upon you if any go off—the wrath of the Chair, anyway. Other than that, we are ready to commence line-by-line consideration of the Bill.

Clause 2

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

Dr David Drew (Stroud) (Lab/Co-op): I beg to move amendment 84, in clause 2, page 2, line 27, at end insert—

'(3A) It shall be a condition for receipt of financial assistance under section 1 that the person in receipt can demonstrate that—

(a) their existing and proposed land or livestock management practices, or

(b) their proposed land or livestock management practices;

meet any regulatory standards specified by the Secretary of State and which are in force at the time that the management practices are carried on.

(3B) The regulatory standards specified by the Secretary of State under subsection (3A) may (among other things) include standards relating to—

(a) health or welfare of humans, livestock or wild creatures,

(b) soil health,

(c) air quality,

(d) quality of water in any inland waterway.'

This amendment would require the recipients of financial assistance for the purposes in clause 1 of the Bill to demonstrate that their existing and proposed land or livestock management practices meet minimum regulatory standards.

I am pleased to serve under your chairmanship, Sir Roger. We shall try to make more speedy progress today, but a number of issues are important, and I hope that the Government will be able to respond and at least put our minds at rest. If not, we shall do the obvious and force the Committee to Divisions.

This amendment is in many respects wider than amendment 71, which we have already discussed, so I shall not go through a lot of the same arguments. The amendment looks at an issue that we feel strongly about in the Opposition: the regulatory framework, and how and why people will be paid for what they do. It involves the health and welfare of people and animals, wildlife, and how we look after the land—soil health, and air and water quality.

From the point of view both of proper management of public money and of ensuring the environmental benefits, it is important for us to establish what we mean by bad baseline practice. In our own minds, we might know that it is when we go to farms or to visit others who look after the land and see things that we would not want to see, but we need to say something about it in this legislation.

On Tuesday, the Minister talked about some of the things that will inevitably follow, such as how we move from existing cross-compliance in the common agricultural policy into environmental land management contracts, but we were a little surprised by how open-ended those were. More particularly, we are not sure who these countless individuals going out to advise are, or where they will come from. Furthermore, if farmers or—dare I say it—people in general are left to their own devices and self-regulate, who checks the self-regulation? We want to tease out some of those big issues.

The Minister tried to reassure us about some of the checks and balances, but we are still not sure about how things will work in practice. That will be a continual theme in what we say today. What do the measures mean to the people to whom we are potentially giving money, and what do we expect them to do for that? If they do not do it, what happens? Clearly, some people will use bad practice or fail to meet minimum standards.

The Government said in their policy statement that they intend to be "firm and fair" in their approach to regulation. We await the final report of Dame Glenys Stacey—we have the interim report—but some of us would have liked to have heard from her in the evidence sessions, because it is important to know what she has in mind for recommendations on how regulation will work. Perhaps the Minister will give us some insight about where Dame Glenys is going.

More particularly, on animal welfare, we need to know a bit about safety records: who keeps them? How will those records be accessible and by whom? Otherwise there will be no real clarity. The point also applies to air and water quality and to soil health.

From the Government, as a result of "Health and Harmony", we have the policy statement—I will not read it all out, but it is quite revealing. It talks about a "changed regulatory culture" and says:

"We will maintain strong regulatory standards and introduce a new approach to monitoring compliance and enforcement. We will adopt a more streamlined and focused regime, with more data sharing, reduced duplication and greater use of 'earned recognition',"—

I will ask the Minister to tell me what he thinks "earned recognition" is, because I am not completely sure—

"which received strong support in the consultation. 'Earned recognition' may take account of historic compliance and membership of industry assurance schemes, where there is confidence that the scheme enforces regulatory standards."

It goes on about the idea of "firm but fair" and the fact that it will be reliant on what comes out of the Stacey review.

Our problem is that a lot of these things are in play—the Bill is also being scrutinised by the Environment, Food and Rural Affairs Committee and the Scottish

Affairs Committee—but we are doing the legislation. There is a degree of, "Which comes first?", and it would be helpful if we had had some of that evidence so that we could make a better job of holding the Government to account. How will it all work, particularly the idea of earned recognition? Who will achieve that? Who will monitor it, and when it is not acceptable, what do we do about it?

The Minister for Agriculture, Fisheries and Food (George Eustice): It is a pleasure to begin the day by responding to this particular amendment. At its heart is an attempt to put into the Bill a requirement to have something akin to the existing cross-compliance regime. I will come back to that later.

There are two key points I would make about the amendment. Clause 2 and clause 3, which we will come to later, as already drafted, make allowance and provision for a Government to create such conditions through an affirmative statutory instrument should they feel that that is the right thing to do. Under clause 2(2) it is open to the Government to say that there are conditions attached to entry into these schemes and that there may be, under clause 3(2)(g), penalties for breaches of the regulatory baseline.

There is already an option, given how the Bill is drafted, for a Government to bring forward proposals of that sort through an SI. My argument is that the detail spelled out in amendment 84 would be the appropriate level of detail that might be in a particular SI brought in under, for instance, clause 2, and probably addressed through anything brought in under clause 3 as well. We could do that, if we wanted, through the SI and that would be the appropriate place to do it.

However, my general view is that we should separate out as far as we can the regulatory baseline, which should apply to everyone equally whether they are in or out of a scheme, and conditions that we attach to financial schemes to support farmers to go above and beyond that regulatory baseline. The danger of the amendment here, as I see it, is that the very first thing it says, in 3A, is:

"It shall be a condition for receipt of financial assistance…that the person in receipt can demonstrate",

that they abide by all those things.

We want people to feel good about entering these schemes. When a farmer phones up the Government, Natural England or whichever agency is administering the scheme to say, "I am really keen to enter your new agri-environment scheme," if the first thing that happens is that they say, "Well, we'll send out an inspector from the Rural Payments Agency with a clipboard to try to find fault and see whether your ear tags are wrong, or there is a trivial problem of that sort that will disqualify you," it will put people off entering the scheme.

We already have this problem with the cross-compliance regime. I explained on Tuesday that, having wrestled with the cross-compliance regime as a Minister for five years, I can confirm that it is completely dysfunctional. The regulations set out in EU law and the penalty matrix mean that incredibly disproportionate penalties are sometimes applied to farmers that have no bearing whatever to the scale of the breach in question.

We already have problems with, for instance, large arable farms that might have a small pedigree herd of cattle that they keep going as a labour of love. If they have some trivial ear tag problem—an ear tag goes missing and they have not managed to replace it yet—and are unlucky enough to be inspected, they can end up with penalties of £40,000 or £50,000 for such small things. I remember many cases in this area. I remember a farmer who once had a dispute with his neighbour. The neighbour padlocked the gate on the footpath, and the farmer ended up with a £45,000 penalty, such is the nonsense of the existing scheme.

We do not want to replicate that. The danger of accepting the amendment is that a trivial error or mistake on something like an ear tag could lead to somebody's complete disqualification from entering a scheme, or to an onerous financial penalty that would not fit the breach incurred. Something of this type could be introduced through an SI under the Bill's provisions, should someone wish to. We should abide by the principle that regulations apply to everyone, that we should not have more inspection on people who enter schemes than those who do not, and that inspection regimes should be consistent and apply to people across the board, whether or not they are in a scheme. For those reasons, the amendment is not appropriate.

The hon. Member for Stroud asked about the Dame Glenys Stacey review. That is now well under way. She is keen to move to what she terms a better, more modern approach to regulation, in which things are better joined up and there is less reliance on an arbitrary rulebook, with people coming around with clipboards and ticking boxes. She wants a more holistic approach to the way we manage compliance on farms and a better understanding of, as I explained on Tuesday, the grey area between incentivising better husbandry and good practice, which can go a long way to achieving environmental and animal welfare outcomes, and accepting that a clear regulatory baseline must be enforced.

We are keen to start moving towards a different culture around regulation that is less about a complex rulebook, which often has lots of unintended consequences and disproportionate penalties, as characterised in our current scheme. We want it to be more about discretion for officers on the ground, whether they be from Natural England, the Rural Payments Agency or the Animal and Plant Health Agency, to exercise judgment in respect of a given farm, and about having a better understanding of the linkage between things that we can incentivise to get better outcomes and the need to adhere to the regulatory baseline.

Jenny Chapman (Darlington) (Lab): I am interested in what the Minister says, and he makes a fair point. However, my concern is that this scheme needs to be transparent, fair and rigorous in the eyes of taxpayers. As we said on Tuesday, the closeness of these decisions will change, and taxpayers will want to know that their money that goes to this scheme, and so not on policing, health or other important issues, is carefully spent, and that the scheme is robustly inspected and monitored. We need to be careful about where that balance lies.

George Eustice: I understand that. As I said on Tuesday, we accept the "polluter pays" principle. It is important that we have a clear regulatory baseline. At the moment, in areas such as livestock ID, we have a hotch-potch of different regulations that have come from the EU, and there is lots of inconsistency. We have

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an opportunity as we leave the EU to tidy up the rulebook and to have a clear and consistent regulatory baseline, and to then build on that with financial incentives.

11.45 am

I absolutely agree with the hon. Lady that if we are going to make payments of public money for the delivery of public goods, we need to see action on that. Clauses 2 and 3 give us the powers that we need to place conditions on the schemes that we design and on the contracts that we enter into with farmers. The condition of that contract with farmers could be that if they breach a regulatory baseline there could be a penalty, for instance. So we could recreate something akin to the cross-compliance, if that was deemed the right thing. Of course we could say that if a farmer enters a scheme and does not deliver any of the things that he is supposed to deliver under the contract, then there will be clawback provisions and monetary penalties.

One of the things that we are interested in as a way of dealing with minor breaches, such as some of the smaller problems of ear tags going missing or minor administrative issues, is that rather than have a percentage deduction, as we have now with the basic payments scheme, we could try to develop a system more akin to fixed penalty notices. There could be improvement notices to farmers and if there are still problems there could be fixed penalty notices, so that we can have much more proportionate penalties that fit the nature of the breach.

Mr Robert Goodwill (Scarborough and Whitby) (Con): My hon. Friend the Minister has mentioned the issue of ear tags, but we also potentially have the problem of sprayers that may have missed their annual MOT. When the sprayer ultimately comes for its test, it may well have been compliant all the time, but according to this amendment that farmer could be ineligible for payments. Perhaps the guy who was going to do the test was ill that day and the farmer ran out of time.

George Eustice: There can be lots of issues like that.

Jenny Chapman: That is a completely wrong analogy. The right analogy is perhaps with the financial support given to parents. If parents do not comply with the rules and the terms of that agreement with the Government, then the finances are removed and they might even find themselves going to prison. It is a completely different situation and it appears to me that the Minister—with the best will in the world—is making this up as he goes along. It is like, "We could do this, we could do that, we might do something else". I do not get the impression that the Government have properly thought this through.

George Eustice: I disagree; I have thought it through. If the hon. Lady and a future Labour Government want to do precisely what they set out in amendment 84, the right place to do it would be under an affirmative resolution under sections 2 or 3.

Mr Goodwill: Perhaps I should clarify something for the benefit of the Opposition. I am not talking about the Ministry of Transport MOT, where people take their car to the garage; I am talking about the annual testing that sprayers must undertake as part of cross-compliance and as part of the schemes that farmers engage in. Indeed, slug pellet applicators need to be tested every five years, so it is quite possible that a farmer would forget when that five years was up.

George Eustice: My hon. Friend makes a good point. There is a complex issue around sprayer MOTs, as he knows, because there is a voluntary industry scheme underpinned by Red Tractor. The vast majority of farmers are required to do that as a condition of their Red Tractor membership.

I have come across examples. For instance, we have a cross-compliance rule that there needs to be a 2-metre buffer strip around fields. I have come across examples where in one small corner of the field the person doing the rotavating or operating the plough drifted slightly in, so that the width went to 1.80 metres instead of 2 metres. A farmer in that particular case received a fine of £10,000. That is clearly disproportionate to the scale of the offence and it is the kind of nonsense that we now have an opportunity to sweep away.

Sandy Martin (Ipswich) (Lab): Clearly, we need sensible regulations and sensible compliance arrangements. However, is it not part of the problem here that if we have a regulatory regime that relies solely on inspectors rather than on incentivising farmers through the financial payment system, there will never be enough inspectors? Regulation is not as effective as affirmative action and that is what the whole support system is meant to be; it is meant to be affirmative action. In which case, surely we should expect people to meet the regulations, to gain the benefit of the affirmative action.

The Chair: Order. Just before we proceed, I must say that I am rather hoping to be home for Christmas. I would really like interventions to be interventions and not speeches.

George Eustice: I thought for a moment that the hon. Member for Ipswich was going to support me. I agree with the first part of his intervention: we want to recognise that there is a limit to what can be achieved by a regulatory base. What we are trying to do through clause 1 is to create schemes that incentivise farmers to go above and beyond that, while clauses 2 and 3 will put in place the enforcement regime to support those areas.

The hon. Gentleman makes a good point. Under the cross-compliance regime, the average inspection level is about 3%, so let us not exaggerate the extent of it. It is something of a lottery whether a farmer gets a visit from the RPA; one visit in 33 years is fairly typical. My disagreement with him is on the basis that if we have a regulatory baseline, we should enforce it consistently on everyone, whether or not they are in a scheme. Under his amendment, the inspection rate would be 100% for anyone in a scheme, while anyone who chose not to be in a scheme would not receive the same level of inspection. In my view, that would be inconsistent.

I hope that I have reassured the hon. Member for Stroud that the objectives of his amendment could be achieved under clauses 2 and 3 through an affirmative statutory instrument, or through the terms of any contract

entered into under clause 2. Agreeing to his amendment would be unnecessary and counterproductive, so I hope he will withdraw it.

Dr Drew: I will not press the amendment to a vote, but only because I am even more confused now than when I moved it. Notwithstanding the issues that we have raised and that the House of Lords has already waxed lyrical about, the Bill relies far too much on SIs to underpin it. The Bill may be a scaffold rather than a building, but at the moment we do not even have the bits of the Meccano set in the right place.

We need more detail on how the Bill will work in practice. The Minister is saying that we will be doing other things, but all the examples that he falls back on are effectively about cross-compliance. If Dame Glenys Stacey comes up with a better way of doing things, let us hear about it, but the problem is that we are passing legislation on the basis that she will. We do not know that, so we are giving a hostage to fortune.

Notwithstanding our unhappiness with the Rural Payments Agency—as the Minister says, it does not go on to farms very often, and when it does it sometimes goes over the top, which can be very unfair—who is going to do this? Who is going to carry out this affirmative action, to use the words of my hon. Friend the Member for Ipswich?

The Minister did not explain what earned recognition was. I think it needs to be defined in the Bill, because it is a central point.

George Eustice: I apologise for missing that point; I was taking a steer from Sir Roger that he wanted to make some progress.

We already have a concept of earned recognition. It is already provided for in EU regulations, and we already have an approach whereby somebody who has signed up to the Red Tractor scheme is put into a low-risk category when the selections for inspection are run. That follows a principle that we have advanced for many years, which is simply that if somebody goes to the effort of signing up to an accredited scheme, it shows that they are already abiding by higher standards. If they are already subject to inspection by the Red Tractor accreditation scheme, for instance, it is less necessary for the Government to inspect them. It is a good principle and we want it to continue.

Dr Drew: That is very good, but why is it not in the Bill? The Bill needs to spell out very clearly the process by which this will operate. I would be happy to agree to a Government amendment or new clause that spelled out what earned recognition is, because it is fundamental. If it is going to bolster the way in which environmental land payment contracts are made operative, let us put it in the Bill so that everybody knows what they are dealing with. We would have to be careful about the wording and how it operates in practice, but that is what legislation is about. If we are using a term that—dare I say it—is being taken from the EU, why is that not in the Bill?

I shall not press this amendment to a vote, but the Government need to do some real thinking about what needs to be in the Bill to give the people who have to operate under it—farmers and others—knowledge of how they will be able to earn support payments and, if they do not do things as we want them to, what action the state will have to take. At the moment, I am none the wiser. The Government need to go back and define the terms, to say how the different mechanisms will work. We would then be much happier. The Government need to do some thinking. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Dr Drew: I beg to move amendment 98, in clause 2, page 2, line 31, after "delegate" insert "administrative".

This amendment would ensure that the actual design and purpose of schemes is not delegated to non-governmental bodies or organisations.

I hope to make quicker progress on this amendment, which is in my name and that of other hon. Friends. It is meant to tease out who will benefit from the new delegated functions. As drafted, Ministers may delegate functions to any other person. In theory, therefore, the design and process could be delegated to anyone. Although this will be a short speech, we feel strongly that the clause could lead to distortions across the country and result in a postcode lottery.

These advisers, who are going to be invented—we hope they become a reality sooner rather than later—will have to interpret the Bill and decide who is, in effect, there to work with the people who want to receive the payments. The idea is that only those administrative functions can be delegated, but will the Minister spell out more clearly what is meant by the delegating process? For example, which Government agencies are involved? I keep going on about this, but we did not have the opportunity to hear evidence from such agencies, and one of the questions that we would have asked was about where they see themselves playing a role. We tried that with the Food Standards Agency, which basically said, "Nothing to do with us, guv." Other agencies must therefore be more responsible for the operation of the Bill.

Will the Minister simply set out the process for delegation to those agencies? Will he name the agencies? That would be helpful, given that they will inevitably have to overlap. At the moment, Natural England's functions have been subsumed into the Rural Payments Agency, but there are other agencies—trading standards still go to farms and look at various animal health issues. It would be useful to know from the Minister how he sees all that working.

George Eustice: I am grateful for the opportunity to explain what we intend to do under clause 2(5) and also under clause 2(4), which is of relevance as a linked power. The issue is connected with something the hon. Gentleman highlighted earlier in our debates on clause 1: how we intend to administer a scheme in which we might have individual-level farm contracts. He has often expressed scepticism about the Rural Payments Agency and its suitability for the task. As the Committee knows, I have always defended that agency, because I know what a hideously dysfunctional EU system it has to operate in.

That said, what we seek to achieve with subsections (4) and (5) is as follows. We want to move to a new system with these contracts, so that a human being—an individual expert agronomist or an expert in ecology

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and environment—can visit a farm, walk it with the farmer and help him put together an environmental plan for his own individual holding, taking account of soil type, farming practices, the water catchment area he is in and so on. Once they have helped the farmer put together the scheme—perhaps sat around the kitchen table—the agreement can then be passed to a Government agency for approval.

12 noon

What we seek to achieve with subsection (5), therefore, is the possibility of UKAS-accredited organisations operating UKAS-accredited schemes to assist us in this process and to help with the administration of a future scheme so that it works in a more sensible way. For instance, that could involve the Soil Association being empowered, as it is now, to accredit an individual farm to say that it is indeed organic. That happens now, and we have the power to do that. It could also involve empowering the RPSCA to run an accredited scheme on animal welfare, against which we might pay out an incentive. It could involve schemes with the RSPB, which might accredit a farmland birds package. I might add that an agronomist whom a farmer really trusts and works with could seek to become accredited by the Government to give advice in the design of an on-farm contract and scheme. He could work that up with the farmer and then submit it to get approval from the Government.

We seek to achieve something altogether more tailored and more local, where local knowledge can be brought to bear to help design these schemes. That is a far cry from what we have now, where it is all about clunky mapping, digital maps and onerous application forms sent into some office somewhere, with people then having to sift through information and enter it all on to a computer system, with all the problems inherent to that. If we want to get much more local knowledge and much more tailored schemes, we should engage partners locally, where they are able to benefit. That is what we intend to achieve through subsection (5).

Martin Whitfield (East Lothian) (Lab): On a point of clarity, and more to put it on the record than anything else: there is no intention for any of the delegation to go beyond England and affect any of the devolved nations, is there?

George Eustice: No, this is a power for England only, and it will be for each of the devolved Administrations to decide how they want to design their enforcement and management process.

Mr Philip Dunne (Ludlow) (Con): I thank my hon. Friend for the clarity with which he has laid out for the Committee the Government's intent regarding the implementation of the new scheme through accrediting bodies, and that is extremely helpful for the Committee to understand. While I recognise that this will be a new scheme with much more streamlined implementation and systems, we have significant problems with the existing countryside stewardship and environmental stewardship schemes administered by the Rural Payments Agency. If we are to persuade farmers to enter into new schemes, they must have confidence that the current schemes, where we have outstanding disputes and a lack of full payments being made under many of them, will be ironed out. If they are not, farmers will be increasingly sceptical about the prospects of a new scheme being introduced under these powers.

I am straying slightly beyond the purpose of the amendment, but I urge my hon. Friend to encourage the Rural Payments Agency to get existing schemes fully paid up. As at the middle of October, DEFRA's statistics show that 751 countryside stewardship agreement holders, or 15%, have not been paid their final 2017 payment, while 8,116 environmental stewardship agreement holders, or 33%, have yet to receive their final payment. Please could he help to get a welly on?

George Eustice: I am grateful to my hon. Friend for that intervention. I intend to address those issues in more detail when we get to part 2, because clause 11, in particular, gives us the power to modify the existing EU schemes. As I pointed out earlier, the difficulty that both the RPA and Natural England have with these schemes is the dysfunctional nature of the enforcement regime designed by the EU that sits behind them. We have an opportunity to clean that up once we leave the EU.

Mr Goodwill: My hon. Friend mentioned national organisations such as the RSPB. Does he see a role for local wildlife trusts? There are 47 up and down the country, including the Yorkshire Wildlife Trust, which currently not only manages 100 wildlife reserves but works closely with farmers to help them manage their land, and would, I think, like to work more closely with more farmers.

George Eustice: Absolutely. I am a huge supporter of the work of the wildlife trusts; we have one in Cornwall that does some good work. They often have local knowledge and very good working relationships with farmers because they are less of a campaigning organisation and more on the ground. There could well be a role for them. The purpose of clause 2(5) is to make provision for us to be able to engage some of those third sector organisations, and even independent agronomists farmers trust, so that we can design tailored local schemes.

Although the amendment is not pertinent here, I will briefly touch on clause 2(4) because it is a linked issue. It gives us the power to give financial assistance to an organisation that would administer a scheme directly. To be clear about the type of thing we have in mind, because it is a similar provision, the national parks have said that they would quite like to run a scheme for their members and administer the financing of that by delegating it down. There are some good examples, such as the Dartmoor hill project, where we have that kind of landscape-scale working around organisations such as national parks.

Local enterprise partnerships have expressed an interest in being involved in the administration of productivity grants. We want to have the option to subcontract some of that work, where it is appropriate, to bodies such as local enterprise partnerships or national parks. Again, that could assist in ensuring that these schemes run smoothly.

Sandy Martin: Can the Minister rule out management consultants, accountancy firms or generalist companies such as Carillion from administering any such scheme?

George Eustice: That is not our intention at all. Anyone who knows me knows that I am not a big fan of management consultants. I often come across very talented local agronomists who really understand the landscape and the soil type. If we set them free and gave them the opportunity to work in partnership with farmers, the schemes would work far more smoothly than in the central, bureaucratised system that we have now.

Jenny Chapman: The Minister is asking us to believe that a scheme will administer substantial amounts of public money and will be run by some very impressive and worthy organisations—LEPs, national park authorities and the RSPB. Can he point to any other area of public policy or significant Government spending where that kind of approach is permitted?

George Eustice: It is permitted now. The Soil Association can authorise organic farmers, and there are a number of other accreditation bodies.

Jenny Chapman: They are not spending £3 billion.

George Eustice: If someone is accredited as a member of the Soil Association, they are able to claim a top-up to their basic payments scheme. So, yes, there are areas. In terms of clause 2(5), there is already precedent for that in the way that the EU schemes operate—EU regulations create the power for that to happen. We think it is a good model. Engaging people such as the Soil Association in some schemes could be really powerful.

Likewise, if we are to move to a system where we may want to pay farmers who sign up to something like an RSPCA-assured scheme or another scheme, it is important that we have a legal basis to be able to recognise those schemes. They will have to be UKAS accredited—we must have confidence in those schemes. UKAS has existed for many years. The last Labour Government introduced UKAS-accredited schemes in many areas. It is a successful model.

On that basis, I hope I have been able to reassure hon. Members that our intention in clause 2 is to address a concern that the shadow Minister raised earlier in the debate about how we will administer these schemes. I hope, therefore, that having put down this probing amendment, he will withdraw it.

Dr Drew: We will not push the amendment to a vote. I go back to what the Minister said. Who pays? Agronomists do not come cheap. I have a love for the Soil Association, which is down the road from me in Bristol, and for the RSPB, and I am a member of the Wildlife Trusts—I suppose I should have said that some time ago. They are very good organisations and they do very worthy work, but we are shoehorning them into the process. If this is the advisory role, with the best will in the world they will need to be paid for that. We could say, "Okay, we are taking the basic payment away, and we have therefore got something of the order of £2 billion to play with," but that money will go very quickly when farmers sitting round the table are talking to the people in question. They will be charged quite large sums of money to get the environmental land management contracts together in order to get their earned recognition.

I ask the Minister to think a little bit. Yes, there is good practice out there—of course there is; but that is good practice working within an existing, well-known and well-regulated scheme. What we are considering is going into the unknown. I ask the Minister to dwell on the thought that we need a pilot operation. We need to know that the Soil Association is willing and able to take the role on. It is additional to what the association undertakes at the moment. It deals with farmers who come to it, who get a sum of money to become organic. The proposal before us is really asking it to be part of the regulatory regime. It might not be a regulator as I would normally see it, being in more of an advisory role. Will the Minister commit to doing some pilot work, so that we know how things will work in practice?

George Eustice: If the concern is that we would not pilot, and that we are just going to make a leap of faith on this, I can give an absolute reassurance that we will not. There will be pilots, obviously. Using some of the third sector organisations in the way we envisage will obviously require them to have the capacity to do it. Organisations such as the RSPCA and LEAF—Linking Environment And Farming—run existing accreditation schemes and have commercial wings set up to help to do that. We would not be making a big departure, in a way, from what already exists; but it would be on a different scale, potentially.

Also, what is proposed could be part of the mix. It does not have to be the entire thing. It could be an option to be used in some areas, particularly where there were more holistic accreditation schemes; but, alongside that, other components of the scheme might be administered in a more conventional way.

Most farmers already have to spend a fortune on land agents to fill out EU forms and pieces of paper, and bits of mapping and RLE1 forms, and whatever other nonsense is required under the current system, in order to get any payment at all. So the vast majority of them already have to pay land agents to do a lot of work, and the feedback that I get from farmers is that they would far rather work with an agronomist to get things right than have to pay someone to fill out paper endlessly.

Dr Drew: I hear what the Minister says. That is a wonderful world. I am not sure whether it quite exists, the way I see it. I have talked to some land agents who are sceptical about whether their income-earning possibilities on the land are anything to really keep them there. There is a lot more money to be made in urban activity, so I urge some caution there.

To return to what the hon. Member for Ludlow said, it is interesting to consider the proposal working, but at the moment the countryside stewardship scheme is under a big cloud. LEAF is suffering at the moment because farmers are not coming forward. It will be a big job for the Government to convince them, so that they are willing to go through the process. Otherwise some will say, "We will just try to make money out of what we have always done"—which is farming. Whether they will or not is another matter. Obviously some sectors will do well and others less well.

Again, I shall be interested. At least we have an assurance from the Minister that there will be pilots. I hope that he will discuss them with us and make them accessible, so that we can see exactly what is going on. However, there are question marks. I shall not press the matter to a vote, but the Government need to think about which organisations should be involved, how those on the land are to be encouraged to go through those organisations, and who will pay.

[Dr Drew]

It will be very expensive, at least in the early days, because it is going into the unknown. We are ditching the EU regulation and coming up with a new regulatory framework, but it is not there now, and it will involve an awful lot of people working together to make it possible. With that proviso, and a request that the Government will come back to us to explain how the proposal will work in practice, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

12.15 pm

Dr Drew: I beg to move amendment 85, in clause 2, page 2, line 35, at end insert—

"(6A) The Secretary of State must set targets for the reduction of waste food and food products and must by regulations require recipients of financial assistance under section 1 to take steps to avoid and reduce waste of food and food products."

This amendment would require the Secretary of State to set targets for reducing food waste and to make regulations requiring recipients of financial assistance to avoid and reduce food waste.

This amendment is a bit more substantive. It addresses how serious the Government are about reducing food waste, which we would argue is a real problem in terms of recycling and waste removal. Ideally, everyone would support FareShare and food would be redistributed so that we did not have to talk about food waste. Certainly, organic food waste should never be burned or put into landfill. Either people should not create the problem in the first place or they should find other ways to dispose of the waste.

The Minister has spoken a lot about the food strategy. We now know that it is coming, although not quite as quickly as some of us would have wanted it to. It would have been very helpful if it had come in advance of the Bill so that we knew where agriculture fitted into the food strategy. Will food waste be in the food strategy, or will it be left in limbo?

We need to commit to some targets for the reduction of food waste. That may sound somewhat tangential to the Bill, but at the end of the day, as we argued on Tuesday, if the Bill does not cover food—particularly food that is not wanted—it is a very strange Bill. We should be thinking about food waste. It relates to climate change and to all our waste regulations, so it should be central. Indeed, we interpret UN sustainable development goal 12.3 as saying that it should be central to how the Government are thinking. They signed up to the sustainable development goals, so how will we put them into practice? Will the Minister recognise that food waste should play some part in the Bill?

The waste hierarchy, which the previous Labour Government created but which this Government have signed up to, is about how this all fits into what really happens on the ground. It is to do with livestock feed, anaerobic digestion, composting, conversion to biofuel and, as a last resort, landfill. Sadly, as I say, too much organic waste is burned, which is a terrible waste.

It is all about how the Bill will fit into the wider food chain. We have not really discussed that, but it is important. The Government should get the food strategy in place first; then we would have a much easier role in scrutinising the Agriculture Bill. I am keen to look at some of the work done by Sustain, which the Minister will know is a very credible non-governmental organisation. It has done a lot of work on the problem.

We need a much more robust approach and create a level playing field between all the different elements—business, Government, local authorities and consumers. We need to ensure that we create food sustainably and do not create food that we do not need or, if we do, that it goes to people who need it. At the moment, it just gets taken off supermarket shelves and disposed of. The amendment is about making the legislation much more user-friendly and much more about the real world. It is also about putting in some legal targets, and making them legally enforceable and sustaining them.

In their feedback to "Health and Harmony", the Government have made some good noises. As we identified on Tuesday, they have said that the food strategy will be pretty important alongside the Environment Bill, this Bill and, dare I say, the Fishing (Access to Territorial Waters) Bill, all of which we hope will be enacted; otherwise, we will have no legislation to move forward with post Brexit.

All these things really matter, but unless we put them in the Bill, given that so much will be down to the powers of the Government, the Government will be able to do them or not do them. That is why the amendment is so important. Partly its purpose is to start a debate, but it is also important in terms of the way in which this needs to be laid out. The Government need to make their real intentions clear to all parties. I make no apology for saying that this is an important issue; it may not necessarily be as important as the regulatory framework or powers and duties, but we need to know the Government's intentions for food waste with respect to the Bill. I hope that the Minister will give us some clarity on the Government's thinking and on whether future legislation might have food waste reduction embedded in it. If not, let us embed it in the Bill.

Several hon. Members *rose—*

The Chair: Order. There are two ways of doing this, so let us establish a precedent now and then follow it. The Minister may respond now before I call Back Benchers or, if he prefers, I can call the Back Benchers first and he can then respond to the entire debate.

George Eustice: I will come in at the end.

Sandy Martin: We welcome a method of incentivising farmers to do the right thing—I would argue that that is the thrust of the Bill—but it is entirely proper to include conditions for the receipt of any financial support. Otherwise, how can that incentive be effective?

Amendment 85 on waste food fits very well with our amendment 50 on greenhouse gas emissions, which was rejected on Tuesday. Methane is 23 times more potent a greenhouse gas than CO_2 and is the biggest contributor to climate change after CO_2. By ensuring that we deal with the issue of food waste, the amendment would help to ensure that we meet our climate change goals. There is no sense in targets that do not include methane.

Every part of the food production, consumption and waste stream needs to be part of any effective solution. If we do not include production in our food waste reduction strategy, it will not be effective. A strategy that includes targets and regulations to ensure that the

incentives—the carrots—go to the right people at the right time is one that the hon. Member for Gordon will appreciate.

The reduction of food waste will help people to think more carefully about the food that they eat and therefore to move towards foods of higher quality and nutritional value. Indeed, in the *Which?* survey, 71% of people said that they preferred higher-quality food to price reductions. Reducing food waste will help food production in this country because it will produce greater profitability for better-quality foods in the long run. The totality of the funds available for buying food will go towards the production of food that people actually consume, rather than food that is wasted along the way.

Mr Goodwill: The shadow Minister rather let the cat out of the bag when he said that this issue was somewhat tangential to the Bill. We all subscribe to the idea of reducing food waste and ensuring that the scarce resource and the high-quality food that we have in this country is consumed, rather than being thrown in the bin and contributing to methane production on landfill sites or to the expense of incineration.

I suggest that farmers are probably the people most angry that the food they produce ends up in the bin and not in somebody's stomach, but the decision whether food is wasted is out of their hands; it is in the hands of the consumers, the supermarkets and the catering industry. How much food in fridges is thrown away because it goes past its sell-by date? How many pensioners in the supermarket will be tempted by a "buy one, get one free" offer, only to find that it gives them more than they can manage to eat?

We probably need to look at the catering and food service industry more closely, but it is not within the scope of the Bill. For example, I was in a hotel in Belfast last week where a marvellous breakfast buffet was laid out; I was there at the beginning of service, but the full range of food would have needed to be available until the end, so a lot of it would have had to be thrown away. Indeed, on Friday I was at a meeting of farmers in my constituency. Some of them had had a pub meal before I arrived, and even they could not eat the large amounts of chips that were put on their plates, so no doubt the leftovers went into the waste stream. Historically, a lot of waste used to go into the animal food chain, but because of mad cow disease, that is now much more controlled. Pig swill is not something that can be used in that way because of disease problems.

While I understand the feelings and the motivation behind the amendment, it should not be in this part of the Bill. Perhaps supermarkets could do more than they have so far with respect to what they call "ugly vegetables". How often has a strangely shaped carrot been thrown away rather than put on the shelves because it is not of the right specifications? Indeed, we could go to the EU and talk about straight bananas and cucumbers, which was something that was often covered in the media during the referendum campaigns.

We also need to consider what waste actually is. A lot of the so-called agricultural waste—stock feed potatoes or stock feed carrots—can actually be used as a viable feed, so reducing waste per se is not always the way to go. I hope that the Opposition will understand that, while everybody agrees with what they want to achieve, this amendment is not the way to do it.

A part of the Bill that does not need amending relates to grants that could be made available to farmers for improving their storage. Farmers get very annoyed about the deterioration of crops in storage—particularly potatoes—over winter. The very best storage conditions mean that more of a crop can be marketed the following year. The Bill already includes provisions for capital grants for farmers to improve that situation. I hope that the hon. Member for Stroud understands that, although we can get behind what he says, this is not the right place to do it.

Kerry McCarthy (Bristol East) (Lab): I am chair of the all-party group on food waste. I will speak to the amendment briefly because I hope to table amendments to the provisions on data and transparency in the supply chain. That is probably the most important angle for tackling food waste because, as other hon. Members have said, in most cases farmers are not really responsible for the amount of wasted food. There is far too much focus on household food waste, and many people in the food supply chain have a vested interest in making it all about whether people throw out their salads or know what to do with their leftovers. In some ways, that lets people in the food supply chain off the hook.

A reason why farmers are forced to waste so much food to the extent that occurs on farms is that it is rejected by supermarkets. Although the Groceries Code Adjudicator has gone some way to addressing that, supermarkets now use spurious cosmetic reasons to reject fruit and veg. Vegetables might be accepted on one day and rejected on another. That is simply to do with the logistics of supermarket sales and the quantities that they need. We need to tighten up the Groceries Code Adjudicator, but we will come to that later in the Bill.

I put two questions about the amendment to the Minister. If food waste were a country, it would have the third-largest carbon emissions in the world, after China and the US. Clearly, from that point of view, food waste is a significant issue. There are measures in the Bill to support farmers who reduce their carbon footprint, and I wonder how the Minister sees food waste fitting in to that?

Measuring food waste on farms can be quite difficult, particularly when a lot of it is ploughed back into the land—would that be classed as wasted? Is using food waste for anaerobic digestion considered a waste or a good use? Farmers using food waste is a good thing—I have been to farms in Somerset where they use waste from local cider mills and bread factories for anaerobic digestion; that is absolutely fine—but how do we address the increasing amount of land being used to grow crops for anaerobic digestion? Fields should be used to grow crops for people to eat, but there is a prevalence of maize being grown for AD. I am not sure where that fits into the Bill, but I want to see farmers rewarded for doing the right thing with food waste, given what I said about it not being their fault. How can we do that while we also incentivise them to grow crops for AD?

12.30 pm

George Eustice: The amendment deals with an incredibly important issue. As the hon. Member for Bristol East said, if we want to feed a growing population and tackle

[George Eustice]

issues such as climate change, doing all we can to bear down on and reduce food waste is essential. I remember being at an OECD event where there was discussion around some of the African countries that have big problems with a lack of chill chain distribution, which can really affect food waste in their countries. It is a very important issue and I am going to explain what the Government are doing about it, but I hope that the shadow Minister will understand that I do not think the Bill is the right place to address it.

The UK is already leading the way in the EU and internationally on food waste. Food waste in the UK reduced by 14% per person between 2007 and 2015. We have seen a 19% reduction per person in the amount of food thrown away that could have been eaten. There have been some important changes. Food labels used to give the advice "freeze on day of purchase", which made no sense and meant that people threw away food that could have been frozen instead. There has been a growing and better understanding of the difference between use by dates and best before dates, which means that people are willing to eat food that goes past its best before date because it is still perfectly good to eat.

At the Conservative conference, the Secretary of State announced a new pilot scheme aimed at reducing food waste further from retail and manufacturing, backed by a £15-million fund. The scheme will be developed over the coming months in collaboration with businesses and charities and will launch in 2019-20.

As hon. Members will know, the Waste and Resources Action Programme works closely with DEFRA. The Institute of Grocery Distribution also does some very good work in this area. Working with them, we have published a food waste reduction road map, which lays out ambitious milestones for food waste measurement that will be vital in achieving national policy objectives and targets on food waste reduction, including Courtauld 2025 and sustainable development goal 12.3. The Courtauld commitment, launched by WRAP and supported by DEFRA in 2016, is a commitment out to 2025 to see an ambitious reduction of 20% per capita in food and drink waste in the UK. The target already exists—it was set in 2016 by WRAP—and, as I have explained, we have made good progress already in the last 10 years.

Because we take the issue so seriously, further initiatives will be included in DEFRA's forthcoming resources and waste strategy, which will be published later this year. The hon. Member for Stroud asked whether the food strategy will cover this issue. I can reassure him that before we get to the publication of the food strategy, we will have the publication of the resources and waste strategy, which will include a great deal of consideration of the issue of food waste.

Apart from the fact that the amendment is unnecessary because these important issues are being picked up through other Government initiatives, as my right hon. Friend the Member for Scarborough and Whitby pointed out, there is a problem in requiring the recipients of financial assistance to take steps to avoid food waste and the waste of food products. Food waste is often out of the hands of farmers. In evidence, George Dunn of the Tenant Farmers Association gave an example of a lettuce grower who had grown a crop in good faith, had cut the crop and was ready to sell it, and then the purchaser changed their mind at the last minute. He was left with a perishable good for which he had no market.

Colin Clark (Gordon) (Con): The Minister reminded me of my carrot production—we grow them. It is not a carrot factory; we do not make them in a machine. If carrots get carrot fly or another disease, they have to be ploughed back in. If someone grows broccoli, they will grow various stages of broccoli, and some of those stages of broccoli will have to be ploughed back in. That is a decision the farmer makes—it is not because the supermarket rejects it. The food industry is a very advanced industry and for 30 years, we have been making use of the by-products. Putting this point in the Bill underestimates the fact that, particularly in vegetable farming, we grow a whole programme of vegetables and we may plough some back in. It is a by-product; it is not waste.

George Eustice: My hon. Friend makes an important point. I was going to turn to waste in the primary production area later.

To finish the point about contracts and fair dealing, we will deal with that at a later stage in the Bill and debate it. We will try to address some of the problems in the supply chain where perfectly good food goes to waste because it has the wrong label or a purchaser has changed their mind at the eleventh hour. There is a limit to what farmers can do to control such food waste in the supply chain. That leaves us with the question: where could they control waste? The answer, of course, is at the primary production stage.

As my hon. Friend the Member for Gordon pointed out, if a farmer grows carrots and has the great misfortune to get carrot fly, there is already quite a financial penalty without then having somebody come along and say, "Now we are going to take all of your financial assistance away as well, because you have had a problem with your crop and there is some waste."

As some Members know, I worked in the farming industry for 10 years before going into politics. We used to grow winter cauliflowers in Cornwall. We used to pray for frost in Kent to kill the cauliflowers there and hope that we did not get frost in Cornwall. However, there were times when we had severe weather in Cornwall that devastated the crop, and we would have to rotavate the cauliflowers into the ground and plough them in. The financial penalty was considerable. I can assure hon. Members we never wanted that to happen, but occasionally it does.

Nevertheless, we have commissioned WRAP to do a study of waste rates in primary production. It will report on that later this year. The area is complex, as I said, because of the weather, pests and disease, which tend to be the main contributors to the waste, but WRAP is looking into that.

I hope I have reassured the hon. Member for Stroud that the Government take the issue incredibly seriously. We have made some progress in the past decade. We have targets already out until 2025, and we will publish an updated resources and waste strategy that will include food waste later this year.

Dr Drew: We will not press the amendment to a vote, so the Minister can breathe a sigh of relief. However, there are some reasons why we have identified the issue

of waste here. If we do not identify it here, where do we identify it? Perhaps in time there might be a food strategy, which is a more appropriate place to put it, but it needs to be legislated on.

The Courtauld commitment is voluntary, so there is no real traction from Government. The problem is significant. It is estimated that 10% to 60% of production—equivalent to £0.8 billion—is on-farm food waste. It might get ploughed back into the ground, which might benefit soil nutrition and so on, but one hopes to see the food that we grow on people's plates, otherwise it is not a good use of farmers' time and it does not meet the consumer demand for the availability of plentiful food. There is a lot of work to be done in this area and we make no apology for saying that we will come back to it, whether that is in debates on this Bill or not. We will push for a food strategy, because we believe it is right for the Government to have one, and it must include a strong section on food waste. Without more ado, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Dr Drew: I beg to move amendment 99, in clause 2, page 2, line 38, after "given" insert

", provided that the information is collected and processed in accordance with the relevant data protection legislation.

(7A) For the purposes of this subsection 'relevant data protection legislation' means Regulation (EU) of the European Parliament and of the Council (General Data Protection Regulation) and the Data Protection Act 2018."

This amendment would make it explicit that any regulations must comply with data protection principles.

The Chair: With this it will be convenient to discuss amendment 100, in clause 2, page 2, line 42, at end insert—

"(8A) Information specified under subsection (8) must be proportionate and limited to protect the interests of the individuals and businesses concerned."

This amendment would ensure that no more information is published about recipients of financial assistance than is absolutely necessary in the circumstances.

Dr Drew: This will be quick. The amendment is about transparency and data protection. Of course, farming systems are currently entirely within the domain of the EU. It would be interesting to hear what the Minister has to say about what the new regime will look like, what data protection principles will be in place, what those who receive payments will be expected to do and what protections they will receive from the methodology that will be in place.

Amendment 100 would insert a new subsection requiring information specified under subsection (8) to be

"proportionate and limited to protect the interests of the individuals and businesses concerned."

The NFU in particular wants to test that to ensure that farmers are not subjected to additional requirements and are assured that, if and when they partake in the schemes the Minister wants them to partake in, they will have additional protection in terms of the general data principles.

In some respects, the amendments just look at how the General Data Protection Regulation applies to the Bill. I am asking the Minister to say that it applies, but that it will not in any way be a more onerous set of tests, and that those who have to provide information about what moneys they receive can do so in the knowledge that that information will not always be made available to everyone and that its provision will not undermine their business. Will the Minister say something about that? Again, we will not necessarily press the amendment to a vote at this stage, but it is important that we know the Government's position.

George Eustice: We seek to roll over a power and a practice that exists under the common agricultural policy. As many hon. Members know, there is already complete transparency about the recipients of payments under the CAP. That information is already publicly available, and there may be such information that we want to continue to publish. The public would not understand if we continued to make public payments but a veil of secrecy suddenly surrounded them.

Tonia Antoniazzi (Gower) (Lab): Will the Minister publish data for the devolved nations, too? A number of cross-border farms will be required to provide information.

George Eustice: I think this function relates to England, but it is underpinned by the GDPR and the Data Protection Act 2018, so there will be similar provisions for Wales. Perhaps I can clarify that later. If someone has the wherewithal to read schedule 3, I think they will find that it contains similar powers for Wales. I am sure I will be able to clarify that before I finish speaking.

I reassure the hon. Member for Stroud that the GDPR will apply. In response to that European directive, the UK Government passed the Data Protection Act 2018, which implemented the requirements of the GDPR. Under that Act, it is already the case that we would need to demonstrate when laying the statutory instrument that established powers to publish such data that its publication was necessary and proportionate. The requirements of the Data Protection Act will apply as they do now to the data we publish under the common agricultural policy. Amendment 99 is therefore unnecessary.

To publish any data at all, we would need the legal power to do so, but before we could pass the statutory instrument and publish such data, we would need to demonstrate that its publication complied with the Data Protection Act, which implements the GDPR. I reassure the hon. Gentleman that any data we publish will be fully compliant with the requirements of the Data Protection Act 2018.

12.45 pm

Amendment 100 is a linked amendment—as I said, it asks that any data published should be proportionate and limited to protect the interests of individuals and the businesses concerned. Under the GDPR and the Data Protection Act that implemented it, there is a requirement to use data in a way that is adequate, relevant and limited to only that which is necessary. As the Committee knows, we publish data on beneficiaries of money under the rural development and direct payments schemes. We publish online the names of those who receive more than €1,250. Those who receive less than that have a de minimis exemption—they are published but their name is replaced with a code. This is a power—I was right—to publish in England, and similar powers are in the Welsh schedule.

Martin Whitfield: A similar power is contained in the Northern Ireland schedule. What is the position with regard to Scotland for the chains crossing the border?

George Eustice: Scotland has no plan for its future agricultural policy. It will be for Scotland to ask us to add a schedule on its behalf or to bring forward its own legislation. A point was raised on Tuesday in a discussion on clause 1 whether we will make available details of how much money had been spent on delivering certain purposes. The answer is that, as well as publishing the recipients of support, this power would also enable us to publish the purposes and the broad intention of what we are delivering with that power.

Jenny Chapman: Representing a constituency in the north-east, I am mindful of the situation of businesses and farms that cross the Scottish border. Will the Minister help the Committee to understand what would happen if Scotland failed to ask for a schedule or do anything between now and exit day? What would be the situation of support for farmers in Scotland in those circumstances?

George Eustice: Scotland has one of three options: it can bring forward its own primary legislation or it could add a schedule. Its content could range from something similar to what Wales has done, which is a full suite of powers, or it could take the approach of Northern Ireland, which is broadly the powers to roll-over the existing scheme and make modifications but not to make changes beyond that. Finally, it could pass legislation or ask us to add a schedule that gave it the power to continue to make payments but nothing else—not even to modify. There is a range of options, but Scotland needs to do something and have primary legislation or its power to make payments will fall down at the end of 2020.

Colin Clark: To be absolutely clear, is there any legal framework in the EU (Withdrawal) Act that would cover Scotland to carry on make payments beyond a date? Would there have to be primary legislation?

George Eustice: Yes, that is correct. We may be straying into an issue that I will explain in more detail later under Government new clause 3. Although the basic payment scheme regulations come across through retained EU law, there is a natural sunset clause on the financial ceiling—the payment powers underneath it. Unless an amendment is put down to extend the financial ceiling, that power falls away. That is not addressed in the EU (Withdrawal) Act. At the very least, a single clause is needed to create a financial ceiling beyond 2020.

Deidre Brock (Edinburgh North and Leith) (SNP): The Minister will accept that Scotland Ministers and Scottish Government officials dispute that fact and say that there is no problem at all with making payments after those dates, and that that will not be affected by this Bill.

George Eustice: That is what the Minister said. I am not sure that that position is shared by Scottish Government officials. It is a recognition that yes, they could bring forward some primary legislation, but they would need something. It could be quite a simple clause along the lines of what we will propose later, but they would need something in order to have the power to make payments.

We have strayed slightly from the purpose of the amendment, as is often the case when we discuss such issues. In conclusion, I want to reassure the hon. Member for Stroud that we shall seek to use the powers in a proportionate way, as we are legally bound to anyway under the Data Protection Act 2018. On that basis, I hope he withdraws the amendment.

Dr Drew: On that basis, I am happy to beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

The Chair: I am satisfied personally that matters arising in stand part have been debated adequately during the course of the morning. However, we are taking this with new clause 10, tabled in the name of the Opposition, so I would be grateful if hon. Members confined their remarks to the new clause. We are also considering:

New clause 10—*Annual assessment of funding for purposes—*

"(1) The Secretary of State must report on funding for each purpose listed in section 1.

(2) A report under subsection (1) must be made for each financial year and must be laid before both Houses of Parliament no later than 31 October in the financial year following the financial year to which the report relates.

(3) The first report shall be made by 31 October 2019 and shall relate to funding in the 2018-19 financial year.

(4) A report under this section must record, on the basis of best data available—

(a) the total sum of funding allocated to each purpose in section 1,

(b) the source of any element of funding under subparagraph (a) which comes from public funds, and

(c) the sums from each source under subparagraph (b).

(5) The Secretary of State must include in each report under this section—

(a) a statement of their opinion on whether any sum recorded under subsection (4) is sufficient to meet their policy objectives in relation to each purpose; and

(b) a statement of the Secretary of State's intentions if, in their opinion, a sum recorded under subsection (4) was not sufficient to meet their policy objectives in relation to a purpose.

(6) For the purposes of this section, "funding" includes any payment, grant, loan or guarantee."

This new clause would require the Secretary of State to report annually on the funding allocated to each of the purposes of the Bill, on its sufficiency to meet policy objectives and on the Secretary of State's intentions if in their opinion funding for any purpose was not sufficient.

Dr Drew: We have made good progress on an important clause, but we now come to one of the central points of the Bill: where is the money? When will the money be paid and over what period?

The Government are clear that the commitment to fund agriculture in its existing form will remain in place until 2022, or whenever the general election comes, when things may change. The scheme starts only in 2021, so there is a dislocation, which will be important. No Government can fetter their successor, but they can—this is what our new clause seeks to do—put in place a mechanism so that any successor Government know what is implied on how the money should be forthcoming. That is an important part of the Bill.

Alongside our argument about powers requiring duties —we lost that one, but we might revisit it—the financial arrangements are crucial. I make no apology for saying that we shall spend a little time on this.

Interestingly, there is unanimity among all the organisations, whether farming ones or green groups, that they want new clause 10. They want a clear mechanism in the Bill so that, whatever happens after 2022, or before that, when the new arrangement comes into place, there is an understanding that future Governments know exactly what is required of them. That is important.

The Minister probably has his 1947 Act in front of him on his table—look how long that lasted, and it was cross-party. There was no attempt to interfere with the 1947 Act. The Conservatives agreed when they came back in 1950 or 1951 that they would continue on the basis of that farm system payment. We are asking the same and we expect this piece of legislation to last 60 years. That might be ambitious, but if we get it right, that is the period we are talking about.

We know and support the direction of travel, but we want to know how it will be funded in due course in terms of a mechanism. That is crucial to the industry. It needs to know the longer-term requirements for food production, forestry, heritage and landscape. They will change dramatically over the next 60 years as they have done over the past 60 years. We hope they will change for the better because we would argue that we have done enormous damage. The problem is that the Bill is silent and has no mechanism.

Those of us who went to the lobby last Tuesday saw many organisations—there are too many logos on my bit of paper to fit any more on there—but they are as one in support of new clause 10. I hope the Government treat it with enormous seriousness. If they are not willing to accept it, there will be a lot of disappointed organisations and I would argue that the Bill will lack its central tenet, which is, as always, where and how the finance will be locked into place.

The new clause is about certainty and the predictability of the Bill. There is a degree of understanding that no Government can say how much money there will be and where it will come from, but we can have a mechanism to be reviewed every year. The Government could then say: "There will be money available to do all the wonderful things we have all signed up to." That is why it is so important. Although the new clause is being debated early, it has to be debated at considerable length.

We ask the Government to consider the new clause very seriously. They have obviously been lobbied by all those different organisations, which effectively are the countryside—no organisation would not sign up to it. NC10 sets a duty on future Governments to report annually on how much money has been spent to meet the policy objectives set out in the purposes of clause 1(1), and whether this was sufficient to meet these objectives. Again, we support this important direction of travel, but it must say how it will work, which is entirely dependent on where the money comes from. There must be a mechanism in place to say how it will operate in future. No, we cannot say what money, but we can say how any future Government goes about trying to report on what the money should be available for and where it should go.

Greener UK, an interesting amalgam that spent a lot of time talking to the Government, is largely very pleased with the Bill, but pointed to an independent assessment commissioned in 2017 that estimated the minimum costs of the environmental land management commitments at £2.3 billion. That is down on the current £3.2 billion, but it is the minimum—the baseline. Some of us would argue that it must be higher than that, at least at the current level, certainly in the early days because we do not know how it will work.

If the Minister does not accept the approach set out in new clause 10, what approach will the Government take given that they have won over a lot of the green organisations on the basis that this is what could and should be happening? It is about making a commitment. As I say, a Government cannot commit to money future Governments will spend, but they can commit to the mechanism. We ask the Government to look very closely at the new clause and hope they listen to us and all those organisations.

I could tell the Committee of countless organisations—I will not because we are short of time and I would rather finish before the 1 o'clock break. The Minister has received the same words. I hope they meant something and that he is willing to respond. Otherwise, there will be an awful lot of very disappointed organisations.

Jenny Chapman: The organisations to which my hon. Friend refers are probably the same organisations the Minister mentioned. If they are willing to be held to account to ensure that this is done well, it makes sense to us that the Government ought similarly to be willing to have that security and accountability as we implement the scheme.

Dr Drew: My hon. Friend is right. Again, that is the basis on which this Bill has been brought forward. There has been a degree of consensus—we have tabled probing amendments that have not necessarily gone with that consensus, but at this stage there is unanimity. The organisations want to know what the mechanism will be and want it in the Bill. Otherwise, it is all just promises. I am afraid the Government will have to listen and either accept the new clause or come up with a better alternative. We will be listening very carefully, presumably this afternoon, to what they say. Otherwise, it will be impossible to believe that the Government can deliver on their commitments.

Ordered,

That the debate be now adjourned.—*(Iain Stewart)*

1 pm

Adjourned till this day at Two o'clock.