

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Sixth Delegated Legislation Committee

DRAFT EUROPEAN STRUCTURAL AND  
INVESTMENT FUNDS COMMON PROVISIONS  
(AMENDMENT) (EU EXIT) REGULATIONS 2019

DRAFT EUROPEAN STRUCTURAL AND  
INVESTMENT FUNDS COMMON PROVISIONS  
RULES ETC. (AMENDMENT ETC.) (EU EXIT)  
REGULATIONS 2019

*Wednesday 20 March 2019*

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**Sunday 24 March 2019**

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**The Committee consisted of the following Members:**

*Chair:* ALBERT OWEN

- |   |   |
|---|---|
| † Champion, Sarah ( <i>Rotherham</i> ) (Lab)                                  | † Menzies, Mark ( <i>Fylde</i> ) (Con)                                |
| † Courts, Robert ( <i>Witney</i> ) (Con)                                      | † O'Hara, Brendan ( <i>Argyll and Bute</i> ) (SNP)                    |
| † Debbonaire, Thangam ( <i>Bristol West</i> ) (Lab)                           | † Paterson, Mr Owen ( <i>North Shropshire</i> ) (Con)                 |
| † Fitzpatrick, Jim ( <i>Poplar and Limehouse</i> ) (Lab)                      | † Philp, Chris ( <i>Croydon South</i> ) (Con)                         |
| † Gaffney, Hugh ( <i>Coatbridge, Chryston and Bellshill</i> ) (Lab)           | † Pollard, Luke ( <i>Plymouth, Sutton and Devonport</i> ) (Lab/Co-op) |
| † Goodwill, Mr Robert ( <i>Minister for Agriculture, Fisheries and Food</i> ) | † Seely, Mr Bob ( <i>Isle of Wight</i> ) (Con)                        |
| † Johnson, Dr Caroline ( <i>Sleaford and North Hykeham</i> ) (Con)            | † Shelbrooke, Alec ( <i>Elmet and Rothwell</i> ) (Con)                |
| † Mc Nally, John ( <i>Falkirk</i> ) (SNP)                                     | † Stewart, Iain ( <i>Milton Keynes South</i> ) (Con)                  |
| † Malhotra, Seema ( <i>Feltham and Heston</i> ) (Lab/Co-op)                   | Dominic Stockbridge, <i>Committee Clerk</i>                           |
|   | † <b>attended the Committee</b>                                       |

## Sixth Delegated Legislation Committee

Wednesday 20 March 2019

[ALBERT OWEN *in the Chair*]

### Draft European Structural and Investment Funds Common Provisions (Amendment) (EU Exit) Regulations 2019

8.55 am

**The Minister for Agriculture, Fisheries and Food (Mr Robert Goodwill):** I beg to move,

That the Committee has considered the draft European Structural and Investment Funds Common Provisions (Amendment) (EU Exit) Regulations 2019.

**The Chair:** With this it will be convenient to consider the draft European Structural and Investment Funds Common Provisions Rules etc. (Amendment etc.) (EU Exit) Regulations 2019.

**Mr Goodwill:** Thank you, Mr Owen. I welcome everybody, in particular the former agriculture Minister, the hon. Member for Poplar and Limehouse, and the former Secretary of State, my right hon. Friend the Member for North Shropshire. What a panoply of expertise we have in the room.

As a farmer, and given the family business participation in an agri-environment scheme, I should mention my entry in the Register of Members' Financial Interests. The matter in the two instruments is closely interrelated and I will speak to both together.

The instruments amend retained EU law and domestic legislation to ensure that rural development payments and maritime and fisheries payments can still be made after exit day. Those amendments will maintain the effectiveness and continuity of EU and domestic legislation that would otherwise be deficient following our exit.

The changes are necessary to enable rural development programmes, partially funded by the European agricultural fund for rural development and the maritime and fisheries operational programme, and partially funded by the European maritime and fisheries fund, to continue operating effectively in the United Kingdom following exit, until their closure after the end of the 2014 to 2020 programming period.

There will be an opportunity to consider the scheme-specific regulations for the European agricultural fund for rural development tomorrow, and for the European maritime and fisheries fund during the week commencing 25 March, because they are made operable in the EU exit regulations for the common fisheries policy.

There are currently four rural development programmes operating in the UK, one in each Administration, providing funding for rural businesses, farmers, land managers and applicants living in a rural community with the intention of growing the rural economy, increasing productivity and improving the environment.

The projects funded include water environment grants, the English woodland grant scheme and the growth programme, which supports rural business development, food processing, tourism and broadband. The maritime and fisheries programme is UK-wide and promotes growth in the sector by providing funding for sustainable fisheries, marketing and processing and sustainable aquaculture, among other things.

Examples of projects include health and safety initiative training schemes delivered through Seafish, individual pots—creels, north of the border—and net replacement schemes, as well as support in ports and harbours. The EMFF also supports innovative projects that aim to promote partnerships between scientists and fishermen.

The European agricultural fund for rural development supports the delivery of rural development in the UK and is worth £430 million per year over the programming period. The European maritime and fisheries fund supports the implementation of the common fisheries policy and promotion of growth in the sector. It is worth £32 million per year. The UK Government have guaranteed that any projects funded from the 2014 to 2020 allocations from those funds will receive their full financial allocation and will continue to receive funding over the project's lifetime. That repeats the reassurances I gave during a similar Committee yesterday.

The changes made by the instruments ensure that payments can continue to be made to beneficiaries, including domestic funding in place of funding from the EU, providing certainty to individuals and businesses that currently receive rural development and maritime and fisheries funding, or that are considering applying for funding during the current 2014 to 2020 programming period.

The draft European Structural and Investment Funds Common Provisions (Amendment) (EU Exit) Regulations 2019 amend the EU regulation that sets out the shared framework for all of the European structural and investment funds but only as far as it applies to rural development and maritime and fisheries.

The draft European Structural and Investment Funds Common Provisions and Common Provision Rules etc. (Amendment etc.) (EU Exit) Regulations 2019 amend the supplementary and implementing rules for European structural and investment funds for rural development and maritime and fisheries. I emphasise to hon. Members that these instruments ensure that those funds continue to operate effectively when we leave. The instruments do not introduce new policy; they preserve the current regime for supporting rural businesses, environmental land management and sustainable fisheries, among other things.

The amendments include omitting references to the European Commission and member states, which will no longer be relevant as a result of the UK leaving the European Union, and replacing them with “the relevant authority” as appropriate. The instruments also amend references to European Union law throughout, so that the relevant EU regulations continue to operate effectively as part of our national law. Provisions that are deficient because of exit and where the relevant actions have already taken place have also been omitted, such as provisions relating to pre-financing, which was paid out when the programmes were initially set up.

One purpose of those modifications is to ensure continuity and clarity as to which public bodies have responsibility towards the programmes. The obligations

and discretions placed on member states will continue to be exercised after exit by relevant authorities in the UK. In that context, “relevant authority” means the current managing authority of the maritime and fisheries operational programme; the Marine Management Organisation; the Secretary of State in relation to the rural development programme for England; Scottish Ministers in relation to the rural development programme for Scotland; Welsh Ministers in relation to the rural development programme for Wales; and, at the moment at least, the Department for Agriculture, Environment and Rural Affairs in relation to the rural development programme for Northern Ireland.

As hon. Members are aware, agriculture and fisheries are devolved policy areas and are of special importance to all parts of the UK. We have worked closely with the devolved Administrations to produce these instruments. Those Administrations place great importance on them, and have given their full consent. I repeat that these instruments are required for the continued operation of the rural development programmes and the maritime and fisheries programme. Without them, there would be no legal powers to make payments to fulfil the promise that those important programmes will continue. I therefore commend the instruments to the Committee.

9.2 am

**Luke Pollard** (Plymouth, Sutton and Devonport) (Lab/Co-op): It is a pleasure to see you in the Chair, Mr Owen. It is also a pleasure to be back in another Committee for another Department for Environment, Food and Rural Affairs SI, which gives me an opportunity to ask the Minister similar questions to those I asked last time we were here, which was yesterday, about the missing pieces of primary legislation that are necessary to complete our exit from the European Union, namely the Agriculture Bill and the Fisheries Bill. Before I do so, I will talk about the SIs we are dealing with today, because all of those bits form a jigsaw that needs to be complete in order to ensure that those who work in farming and fishing have the correct regulatory environment and a working statute book.

As is usual when any Opposition Member responds to a statutory instrument, I place on record our concerns about the sheer volume and speed of SIs being pushed through. Personally, I fear that one of those SIs will contain a gremlin: a problem that will cause bigger complaints in the future, which the speed of this consideration does not allow us to spot and edit out. The Opposition will not be opposing these SIs, but these structural funds were recently debated in the other place. I will voice my concerns and reiterate some of the points made by my noble Friends.

The draft European Structural and Investment Funds Common Provisions (Amendment) (EU Exit) Regulations 2019 are a rare exception, in that minor consultation with the farming and fishing industries has taken place, for which the Opposition have called in relation to many of these SIs. Under regulations relevant to the European maritime and fisheries fund, no details regarding stakeholders are given, other than that there was “targeted engagement”. Will the Minister clarify what targeted engagement amounts to, and specify exactly what stakeholders, regions and nations were involved? As we are not dealing with one single fisheries industry, but with many different ones—from crabbing and scalloping

all the way through to line hooks and big industrial fishers—will the Minister tell us which sectors were consulted? His answer will help determine whether the targeted engagement was sufficient to make this a credible consultation.

I also point out that the note says:

“In addition, a ten-week consultation was conducted through the Fisheries White Paper. Stakeholders were broadly supportive of the approach being taken.”

The fisheries White Paper was published a very long time ago, and I do not think it fair to suggest that the detail of this SI was somehow included in that, because it was not. Suggesting that that consultation is also a consultation on a far more detailed piece of legislation is a bit cheeky.

It is important that this SI fits seamlessly with the other SIs that the House is considering, as well as the Fisheries Bill and the Agriculture Bill. I asked the same questions yesterday. I hope the Minister has had the opportunity in the last 24 hours to update his answer, and that he will be able to tell us when the Fisheries Bill will come back to the House. There needs to be seamless implementation of the SIs and the Fisheries Bill, particularly in looking at how the EMFF fund will work in any new regulatory environment.

The SIs ensure the programmes of EAFRD and EMFF can continue to be domestically deployed, and remove obligations that relate to the European Commission. Will the Minister set out who will be taking over the obligations that were previously exercised by the Commission? How much additional funding will be allocated to those organisations to cope with the new workload? The explanatory note says that the amendments “will maintain a status quo position as far as possible.”

Will the Minister clarify his assessment of that? Will the industry be better or worse off because of these changes?

The explanatory note adds that the delivery requirements for the EMFF will be dealt with in the upcoming Common Fisheries Policy (Amendment etc.) (EU Exit) Regulations 2019, but there is confusion, as some related responsibilities lie with the Department for Environment, Food and Rural Affairs and some with the Department for Business, Energy and Industrial Strategy. Will the Minister set out how that SI will deal with those two responsibilities? Will we have two separate SIs, or will the responsibilities be contained in one SI? If so, which Department will lead? Clearly, specialist scrutiny will need to be applied to make sure that it is proper.

It would have been helpful to have been able to look at all of the related SIs in the round. I know the Government are looking to pass many SIs, but it would make sense that SIs on a certain topic be considered together, or at least within the same broad window, rather than scattered around in the timetable as they seem to be.

The explanatory note states that

“the UK Government has guaranteed that any EAFRD and EMFF projects whose funding has been agreed before the end of 2020 will be funded for their full lifetime. This means that the UK Government will fund any remaining payments due after March 2019, ensuring continued funding for these projects until their end. The guarantee also ensures that new projects can continue to be signed under the current programmes after the UK leaves the EU during 2019 and 2020.”

[Luke Pollard]

Will the Minister confirm that those projects will still be funded regardless of whether the UK leaves with a deal—be that the Prime Minister’s or another that might command more support in the House—or in a no-deal scenario? That would provide certainty to those coastal communities and rural areas that depend on the funding.

We note that the amount of funding is calculated at £132.7 million for the remainder of the programme period for the EMFF, and between approximately £400 million and £450 million a year for the EAFRD, depending on exchange rates. Labour has called for every penny of EMFF funding to be protected, but we also want the Government to match the level of EMFF funding we would receive in the future. Will the Minister say whether we are on track to meet that commitment or whether, as we suspect, there will be a huge cut in the funding available for our coastal communities as we have seen with agriculture funding—Brexit has been a mask to cut 40% of funding for our rural areas? Is that also the case for our coastal communities? That was not in the prospectus on leaving the EU during the 2016 referendum campaign.

My colleagues in the other place echoed that point. On 14 March, in the debate on the draft regulations, Lord Stevenson of Balmacara said:

“The main point to make is that the Government are taking the opportunity to continue the existing funds either by paying through to the EU to continue with the existing schemes or by taking on the burden themselves. The problem is that of course the first approach is obviously right, given that these are contracts which are in place, commitments have been made, there are funding streams which are currently in process with recipients who are in urgent need of these moneys. Given that, it is right that they should be continued. However, the problem is that, as and when the Government take over responsibility for these schemes and for the payment of them, that will come under the cosh of the general economic situation at the time and the question of future budgetary opportunities for changing them. To what extent can the Government guarantee that the funding will be maintained at least at current levels and that schemes which need second and subsequent phases to complete will be considered fairly and on their merits as if the original arrangements were in place?”—[*Official Report, House of Lords*, 14 March 2019; Vol. 796, c. 1148.]

The latter point on phased funding streams is useful because, as we know, many of the funded projects take place over a number of years, both in terms of building capacity and building additional infrastructure. I would be grateful if the Minister could set out the certainty that can be provided to rural and coastal communities in relation to continuation of that funding.

The explanatory memorandum for the draft European Structural and Investment Funds Common Provisions (Amendment) (EU Exit) Regulations 2019 even suggests that it is more expensive for us to leave the EU:

“There may be a negligible increase in administration cost as notifications may go to responsible bodies within the UK rather than European institutions”.

How much is defined as negligible in relation to this?

Lord Teverson made a good point in the other place. He welcomes the continuation of funding, but there is again discrimination within that funding. Paragraph 7.6 of the explanatory memorandum states that there will be

“the same cash total in funds for farm support until the end of parliament, expected in 2022”.

That is farm support, but where is the fishing industry support in relation to those particular bits? Understanding the differences between our coastal and rural communities is important. Lord Teverson said that the fishing industry is

“funded only up to 2020. There is no commitment to fisheries for those final two years. Once again, I see discrimination for an agriculture industry that is, to be frank, pretty well off, against one, fisheries, where certain sectors are well off, but there is no government guarantee to continue that EMMF funding until 2022.”—[*Official Report, House of Lords*, 13 March 2019; Vol. 796, c. 254.]

I hope Lord Teverson has that wrong, and I would be grateful if the Minister could clarify that fishing and farming have different end dates for their funding, because that would complicate the situation. We know that coastal communities need to be funded properly, and certainty for long-term investment in our coastal communities is important, especially if they are to believe to promise made during the 2016 referendum that there would be more fish available after Brexit, of which I remain sceptical. If that opportunity is to be realised, it is important that the EMMF funding provides additional capacity, especially in our smaller ports, to enable the landing and onward sale of more fish, following the promises that were made.

Will the Minister confirm what will replace the provisions that the SI omits? There is a requirement for an annual review meeting to be held with the Commission in order to review the regulations. Will that be replaced with an annual review meeting in the UK context? The Commission is right to participate in the programme’s monitoring committee. What oversight will take place if there is to be such a committee in the UK’s implementation of the regulations? What support will be implemented to replace the Commission’s ability to initiate technical assistance to those two funding streams?

There is a requirement to submit an ex-post evaluation to the Commission for each programme. Will that evaluation work still take place and, if so, what scrutiny of the effectiveness of funding will be available to Parliament or other bodies? The Commission is right to increase payments for member states with temporary budget difficulties. That is an interesting one, because it looks at how decisions will be made in relation to economic conditions in our coastal and rural communities, and whether that will be at the whim of any Government in power, or whether there will be more long-term certainty.

I suspect the Minister will say that this is all part of taking back control, and that the provisions will somehow slot into place, but we need to understand that the domestic arrangements for our coastal and rural communities will be properly resourced and, importantly, have proper scrutiny. My concern about these SIs and others is that we are only getting one jigsaw puzzle piece at a time in the hope that piecing them together will make the larger picture visible. At the moment, I am not certain that all the jigsaw pieces fit together or that there will be a picture visible at the end of it. I would be grateful if the Minister could provide clarification.

9.14 am

**Brendan O’Hara** (Argyll and Bute) (SNP): We understand that these instruments are limited to correcting deficiencies in the legal text and do not actually change policy. On the surface, they appear largely technical,

and there does not seem to be a significant impact on businesses, charities or voluntary bodies. Like the Official Opposition, we will not oppose this SI, but we make the point, again, that the Government could avoid all of this administrative burden by simply ruling out a no-deal Brexit, as they have been instructed to do by a majority in the House of Commons. I wholeheartedly agree with the hon. Member for Plymouth, Sutton and Devonport about the speed and volume of SIs going through the House, and I share his concern that something somewhere will go horribly wrong. Something will slip through the net and, whether in this or future Parliaments, we could find ourselves in a difficult situation because of the speed and volume at which the SIs are being put through the House.

The instruments relate to funding structures, including the European regional development fund, the European social fund, the cohesion fund, the European agricultural fund for rural development, and the European maritime and fisheries fund. The Minister knows that EU structural funds in Scotland are worth almost €1 billion across the EU budget period for use in economic development. Those EU-funded programmes represent a vital source of funding to communities across Scotland, and they are particularly important to rural communities, which are in greater need of support. He will be aware that any loss of funds to those fragile rural economies—such as my own in Argyll and Bute—could have a devastating effect on our farming and fishing communities, yet there seems to be no guarantee about the continuity of the funds beyond 2020. The much talked about UK shared prosperity fund, which is designed to replace structural funding, has yet to be provided with any detail or definition of what it will do or how it will work.

The UK Government promised that details about the shared prosperity fund would be forthcoming by the end of 2018. We are now almost a quarter of the way through 2019, and we have seen nothing to say what it will be, how it will work, who will benefit, and, more importantly, how we find out who will lose, if people are to lose. It is ridiculous that bodies across these islands know nothing about the method of application, the distribution method, or the quantity of funds that will be available to them post-next year's funding.

Will the UK Government continue to respect the devolution settlement and the role of the Scottish and Welsh Governments in distributing and allocating whatever new funds there are? Do the UK Government agree with the Joseph Rowntree Foundation, which said that they should at very least match the £2.4 billion a year that communities across these islands currently receive as a result of EU structural funding? Does the Minister agree with my hon. Friend the Member for Glasgow East (David Linden), who recently said that one penny less is not acceptable?

Finally, research by the Conference of Peripheral Maritime Regions shows that the Highlands and Islands region will miss out on approximately £160 million from the European regional development fund for the 2021 to 2027 period, yet the UK Government have still not brought forward a plan for their proposed replacement fund. Can the Minister provide assurances to areas such as my Argyll and Bute constituency that that funding will be replaced at the same levels?

9.18 am

**Mr Goodwill:** It gives me great pleasure to respond to constructive questions that we all need reassurance about. Fundamentally, the two measures are an insurance policy in the event of a no-deal exit from the EU. Members have talked about the difficulties of a no-deal situation, but the answer is simple: vote for the deal, as I have done twice already. If we can get the deal over the line, as Members on both sides of the House have already voted to do, we can get into the implementation period and these measures will not be necessary. The people of this country are looking at Parliament aghast and wondering why we cannot implement the decision that they made in that historic referendum. I suspect that Members of Parliament, of whatever party, who do not deliver on that, however they justify casting their vote, will not be thanked when it comes to the next time their constituents visit the ballot box.

The instruments ensure that those rural development programmes that are partially funded by the European agricultural fund for rural development, and the maritime and fisheries operational programme, which is partially funded by the European maritime and fisheries fund, continue operating effectively in the United Kingdom following the EU exit. The rural development fund is worth some £430 million a year and the maritime and fisheries fund is worth £32 million a year. The Government have guaranteed that any projects funded from the 2014 to 2020 allocations will be funded for their full lifetime, and I hope that reassures the Committee.

The instruments provide the legal basis to continue making payments to agreement holders, providing certainty for farmers, land managers and fishers, and preserving the current regime for supporting rural businesses, environmental land management and sustainable fisheries, among other things. The hon. Member for Plymouth, Sutton and Devonport raised the progress of the Agriculture Bill and the Fisheries Bills through Parliament. I repeat that I am keen to make progress, but there is, of course, a lot of other business in the House that needs to be cleared.

**Thangam Debbonaire (Bristol West) (Lab):** With the shadow Minister's permission, as a Whip I wish to protest. The Minister says there is a lot of business in the House, but we have missing Bills that, if we were to leave the EU next Friday, would have to have been passed before then. The Agriculture Bill and the Fisheries Bill were not only raised in these SIs, but they were described by the Government and by those in the leave movement as the big new dawn for fisheries and agriculture. Where are they?

**The Chair:** Order. I ask the Minister to just stick to the statutory instruments.

**Mr Goodwill:** Thank you, Mr Owen. Your constraints are welcome, but I will briefly say that the one important piece of business that we need to get over the line in this House is the withdrawal agreement. That is why many other measures are on ice and unable to make progress.

The hon. Member for Plymouth, Sutton and Devonport is absolutely right: there is a jigsaw of statutory instruments, and these are two important pieces that we need to put into place. He asked whether there will be gremlins, and

[Mr Goodwill]

whether mistakes will have been made. I can honestly state that that is not impossible, and if we spot gremlins and mistakes they need to be fixed as soon as possible. Yesterday, I said that we spotted that the European Commission was increasing the *de minimis* payment level for fishing communities, and we made that correction before the matter came to Committee.<sup>1</sup>

The hon. Gentleman talked about consultation. There is no statutory requirement to consult, because no changes are being made to the operation of the schemes. However, we carried out stakeholder engagement separately for the rural development, and maritime and fisheries elements of the SI, and I can go into that in some detail if he wishes.

That engagement targeted stakeholders on the approach of the broad set of common fisheries policy EU exit statutory instruments, which included those related to the European maritime and fisheries fund. It included meetings with the DEFRA-led external advisory group, and other separate meetings with the fishing industry and non-governmental organisations, involving key stakeholders from the fisheries sector, the food industry, and environmental non-governmental bodies.

Additionally, as the hon. Gentleman said, a 10-week consultation was conducted through the fisheries White Paper, which described future fisheries policy as well as the legislative approach taken in these instruments. Stakeholders were broadly supportive of the approach outlined in the White Paper, and did not raise concerns about the way in which funds are being delivered, which might have had a bearing on these two provisions.

Some of the stakeholders who were present in those meetings and engaged with the White Paper had an interest that went wider than England. For example, the Scottish Fishermen's Federation is very keen to make progress on Brexit, unlike the Scottish National party, and NGOs. DEFRA was also in contact with the devolved Administrations, which confirmed that they are engaging with their own stakeholders about these statutory instruments.

In terms of rural development, on 25 September 2018 DEFRA met the Rural Payments Agency's industry partnership group to update farming and land management stakeholders on the Government's plans for EU exit. At that meeting, stakeholders were informed of the plans to make retained EU CAP legislation, and existing domestic CAP regulations, fully operable at the point of EU exit. That will enable DEFRA and the devolved Administrations to continue to deliver ongoing CAP pillar 1 and pillar 2 commitments to the agriculture sector in 2019 and beyond, in the event of a non-negotiated EU exit.

Stakeholders present at that meeting included the Tenant Farmers Association, the Country Land and Business Association, the Farming Community Network, the Institute of Agricultural Secretaries and Administrators, the British Institute of Agricultural Consultants, and the National Farmers Union. A subsequent meeting was held on 26 November 2018 between DEFRA and the Rural Payments Agency to update stakeholders further on legislative progress in preparing for EU exit.

The Welsh Government did not undertake a formal consultation on the statutory instruments, which officials considered to be technical in nature. However, stakeholders

in Wales, including farming industry representatives, were invited to a workshop to learn about the approach, and they have been kept informed of progress by the Cabinet Secretary for Energy, Planning and Rural Affairs, and officials at the established EU exit stakeholder roundtable and legislation sub-groups. Chapter 8 of the Welsh Government document for the "Brexit and our land" consultation proposed an orderly exit from the rural development programme. That consultation received more than 12,000 responses, which are still being considered by Welsh Ministers.

The Scottish Government published a consultation in June 2018 entitled "Stability and simplicity", which invited comments on Scottish Government proposals about dealing with the implications of leaving the common agricultural policy. It explained that the first stage would be to retain EU law in domestic legislation. The consultation closed on 15 August 2018, with 137 responses received. Overall, responders were broadly content for support to continue it in its current form to ensure a period of stability for the rural economy. The Scottish Government have been and continue to be in regular contact with stakeholders in Scotland regarding the implications of leaving the EU, and the effect of the statutory instruments is consistent with the proposal set out in that consultation. Last week, I spoke to Fergus Ewing on the phone, and I look forward to my first face-to-face meeting with him.

Let me turn to some of the other points raised by hon. Members. I was asked about continuity and the responsibilities of the Department for Business, Energy and Industrial Strategy, which has tabled a separate SI that addresses the remaining funds. I was asked who takes responsibility for the roles currently held by the Commission. As I said in my opening remarks, the relevant authorities will be the Secretary of State in England, Scottish Ministers in Scotland, Welsh Ministers in Wales, and the Department of Agriculture, Environment and Rural Affairs in Northern Ireland. The relevant authority for fisheries is the Secretary of State in England, with the role delivered by the Marine Management Organisation.

There was some talk about how we will fund taking over these roles, but that exposes a degree of misunderstanding because the European Commission does not deliver those projects in the UK, and they are delivered by the UK Government on behalf of the Commission. For example, the environmental schemes were delivered by Natural England and are now delivered by the Rural Payments Agency. There will be no change in the way that happens, and it is similar for many of the fishing schemes.

**Luke Pollard:** My point was about not the implementation, but the scrutiny and overview. The Commission provides an overview function, which is being removed by this SI. What resources are being given for the overview functions contained in the SI, rather than the implementation?

**Mr Goodwill:** Farmers and fishermen will understand that scrutiny and checks are carried out not by the European Commission but by my Department, in order to ensure that rules are complied with. That will not change, but we will still have our homework checked nationally by the National Audit Office, for example, which will take on that role, and the MMO and DEFRA will publish a quarterly report on fisheries funding.

1. [Official Report, 29 March 2019, Vol. 657, c. 6MC.]



I was asked whether there will be any cuts to agricultural funding and what guarantees the Government can give. The EU funds will be replaced—£137.4 million for the remainder of the programme period of the EMFF and between £400 million and £450 million a year from the EAFRD. Those figures depend on the euro-pound exchange rate. The EMFF figure is higher than the figure in the explanatory memorandum. It is a more accurate figure, based on the most recent returns from each of the intermediate bodies. The Treasury has guaranteed funding to cover all European structural and investment fund projects entered into before the end of 2020 for their full lifetime, and I hope the hon. Gentleman takes that reassurance on board.

The Government have pledged to continue to commit cash totalling the funds for farm support until the end of this Parliament, and that includes all funding provided for farm support under the EAFRD. On 10 December 2018, the Government committed to provide £37.2 million of extra funding for the UK seafood sector for projects approved during 2019 and 2020, so as to boost the industry as we become an independent coastal state.

The hon. Gentleman asked whether fisheries will be better or worse off. There will be four schemes after 2020, when the EMFF ends. Those will be comparable to the EMFF, but designed for the UK fishing industry, alongside the devolved Administrations, and that will be detailed in the next spending review. The fisheries White Paper, which was published in 2018, asked the industry for its opinion on future funding and how it wants the industry to be reformed. Our approach was always going to be long term, and it will not change in several months.

I hope I have answered hon. Members' questions. If they have any specific questions about the detailed financial information and funding—I would not want to mislead the Committee by winging it—I would be more than happy to give them that information. Indeed, it would be great to see the Labour party's long-term plans for funding agriculture and fisheries. There seems to be a bit of a vacuum, which might need funding before farmers consider how they will cast their vote at the next election.

These statutory instruments are required for the continued operation of rural development programmes and the maritime and fisheries programme, and they will ensure that farmers, land managers and fishers are able to be paid after we leave the EU.

*Question put and agreed to.*

*Resolved,*

That the Committee has considered the draft European Structural and Investment Funds Common Provisions (Amendment) (EU Exit) Regulations 2019.

**DRAFT EUROPEAN STRUCTURAL AND  
INVESTMENT FUNDS COMMON PROVISIONS  
RULES ETC. (AMENDMENT ETC.) (EU EXIT)  
REGULATIONS 2019**

*Resolved,*

That the Committee has considered the draft European Structural and Investment Funds Common Provisions Rules etc. (Amendment etc.) (EU Exit) Regulations 2019.—(*Mr Goodwill.*)

9.31 am

*Committee rose.*

