

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT COMMON AGRICULTURAL POLICY
(CROSS-COMPLIANCE EXEMPTIONS AND
TRANSITIONAL REGULATION) (AMENDMENT)
(EU EXIT) REGULATIONS 2022

Wednesday 13 July 2022

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The Committee consisted of the following Members:

Chair: HANNAH BARDELL

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|-------------------------------------------------------------------------|------------------------------------------------------------------|
| † Argar, Edward (<i>Charnwood</i>) (Con) | Ribeiro-Addy, Bell (<i>Streatham</i>) (Lab) |
| † Blomfield, Paul (<i>Sheffield Central</i>) (Lab) | † Russell, Dean (<i>Watford</i>) (Con) |
| † Bonnar, Steven (<i>Coatbridge, Chryston and Bellshill</i>) (SNP) | † Simmonds, David (<i>Ruislip, Northwood and Pinner</i>) (Con) |
| † Brennan, Kevin (<i>Cardiff West</i>) (Lab) | † Smith, Greg (<i>Buckingham</i>) (Con) |
| † Byrne, Ian (<i>Liverpool, West Derby</i>) (Lab) | † Stevenson, Jane (<i>Wolverhampton North East</i>) (Con) |
| † Glindon, Mary (<i>North Tyneside</i>) (Lab) | † Sunderland, James (<i>Bracknell</i>) (Con) |
| † Goodwill, Sir Robert (<i>Scarborough and Whitby</i>) (Con) | † Zeichner, Daniel (<i>Cambridge</i>) (Lab) |
| † Hart, Sally-Ann (<i>Hastings and Rye</i>) (Con) | Guy Mathers, Joe Briggs, <i>Committee Clerks</i> |
| † Jenkinson, Mark (<i>Workington</i>) (Con) | |
| † Prentis, Victoria (<i>Minister for Farming, Fisheries and Food</i>) | † attended the Committee |

Third Delegated Legislation Committee

Wednesday 13 July 2022

[HANNAH BARDELL *in the Chair*]

Draft Common Agricultural Policy (Cross-Compliance Exemptions and Transitional Regulation) (Amendment) (EU Exit) Regulations 2022

9.25 am

The Chair: Before I call the Minister to move the motion, I should say that, given the heat, if Members would like to take their jackets off or loosen or take off their ties, I would have no problem with that; and please stay hydrated.

The Minister for Farming, Fisheries and Food (Victoria Prentis): I beg to move,

That the Committee has considered the draft Common Agricultural Policy (Cross-Compliance Exemptions and Transitional Regulation) (Amendment) (EU Exit) Regulations 2022.

It is a great pleasure to serve under your chairmanship, Ms Bardell. These regulations apply to retained EU law relating to the common agricultural policy, including the cross-compliance rules, which farmers and land managers must follow if they are claiming certain rural payments. This SI is entirely technical; it makes no policy changes to retained EU law and makes no provision for future funding. It changes references to the European Commission, member states, EU funding and EU policies, and so on, to the national institutions that we now use, having left the EU. These would, if possible, have been amended or removed from the statute book by our exit SIs in 2020, had the EU regulation that introduced them been made in time. Sadly, it was only published and brought into force in December 2020, so that was not possible.

The instrument also amends schedule 3 to the Common Agricultural Policy (Control and Enforcement, Cross-Compliance, Scrutiny of Transactions and Appeals) Regulations 2014, which set out the circumstances under which a breach of the cross-compliance rules is dealt with. This SI simply extends the list of management agreements and measures, ensuring that farmers who engage in our new schemes are not placed at unfair risk of penalisation for complying with some of the requirements. The instrument has been developed in close consultation with the devolved Administrations and has been laid before Parliament with their consent. It does no more than is appropriate to remove or correct certain inoperable European references and cross-compliance exemptions, and is technical in nature. I commend the regulations to the Committee.

9.27 am

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to serve with you in the Chair, Ms Bardell. As ever, I thank the Minister for her excellent introduction to the instrument, and also for the helpful explanatory

memorandums supplied in advance. I also thank colleagues in the other place for their scrutiny of this SI in Grand Committee.

Committee members will probably be delighted to hear that, because these changes are technical adjustments, we will not be looking to oppose them. We agree that it is unfortunate that EU regulation 2020/2220 was made too close to the end of the transition period to be addressed by the Department's 2020 EU exit SIs. We also agree that it is right that we take this opportunity to remove ambiguities and potential confusion for stakeholders, and we understand the need to remove unnecessary references to member states, EU funding, EU policies, and so on, which no longer apply to UK law.

However, I would like to raise a query about how the cross-compliance regulations interact with the new environmental land management scheme. There was some confusion after the discussion in the Lords when my colleague Baroness Jones pressed the Minister in the other place on whether cross-compliance rules would continue after basic payments had been phased out. He seemed to indicate that they would, when others had understood otherwise, so it would be most helpful if the Minister today clarified the interface between the old cross-compliance and the new arrangements.

Finally, can the Minister provide further clarity on the changes to the scope of the existing cross-compliance exemptions, as set out in schedule 3 to the 2014 regulations? The new exemptions refer only to specific changes made to section 1 of the Agriculture Act 2020 and section 98 of the Environment Act 1995. I would be grateful if she elaborated on why these two provisions are the only two instances where exemptions to cross-compliance rules are necessary. Otherwise, I am happy to proceed.

9.29 am

Victoria Prentis: The confusion in the House of Lords was one of semantics. Cross-compliance, in the sense that we use it as farmers and at the Department for Environment, Food and Rural Affairs, is the compliance regime that stems from the common agricultural policy. Under our new future funding schemes there will be new compliance procedures, but strictly speaking they are not cross-compliance. I hope that distinction makes sense. The position is that cross-compliance, in the traditional sense of the terminology, will end when CAP direct payments are phased out and conclude. We will of course have a new risk-based inspection regime.

Daniel Zeichner: That it is probably what I expected the Minister to say. My one concern, which I raised during the passage of the Agriculture Act 2020, is that there is a danger that we will end up loosening our environmental protections. I would really welcome an assurance from the Minister that cross-compliance will be replaced by an equally rigorous but hopefully less bureaucratic and pernickety system.

Victoria Prentis: Absolutely. The whole tenor of the new schemes is about working with farmers—the terminology that I have used frequently to explain it to the hon. Gentleman is that we are looking more at carrots and less at sticks—but there will of course be a sensible, risk-based and proportionate inspection regime where that is necessary.

The purpose of the new schemes is to bring farmers into more regenerative farming and a more environmentally friendly way of both producing the food that we need and supporting our environmental and carbon capture ambitions. I think the hon. Gentleman knows and agrees with that. The whole tenor of the reforms is to move the agricultural world into a more sustainable place. With that in mind, it is of course important that

we make sure that there is compliance—to use the word in its normal sense—with our new rules and regulations. I think I have dealt with the points raised, so I commend the draft regulations to the Committee.

Question put and agreed to.

9.32 am

Committee rose.

