



House of Commons
Environment, Food and Rural
Affairs Committee

Horticulture Research International: Government Reply to the Committee's Report

Eleventh Special Report

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The Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Environment, Food and Rural Affairs and its associated bodies.

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Committee staff

The current staff of the Committee are Gavin Devine (Clerk), Tim Jarvis (Second Clerk), Richard Kelly and Dr Kate Trumper (Committee Specialists), Mark Oxborough and Louse Combs (Committee Assistants), and Anne Woolhouse (Secretary).

Contacts

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ELEVENTH SPECIAL REPORT

The Environment, Food and Rural Affairs Committee reported to the House on *Horticulture Research International* in its Tenth Report of Session 2002–03, published on 3 July 2003 as HC 873. The Government's Reply to the Report was received on 26 August 2003.

Government response

Introduction

The Government welcomes the Committee's continuing interest in the affairs of Horticulture Research International (HRI). At the date of publication of the Committee's report the Government was planning to make a statement to Parliament about HRI's future. That statement was made on 14 July 2003.

The staff of HRI, as well as the horticulture industry, deserve an end to the uncertainty surrounding the negotiations. (paragraph 9)

We call on all those involved in the negotiations over the future of HRI to work towards a conclusion as a matter of urgency. We see no reason why the future of the organisation cannot be resolved within a very few months, and certainly by 1 October 2003. If this deadline cannot be met we expect the Government to report back to us then with an explanation. (paragraph 11)

The Government announced on 14 July that it had reached agreement with the University of Warwick which would maintain it as a centre of excellence for horticultural R&D. Subject to finalising details of the agreement and to confirmation of the conclusion of a Defra business case that it represents best value, the settlement with the University is expected to contain the following key elements:

- a) HRI will continue to serve the horticulture industry as part of the University;
- b) Defra will grant the University a guaranteed research contract for an agreed programme of work. The contract will be for eight years at a total annual value of £5 million in years 1 to 6, £3.5 million in year 7, and £2 million in year 8;
- c) Defra will transfer HRI's sites at Wellesbourne, Warwickshire and Kirton, Lincolnshire to the University with effect from 1 April 2004, subject to "clawback" arrangements to protect the public purse;

- d) The University will make a financial contribution equivalent to the value of the dwellings and agricultural land at Wellesbourne as assessed by the Valuation Office Agency;
- e) Following a programme of redundancies, the remaining HRI staff at Wellesbourne and Kirton will transfer to the employment of the University on TUPE terms with effect from 1 April 2004;
- f) The University will inherit ongoing redundancy and pension liabilities of transferring staff;
- g) Defra will make a financial contribution to outstanding works required in respect of the Wellesbourne and Kirton estates.

The Government also announced that HRI Efford would close in October 2003.

Negotiations are continuing between Defra and the East Malling Trust for Horticultural Research about the establishment of HRI East Malling and Wye as an independent research station. The negotiations recognise the need to ensure the preservation of the Hops Unit at Wye, together with the stocks and intellectual property rights. The Government agrees that these discussions must be concluded quickly, and certainly no later than 1 October 2003 as the Committee has recommended.

When viewed against the importance of the work undertaken by HRI, and the value of its output to the horticulture industry, the amount of money which has become a stumbling block in negotiations is not very large. We strongly urge the Government to award the strategic research contract as soon as possible, and, in particular, not to seek to micro-manage all aspects of the contract. We also strongly urge it to offer support to HRI for a period beyond the four years called for in the quinquennial review. (paragraph 10)

The agreement between Defra and the University of Warwick includes provision for a research contract covering eight years with minimum Defra expenditure specified for each of those years. The Government believes that this represents a very firm commitment to HRI, the University of Warwick and the horticulture industry. In addition, the University will be able to bid for research contracts let competitively by Defra.

In accordance with normal practice, the contract will include reporting obligations. These are under discussion between Defra, the University and HRI. The aim will be to agree arrangements which provide for an appropriate level of accountability by the University and HRI whilst avoiding unnecessary micro-management by Defra.

Department for Environment, Food and Rural Affairs
26 August 2003