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SESSION 2001–02  
36th REPORT

SELECT COMMITTEE ON  
THE EUROPEAN UNION

ENVIRONMENTAL REGULATION  
AND AGRICULTURE

WITH EVIDENCE

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(Q) refers to a question in oral evidence;

(p) refers to a page of the Report or Appendices or to a page of evidence.

# THIRTY-SIXTH REPORT

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5 NOVEMBER 2002

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By the Select Committee appointed to consider European Union documents and other matters relating to the European Union.

ORDERED TO REPORT

## ENVIRONMENTAL REGULATION AND AGRICULTURE

### EXECUTIVE SUMMARY

The relationship between environmental and agricultural policies is of particular significance in the context of current negotiations on enlargement of the European Union and the Mid-Term Review of the Common Agricultural Policy.

This Report focuses on the need for a new approach to the regulation of agricultural activities, which ensures that environmental goals can be met at least as effectively as under present arrangements but at the same time imposes appreciably lower financial and bureaucratic costs on industry. Many useful initiatives are being undertaken by the farming and food industries and by government departments, public agencies and NGOs. These need to be built on and brought together in a more coherent, coordinated manner.

The Committee recommends the following set of principles, to govern such an approach:

- A new risk-based approach to regulation of farming is needed, which makes full use of self-regulation and avoids formal regulation wherever possible;
- This approach, combined with effective monitoring, will help to minimise costs and maximise efficiency;
- Both regulators and regulated should commit themselves to a partnership approach, with early engagement in the planning and development of new Community legislation;
- This approach should be built around whole-farm planning and environmental management systems;
- The Government should provide support for advice, training and infrastructure during the transitional phase to new regulatory regimes;
- Unnecessary barriers to information exchange (such as the Environment Agency's current inability to access IACS data) must be removed;
- The use of appropriate IT systems in support of an integrated approach to farm planning and environmentally sustainable practices in agriculture should be accelerated;
- The current 10-year timescale for introduction of new systems should be dramatically reduced;
- The case for joined-up government is exceptionally strong in this area.

## PART 1: INTRODUCTION

1. Agricultural and land management activities have a major influence on the rural environment, wildlife, animal and human health, and on the wider economy. The agriculture industry is capable of delivering real environmental benefits, but it is also collectively responsible for a significant level of environmental damage and its associated costs. Environmental legislation is a key tool in protecting the environment and helping to achieve a successful and sustainable agriculture industry and a healthy rural economy.

2. The European Union produces a wide range of legislation on the environment, affecting all industry sectors. Much of this legislation impacts on UK agriculture and related businesses: current attention focuses particularly on four EC Directives in the process of implementation—the Waste Framework Directive, the Nitrates Directive, the Water Framework Directive and the Integrated Pollution Prevention and Control (IPPC).<sup>1</sup> Besides these, there is much other Community environmental legislation (not all of it yet concluded or implemented)<sup>2</sup>, covering (among other things) air quality, chemicals, land quality, waste and packaging, and water quality, as well as cross-cutting legislation such as the proposed Directive on Environmental Liability<sup>3</sup>. Many of these measures affect agriculture in one way or another.

3. In April 2002 Sub-Committee D (Environment, Agriculture, Public Health and Consumer Protection)<sup>4</sup> announced an inquiry into the impact of European Union environmental regulation on United Kingdom agriculture. Important in setting the scene for the inquiry were issues raised in recent reports by the Better Regulation Task Force chaired by Lord Haskins<sup>5</sup> and the Policy Commission on the Future of Farming and Food chaired by Sir Don Curry<sup>6</sup>. Additional focus was provided by the Environment Agency's submission to the Curry Commission and proposals for following up its recommendations.

4. The Environment Agency had drawn attention to looming regulatory burdens on farmers in the environmental field. They argued that if conventional methods were used to implement recent EC legislation, particularly the Waste Framework Directive (which hitherto had not been applied to agricultural waste in the UK), the additional costs to the average farmer could amount to around £5,000 a year and in England and Wales could involve up to 200,000 Agency inspections. The Agency's Chief Executive, Barbara Young<sup>7</sup>, called for rapid introduction of "smarter, less cumbersome regulation", including adoption of an "environmental management standard (EMS), a single framework to help farmers manage their impact on the environment."<sup>8</sup>

5. The Sub-Committee asked in particular for views on the following issues:

6. The economic and practical impact of current and prospective European Union environmental regulations on farming, food and related rural businesses;

- Whether there was sufficient flexibility in Community environmental legislation to allow Member States to implement it in the manner best suited to national and local conditions and, if not, what practical steps could be taken to overcome the problem;

<sup>1</sup> For legislative details see Environment Agency's supplementary written evidence at pp 23–25.

<sup>2</sup> A table showing the state of such legislation can be found in Annex B of the memorandum by the Department of Environment, Food and Rural Affairs (DEFRA) on pp 110–18. See also the Environment Agency's supplementary written evidence (pp 23–5). In addition, English Nature highlight in their Research Report 405 *Identifying baseline standards in agriculture* a very extensive array of Directives and regulations impinging on farmers.

<sup>3</sup> COM(2002)17, 22 February 2002. See 34th Report of the House of Lords European Union Committee, Session 2001–02, *Environmental Liability*, HL Paper 167, 23 July 2002.

<sup>4</sup> See Appendix 1 for membership. A list of those who provided written and oral evidence is in Appendix 2. The specialist adviser for the inquiry was Professor Bill Day, Director of the Silsoe Research Institute of the Biotechnology and Biological Sciences Research Council. The Committee would like to record its thanks to Professor Day for his most helpful advice and to all the witnesses for their valuable contributions to the inquiry.

<sup>5</sup> *Environmental Regulations and Farmers*, Better Regulation Task Force, Cabinet Office, London, November 2000, ISBN 0 7115 0403 2.

<sup>6</sup> *Farming and Food: A sustainable Future*, Policy Commission on the Future of Farming and Food, Cabinet Office, London, January 2002.

<sup>7</sup> Baroness Young of Old Scone

<sup>8</sup> "Will farmers soon be facing a new cash crisis?", *Environment Action*, February 2002, Issue 32, Environment Agency, Bristol.

- The scope for implementing regulations in a user-friendly manner, which avoided creating perverse effects or imposing unnecessary or disproportionate burdens on agriculture, whilst still meeting the agreed environmental objectives of the legislation;
- Opportunities for mitigating regulatory burdens through measures such as pollution prevention (especially diffuse pollution), waste minimisation, recycling and improved crop and livestock husbandry practices; and
- The case for greater self-regulation in return for more targeted external regulation whilst still complying with environmental obligations prescribed in EU legislation.

7. Evidence-taking finished at the end of June 2002. In July, the Committee wrote to the Secretary of State for Environment, Food and Rural Affairs (the Rt Hon Margaret Beckett MP) setting out the emerging conclusions and recommendations of the inquiry.<sup>9</sup> The present Report builds on, without substantially departing from, the provisional conclusions set out in the letter.

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<sup>9</sup> See Appendix 3: letter from the Chairman of the Select Committee dated 25 July 2002. The letter was made available on the Parliamentary website ([www.parliament.uk](http://www.parliament.uk)).

## PART 2: EVIDENCE TO THE INQUIRY

## INTRODUCTION

8. This inquiry attracted an above-average number of submissions, of high quality almost without exception, and the evidence was wide-ranging in scope. Further issues arising from the written evidence were raised in the oral sessions. In the interests of brevity, we have not attempted an exhaustive précis of all the views that were put to us—which would be tedious for the reader and a poor substitute for the original submissions.

9. Instead we have set out, in a series of boxes, the key points made to us, without necessarily attributing them to specific sources. In the accompanying text we highlight, selectively, particular views in more detail.

## THE CURRY REPORT

10. There was general support for the recommendations of the Curry Report<sup>10</sup>, although NFUS had reservations about their relevance to Scotland (Q 45). SEPA endorsed the view that agricultural conditions differed significantly from those in England and Wales (p 168).

11. We invited witnesses to compare the Curry recommendations with those of the Haskins Report *Environmental Regulations and Farmers*. The Chief Executive of the Environment Agency, Baroness Young, reflected a general consensus when she said:

“We did not think there was very much conflict between what Lord Haskins and the Curry Report said, apart from the fact that the Curry Report really did not major on environmental regulation. We were delighted that the Haskins Report did draw attention to the difficulty . . . of late implementation where regulations come in late in the day with very little time for farmers to adjust. We also were delighted to see that the Haskins Report said that there was no evidence of gold-plating, which is a charge which is thrown at us with great regularity.” (Q 14)

## THE ALLEGED BURDENS OF ENVIRONMENTAL REGULATION

12. As mentioned in paragraph 4, our attention was caught by a headline on the front page of the Environment Agency’s monthly newsletter for February 2002, “Will farmers soon be facing a new cash crisis?” The Agency’s Chief Executive outlined for us the main items of EU legislation (existing or imminent) which in their view threatened farmers with such a crisis. Principally they were the regulations needed for implementing the requirements of the Nitrates Directive in relation to designation of Nitrate Vulnerable Zones (NVZs); of the Waste Framework Directive (hitherto not considered applicable to agriculture); and the IPPC<sup>11</sup> Directive (Q 2).

13. The National Farmers’ Union (England and Wales) (NFU) were concerned about the prescriptive nature of much past EU legislation—a concern echoed by the National Farmers’ Union of Scotland (NFUS) and the Scottish Environment Protection Agency (SEPA) (pp 26–31, 170). The Unions favoured much greater use of voluntary approaches, within a broad framework of policy.

14. The general belief among farmers was that environmental regulation imposed major costs on an industry that was not currently profitable. This view was called in question by the Environment Agency: compliance with the Codes of Good Agricultural Practice (see paragraphs 21 and 35) would go some way in ensuring that environmental goals were met without undue financial burdens. The Agency recognised, however, that additional infrastructure investments would be required, e.g. for dealing with slurry and other farm wastes; the case for grant aid for such capital works should be explored (QQ 3–4).

15. English Nature (EN) argued that real improvements in environmental outcomes could be achieved without excessive costs. In particular, they suggested that restricting the use of nitrates, phosphates and pesticides could result in cost-savings as well as protecting environmental assets, and gave a number of examples (p 60). Provided that the external costs of over-use of fertilisers and pesticides were taken into account, they believed that there would be no net adverse effect on farm profitability (QQ 90, 94). This view was echoed by the Royal Society for the Protection of Birds (RSPB) (pp 165–8).

<sup>10</sup> See paragraph 3.

<sup>11</sup> Integrated Pollution Prevention and Control

## DEVELOPING NEW APPROACHES TO ENVIRONMENTAL REGULATION

**Box 1***Developing Successful Approaches to EU Environmental Legislation*

The broad messages emerging from the inquiry were:

- There is a need for early involvement of all stakeholders during the development of legislation.
- It is not just a question of the responsible UK Government Department taking the lead—it should be a collaborative process of potential regulators interacting with the would-be regulated and non-governmental organisations (NGOs).
- All available approaches should be used to provide support, training and investment in order to prepare for incoming legislation, so that its goals can be met with minimal impact and sometimes without regulation.
- Late adoption and implementation of environmental legislation can lead to problems and potentially to more regulation, and so should be avoided.
- The regulatory agencies (Environment Agency, Scottish Environment Protection Agency, English Nature and their counterparts) have a crucial role in developing more flexible and user-friendly approaches.

*Role of the Environment Agency and the Scottish Environment Protection Agency*

16. In England and Wales the Environment Agency has a critical role in the implementation of regulations. We were given copies of the Agency's booklet *Best Farming Practices: Profiting from a good environment*<sup>12</sup>. We asked other witnesses what they thought of it. The general view was that, as well as being attractively produced, the booklet provided welcome evidence of the Agency's keenness to respond constructively to the farming industry's needs, and in language and style that was of direct use.

17. The NFU was positive about the Agency's approach (they had been consulted about the contents of the booklet), but commented that it should be recognised as additional to actual regulation; they saw more benefit if it were to replace regulation (Q 57). EN were concerned that the Agency lacked resources to tackle diffuse—as opposed to point source—pollution<sup>13</sup> effectively, and drew attention to the piecemeal nature of the current regulatory framework (Q 88). The National Trust (NT) commended *Best Farming Practices* as more practical and user-friendly than the Codes of Good Agricultural Practice; however they saw some potential conflict in the Agency's parallel roles as regulator and adviser (Q 121).

18. The counterpart to the Environment Agency in Scotland is the Scottish Environment Protection Agency (SEPA). Mr Kinnaird (NFUS) spoke of an excellent relationship with SEPA (Q 59), particularly over the drawing up of the so-called PEPFAA<sup>14</sup> Code (Q 47). It is clear from the Scottish Agency's own evidence (pp 168–72) that there is a considerable convergence in approach.

*"Joined-up" government*

19. There were suggestions from a number of witnesses that different interests within DEFRA and its principal agencies (the Environment Agency, English Nature and the Countryside Agency) were not operating in a "joined-up" fashion in promoting environmentally friendly agricultural practices, such as whole-farm planning. We asked DEFRA witnesses to respond to this criticism. Mr Taylor said "I think it is probably right that we are not yet operating in as joined-up way as we would like to". He went on, however, to describe the ways in which the newly formed Farm Focus Division (of which he was the Head) was seeking to pull together the different mechanisms through which DEFRA interacted with farmers (Q 190). The formation of this Division within DEFRA was applauded in written evidence from Hampshire County Council (pp 146–50).

<sup>12</sup> R&D Publication 23, Environment Agency, Bristol, 2001, ISBN 1 85 705541 1.

<sup>13</sup> See paragraph 23.

<sup>14</sup> Prevention of Environmental Pollution from Agricultural Activities

20. A slightly different picture emerged from Scotland. Scottish Executive Minister Ross Finnie MSP explained the way in which the Scottish Executive Environment and Rural Affairs Department (SEERAD) was addressing the same issues, in particular through a collaborative process of developing a strategy for the future of farming<sup>15</sup>, complemented by the establishment of an Agriculture and Environment Working Group (see paragraph 26 below). He expressed general satisfaction with the way in which the various elements of government had been working together on these initiatives (QQ 149–50; p 90).

#### ENVIRONMENTAL REGULATION AFFECTING AGRICULTURE

##### Box 2

###### *Issues in regard to environmental regulation affecting agriculture*

- There is a broad raft of Directives, some near to or already implemented giving little scope for transitional support, others now foreshadowed in Framework Directives etc.
- Historical features, SSSIs, uplands and biodiversity should not be overlooked
- Good Agricultural Practice, if properly understood and implemented, meets many base-level requirements but higher levels will go beyond GAP
- Animal health concerns must be linked into any framework of regulation
- There will still be challenges to the knowledge needed to set precise goals for environmental outcomes?
  - Are targets backed by science?
  - What are the implications of pollution swapping
  - What are the implications of the effects of extreme weather
- Waste minimisation and recycling for efficient production systems are important
- There are concerns over the implications of the Waste Directive

#### *Meeting environmental objectives*

21. The Environment Agency, English Nature and others argued that much of the requirements for improved environmental outcomes could be achieved by an effective implementation of the Codes of Good Agricultural Practice. This, however, raised the question whether biodiversity targets and the needs of Sites of Special Scientific Interest (SSSIs) posed greater problems. English Nature, for instance, were concerned about the continuing degradation of SSSIs and other important features of the environment. They considered it essential that at least a very simple whole-farm plan should form part of any entry-level, “broad and shallow”, agri-environment scheme if these concerns were to be met effectively (Q 111).

22. The National Trust explained its ideas for an entry level agri-environment scheme, available to all farmers, which included measures linked to a system of points. Not all of the measures might be considered to relate in a scientifically verifiable way to any concrete environmental improvement per unit of food production (super-extensification, traditional breeds, organic). But it was argued that such a scheme would, among other things, help to reward positive environmental management and facilitate a change in attitude and behaviour (p 76; Q 132).

#### *Diffuse pollution*

23. The point was made by various witnesses (e.g. English Nature) that, to date, environmental regulation had been mostly concerned with point source pollution. There were concerns that diffuse pollution would pose major challenges to the whole regulatory approach. In particular the scientific basis for defining some targets was questionable, and there are major interactions between different environmental outcomes: for example control of ammonia losses may exacerbate nitrate leaching.

<sup>15</sup> *A Forward Strategy for Scottish Agriculture*, SEERAD, Edinburgh, 2001, ISBN 1 84268 891 X.

## PRACTICAL WAYS FORWARD

**Box 3***Developing a new approach: how should it be done*

- Partnership approach
- Whole-farm planning leading to entry-level agri-environment support
- Potential to extend beyond entry-level environment goals
- Many players are involved so particular attention needs to be paid to achieving a joined-up approach
- Seek self-regulation and avoid formal regulation where possible
- Extended farm assurance schemes could underpin self-regulation
- Risk-based regulation is needed
- Effective reporting and monitoring will be needed, but it must be efficient

*Working together—partnership*

24. As well as Government Departments and Agencies, many NGOs and industry bodies have crucial roles to play in successful management of the environmental impact of farming. It was repeatedly argued that an integrated approach was vital. Many witnesses suggested that the way in which EU legislation evolved from initial proposals by the Commission to final implementation in Member States was unsatisfactory. In this context a particularly useful critique of the EU legislative process was provided by the Institute for European Environmental Policy (IEEP) (pp 151–6).

25. The Environment Agency, IEEP and others argued that governments needed to involve regulatory agencies, industry and NGOs much more closely in their negotiations with the Commission, and at a much earlier stage; otherwise Community instruments and implementing regulations tended to emerge in an inappropriate form through inadequate consultation and preparation.

26. SEERAD had established an Agriculture and Environment Working Group with wide stakeholder representation; its Report was published in June 2002.<sup>16</sup> SEERAD Minister Ross Finnie MSP explained the particular role of the Working Group in developing a partnership approach. Partly it had been created in response to a perception that the various interests in the Scottish Executive, the farming industry and NGOs had been “slightly bouncing off against each other, rather than working collaboratively” (Q 150).

27. DEFRA recognised the importance of early involvement of the Environment Agency and other stakeholders in the development and negotiation of new regulations (p 107). Asked to elaborate on how this fresh approach would work in practice, and to compare it with SEERAD’s, Mr Lawson said that “it (SEERAD’s) is not very different from the way that at least we aspire to work and the way in which in general I think we do work” (Q 178). He agreed that the former MAFF could be criticised for taking too narrow a view of partnership in its dialogue with stakeholders.

*“Smarter” regulation—whole-farm environmental management and self-regulation*

28. The Environment Agency is fond of using the term “smarter regulation”. The Chief Executive expanded on this, explaining how the Agency wanted to move away from the traditional approach to regulation, which was characterised by implementation on a régime by régime basis, as each new piece of legislation came forward from Brussels. “Overall what we would like to see is an environmental farm management system which would encourage farmers to take a systematic approach to their environmental management and could form a platform on which they could demonstrate environmental performance, which would allow them to have a much more systematic approach to each of the régimes which they did have to comply with and minimise duplication of paperwork, duplication of systems and duplication of basic requirements across the farm” (Q 2). The

<sup>16</sup> *Custodians of Change*, Report of Agriculture and Environment Working Group, SEERAD, Edinburgh, 2002, ISBN 0 7559 0477 X.

National Trust's evidence revealed a proactive role in the development and implementation of whole-farm planning on the land they own (pp 64–71; Q 122).

29. The NFU queried whether self-regulation could work effectively given the numerous existing regulatory measures, and were concerned that it just shifts workloads from the regulator to the regulated (written evidence paragraph 24). If it brought substantial, as yet undefined, benefits the future position might be different, but this would demand investment in capacity building. NFUS highlighted that aspects of EU legislation are already incorporated into assurance schemes (p 30).

30. A smarter approach to regulation is likely to need to be risk-based. This point was particularly emphasised in the evidence from the Environment Agency and the National Trust. Another point, brought out in SEERAD's submission (paragraph 8), was the importance of voluntary compliance so that greater flexibility with grant-aiding measures was possible. Implementation under the threat of infraction proceedings reduced flexibility.

#### *Farm assurance schemes*

31. Assurance schemes—such as the British Farm Standard scheme—have a high profile in the Curry report. DEFRA considered that the principle of a risk based approach implied a degree of self-regulation. The development of Environmental Management Systems, by the Environment Agency in conjunction with NFU, would facilitate self-regulation by building appropriate planning and management into the business management activities of the farm. Assurance schemes may have a role as a mechanism to ensure that environmental standards are being met, and thus allowing a lighter regulatory touch (p 108).

32. The NFU and NFUS emphasised the importance of assurance schemes for ensuring that agreed practices were in place (Q 47), but queried their relevance to higher level environmental objectives or enhancements, and to policing. The relevance of assurance schemes for providing basic standards of environmental management was acknowledged by many including SEERAD (Q 157) and English Nature (Q 87). However the National Trust pointed out potential conflicts if assurance schemes were also seeking to achieve local competitive advantage (Q 120).

#### IMPLEMENTATION AND SUPPORT

##### **Box 4**

##### *How environmental regulation should be implemented and supported*

- Early implementation plus transitional support, before any second phase of hard regulation for difficult areas and further support for more advanced environmental goods
- Transitional phase must have active government support for advice, infrastructure and training, and also support for more advanced environmental goals
- Current Codes of Good Agricultural Practice are not read or understood and therefore are not fit for purpose – improved methods of communicating GAP are essential
- Environmental Management Systems provide an approach that links business and environmental advice, but will require an improvement in the availability and consistent quality of advice
- There is a major requirement for efficient information flow to and from farmers
- This has implications for IT and for appropriate advanced information systems
- Access to information for the regulator can improve the efficiency of regulation and support

#### *Implementation of EU legislation*

33. A recurrent theme during the inquiry was the need for early discussion and preparation of the domestic rules which implement new EU law. It was argued that during a transitional phase it was possible to help the farming industry prepare for new regulations, for example through the Second

Pillar<sup>17</sup> of the CAP, but it was noted that support was no longer possible once the regulations had formally come into effect.

34. We asked DEFRA whether they saw any merit in the suggestion that during the run-up to implementation a voluntary approach, supported by training and investment in infrastructure, the requirements of a Directive might be met without recourse to additional regulation. Mr Lowson commented that this seemed to be at odds with what the Better Regulation Task Force had advised—that early implementation should be avoided. He also cautioned against the idea of providing financial assistance to farmers for compliance with environmental regulations (Q 180).

*Information, advice and guidance*

35. Access to information, and efficient ways of handling and managing it, are crucial to an integrated approach to environmental regulation. Among the issues which were put to the inquiry were:

- the fact that codes of Good Farming Practice, although widely available, were rarely read and little understood.;
- the need for the Environment Agency to have access to farm information provided for IACS purposes or through the Census, to enable them to adopt a risk-based approach to assessment and inspection;
- the scope for IT based approaches, like the LaMIS<sup>18</sup> system being developed with Hampshire County Council and others, to integrate land management information and regional objectives;
- the need for a single portal (“one-stop shop”) for information.

36. There is a wide array of agencies involved in the development of ideas to direct, support or encourage an improved environmental footprint for farming or to regulate its imposition. The National Trust had invested in in-house advisers to serve its tenant farmers, at no cost to them. They saw this as complementing, rather than substituting for, the farm business advisory services of the Rural Development Service (QQ 127–8).

37. Given the important potential role of whole-farm planning and advice in the dissemination and achievement of better environmental controls in agricultural land management, it was interesting to note that the Scottish position on agricultural advice was markedly different from that in other parts of the UK, being closer to the arrangements which used to apply in England and Wales, when services were provided by NAAS and ADAS. A number of witnesses called, in effect, for the restoration of ADAS, which among other things had provided free environmental advice, coupled with business advice. It was noted, however, that there was scope under current arrangements to obtain such advice through Business Link.

38. As part of its effort to rationalise the amount of regulation affecting farmers, DEFRA is developing an IT-based whole-farm approach designed to bring together all information held by the Department and other agencies. The information will be available to farmers and growers for business planning, and to Government for streamlining of enforcement, tailoring advice and guidance to farmers’ individual circumstances. It will help to integrate environmental regulation into other regulation to minimise the cumulative burden on farmers.

39. In the long term it is envisaged that each farmer would have electronic access to a site containing detailed environmental and business-related information based on a geographic information system (GIS) linked to subsidy and animal identification databases. From this, farmers would be able to:

- update and confirm information as a basis for claiming subsidy;
- maintain records required by law;
- register plans for compliance with regulatory requirements.<sup>19</sup>

<sup>17</sup> i.e. rural development and environmental measures (the CAP’s “First Pillar” comprises market price support and direct payments to farmers)

<sup>18</sup> Land Management Information System (see Hants CC written evidence at pp 156–9).

<sup>19</sup> DEFRA written evidence, p 108.

40. The timescale for working up these proposals appeared excessively long: Mr Taylor was not confident that it could be achieved in less than ten years (Q 191).

#### INTERNATIONAL COMPARISONS

##### **Box 5**

###### *Comparisons with other EU Member States*

- IPPC has its origins in industrial legislation and is arguably insufficiently flexible for application to farming. It may however be seen as more relevant to the UK than to most Member States, because average UK farm size is above the Community average.
- English Nature and the Environment Agency have provided examples of positive approaches and involvement in other Member States.
- There are suggestions that farmers in Belgium, Denmark and Netherlands may perceive new EC legislation as less burdensome, because they already have nutrient budgeting and similar systems in place.
- Fewer permitting and compliance costs are passed on to the farmer in some other parts of the EU compared with the UK.
- The consequence of failing to impose standards on competitor countries still needs addressing.

41. English Nature suggested that the Better Regulation Task Force was right to downplay the assertion that UK farming had been subjected to over-enthusiastic implementation of regulations. Evidence from the Environment Agency and the NFU underlined the risk that the UK might be importing more food than would otherwise be the case from parts of the world where farming practices were less friendly to the environment.

42. We were given examples of activities in France, Netherlands and other EU countries where support for transitional activities and whole-farm approaches to manage nutrient flows etc were being used.

43. DEFRA's written memorandum recorded various costs, associated with the implementation of regulations, that the Environment Agency would need to recover, following the Polluter Pays Principle (pp 104–6). Evidence from other witnesses, however, suggested that elsewhere in Europe fewer of the costs of permitting and compliance were passed on to the farmer than was required in the UK. Imposing greater compliance costs in new regulations (or in the UK compared with other EU Member States) was self-defeating from the point of view of achieving a competitive industry.

## PART 3: CONCLUSIONS AND RECOMMENDATIONS

44. We are concerned that current approaches to regulation of the farming sector should not be set in stone. It is vital that past mistakes which have occurred in the agricultural and other sectors—such as the classification of farm wastes and the problems of refrigerator and tyre mountains—are not allowed to recur.

45. The purpose of the inquiry has not been to challenge the need for the UK agriculture industry to conform to EU environmental legislation, but to look at how this is best achieved in a proportionate, effective and user-friendly way, having regard to the special characteristics of the industry. We need to bear in mind that over 70 per cent of the UK land surface is dedicated to farming and related activities, in the hands of tens of thousands of businesses of which a substantial proportion do not even rank as SMEs but are small family businesses, often literally one-man bands and existing on low incomes.

*A new approach to environmental regulation is needed*

46. There is an extensive array of EU environmental legislation, both extant and in the pipeline, that potentially has major impacts on farming and the management of the farmland environment. Evidence heard by the Sub-Committee has reinforced the view that this is a critical time for farming and the environment, and that important and innovative changes to environmental regulation of farming are needed now. This is particularly important in the context of tackling diffuse pollution, which is acknowledged by many as a major challenge for regulators and regulated alike. Continuing the traditional approach to regulation, with its major burdens on costs and resources and its piecemeal structure, is not an option.

*Engage the stakeholders at the formative stage*

47. The message is clear: the UK needs to play a more proactive part in the development of EU environmental legislation. This is not a task for the UK Government alone. Earlier engagement of the agencies responsible for the implementation of regulations—the Environment Agency in England and Wales and its counterparts in Scotland and Northern Ireland—is needed to ensure that proposed approaches are proportionate and practicable. It is essential, however, that this developmental phase should also involve the farming and food industry so that there is clear awareness of the implications of future policy. The evidence points to major benefits which can be had from planned (and supported) preparation, from the earliest stages of European legislative proposals, involving a partnership approach between regulator and regulated.

48. There is also a need to ensure that stakeholders and national parliamentary scrutiny committees are kept informed of changes to proposed legislation during the later stages of the EU legislative cycle, including the conciliation procedure, since these can have quite major implications for the Regulatory Impact Assessments produced at earlier stages and even undermine preparations being made by industry for compliance with new rules. The problem of effective scrutiny at conciliation stage in particular is one of the issues being considered in the Select Committee's current review of the House's scrutiny of European legislation, and will be addressed in a forthcoming Report.

49. Late and hurried implementation of EU legislation is a symptom of failure to engage regulators and other stakeholders in the crucial developmental stage. They can lead to problems and potentially to even more regulation. This can be seen from the threat of infraction proceedings by the Commission against the UK for failure to bring farm wastes within the scope of the Waste Framework Directive and, in another field, from the débâcle over scrap refrigerators. Even where regulatory requirements are crystal clear (as with the impending ban on landfilling of old tyres), the traditional UK approach of relying on market mechanisms may not be sufficient to ensure compliance—however much the “polluter pays” principle is invoked. At the moment the market for waste plastics is not adequate to enable farmers to comply with the proposed Agricultural Waste Regulations.

50. There is a serious question over whether the market can simply be left to respond to new regulatory requirements—particularly those which concern disposal and recycling of wastes—or whether some pump-priming or other forms of economic incentive are needed. It is an issue which has arisen in a number of previous reports by this Committee and its predecessor. Although our Report on Packaging and Packaging Waste<sup>20</sup> does not recommend a reappraisal of the market-based system in

<sup>20</sup> *Packaging and Packaging Waste: Revised Recovery and Recycling Targets*, EU Committee 33rd Report (2001–02), HL 166, 2 August 2002.

that context, there may be a case for other solutions for the agricultural industry. In its approach to regulation, and in drawing up regulatory impact assessments, the Government needs to take a hard look, without preconceptions, at what the market seems capable of delivering and to devise solutions which are proportionate and practicable for the industry.

### *Partnership*

51. A partnership approach is needed to ensure an efficient and effective regulatory regime, capable of delivering the desired environmental outcomes and supporting a sustainable farming industry. The evidence suggests that in Scotland environmental priorities are being determined and achieved through a strong spirit of partnership. In England and Wales there is less evidence of this. There are many agencies that have a legitimate interest in farming and the environment, and most are strong advocates of closer partnership. DEFRA acknowledges the value of the approach in principle, but still appears to operate through consultation and arms-length dialogue with stakeholders rather than working together as partners with shared objectives. Whatever the reasons for past difficulties, active and positive partnership is now essential to ensure that the real goals for our environment can be met.

### *A risk-based approach to regulation, with more self-regulation*

52. This kind of partnership is essential if a risk-based approach to regulation is to be adopted, in which an appropriate base of self-regulation is enhanced by more detailed and formal controls in difficult areas. Farm assurance schemes have been suggested as the basis for self-regulation; with industry support, they could help to ensure that base level environmental requirements are met within the framework of existing assurance regimes. Self-regulation and a risk-based approach to monitoring and enforcement are an essential feature of good environmental regulation. They hold the key to controlling costs, delivering real goals and ensuring that the partnership approach is successful.

### *Whole-farm planning and EMS*

53. Whole-farm planning and Environmental Management Systems are integral to ensuring that the whole range of environmental goals can be met—not just effects on soil, air and water, but also impacts on the historical landscape and biodiversity, as well as animal health and welfare issues. In the course of the inquiry we were given examples of how in some other European countries management planning, particularly for mineral nutrient use on farms, has provided an effective basis for regulation directed at environmental goals.<sup>21</sup> Whole-farm planning should be seen as a necessary condition for entry-level agri-environment support, with the potential to attract support for higher-level environmental goals. We must make full use of such tools to establish a whole-farm approach, and enable farm planning to be part of wider-scale catchment and regional plans that are an essential part of environmental management.

54. We have been particularly impressed by the National Trust's approach to farm planning, which it has developed in partnership with its tenants. We feel it is a model of what can be achieved in a straightforward, user-friendly way, without recourse to a manual the size of a telephone directory. We are aware of other schemes too, some of them supported by DEFRA and the devolved administrations, which deserve to be more widely applied and publicised.

### *Good agricultural practice*

55. Witnesses agree that, in many circumstances, Good Agricultural Practice as defined in existing Codes would go a long way to meet environmental goals, e.g. on nitrates. However the documents defining these Codes are not written in the sort of user-friendly language which would enable them to serve as practical working guidance which farmers can adopt effectively. The Codes are rarely read and even more rarely understood. It is essential that Codes of Good Agricultural Practice underpin the new approach to partnership in order to meet environmental goals. That requires a new approach to their formulation.

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<sup>21</sup> See, for example, English Nature's supplementary written evidence at pp 60–61.

*Supporting the transition to new regulatory regimes*

56. European legislation that has already been implemented, or is near to being implemented, offers little opportunity for a fresh approach. But for the future, before any new domestic regulation is put in place, including regulations stemming from framework Directives (Water, Waste, etc), a broader and more flexible approach to environmental regulation will be appropriate. This should include a transitional regime during which Government support for advice and training, infrastructure and even capital grants should be available. In some instances it may even be possible to avoid formal regulation through adoption of voluntary self-regulation.

57. The Rural Development Regulation (under CAP Pillar II) provides a basis on which this support can be provided, but its application depends on the early development of well-managed regimes. It would be through support at the stage of early adoption of these regimes that the potential to avoid formal regulation could be realised.

*A one-stop-shop for advice*

58. A partnership approach to effective and sustainable land management must be supported by clear advice and guidance and the establishment of appropriate infrastructure. One of the issues which came up over and over again during the inquiry was the need for integrated advice on best practice and the requirements of legislation. We see this as essential to the development of environmentally sustainable farming practices.

59. Environmental Management Systems require the linking together of business and environmental advice. In England in particular, there is a very varied level and quality of support available, through agencies, NGOs and Government schemes across the country. Sound and affordable environmental advice and business advice provided in an integrated manner to both individuals and communities is essential. We therefore believe there is a pressing need to recreate, in a modern context, the best features of the former NAAS and ADAS. Essentially this means ensuring that good advice is available from local and accessible sources. Moreover there is a persuasive argument that advice should be free, since prevention of problems at source can be much more cost-effective than subsequent clean-up—a potentially big issue in cases of diffuse pollution.

60. The establishment of the Farm Focus Division within DEFRA is a positive step, but full commitment to a joined-up approach appears to us to be lacking. We would like to see Farm Focus being given a regional dimension, based on the Department's existing regional structure, with perhaps an integrated teams located in each region.

*Information transfer and Information Technology (IT)*

61. Information provision and exchange will play a critical part in supporting a better regulated environment for agriculture. There is scope for achieving much greater efficiency in agricultural support and regulation by breaking down barriers to the effective use of existing information, and ensuring that it has only to be supplied once. Multiple visits to the same farm and repetitious gathering of information are a serious waste of time and resources for both farmers and regulators. More effective use should be made of IT and unnecessary restrictions on access to centrally held data—IACS information is a case in point—should be removed.

62. Integrated frameworks for farm planning can provide the basis on which provision of information, both to the farmer and from the farmer to Government and its regulators, can be made more efficient. In the medium term, IT will be crucial in ensuring efficient flow of information to all parties. A number of initiatives are under way, which is encouraging, but their objectives are not well co-ordinated, and a balance must be struck between technical sophistication and an urgent need to introduce systems which can be used now.

63. We were therefore astounded to be told by DEFRA officials that it could take up to 10 years to achieve proper integration of systems. This timescale is unacceptable and seems to be at variance with evidence we have received from other witnesses (e.g. Hampshire County Council). The Department must set much more realistic targets for putting improved IT systems in place. If necessary, these should establish interim improvements, with further developments planned for the future.

*The general mood is in favour of change*

64. All major players appear ready to adopt a fresh approach to the development, implementation and management of environmental regulations affecting farming. A commitment to partnership, with proper government support, will be essential. There is ample evidence of the benefits that can be achieved through appropriate improvements in land management practices. Extending the traditional approach to regulation of farming activities would involve costs and investment in infrastructure that is wholly unsustainable. The Government needs to be bold in seeking a new approach. We applaud the establishment of the new Farm Focus Division but consider that it needs to be much better resourced and given greater priority within DEFRA.

*Joined-up Government*

65. Although the need for more “joined-up” government has become something of a mantra, not least in Reports by this Committee, we feel that this is an area in which the need is particularly great. We commend the DEFRA witness’s frankness (paragraph 19) in admitting that there was still some way to go. But we would still wish to express our disappointment at this lack of progress towards an objective which was one of the fundamental reasons for the creation of DEFRA a year and a half ago.<sup>22</sup>

*Recommendations*

66. The conclusions of this inquiry have focused on the need for a new approach to the regulation of agricultural activities, which ensures that environmental goals can be met at least as effectively as under present arrangements but at the same time imposes appreciably lower financial and bureaucratic costs on industry. Many useful initiatives are being undertaken by the farming and food industries and by government departments, public agencies and NGOs. These need to be built on and brought together in a more coherent, coordinated manner. The Committee’s recommendations take the form of principles which should govern such an approach:

- (a) A new risk-based approach to regulation of farming is needed, which makes full use of self-regulation and avoids formal regulation wherever possible;
- (b) This approach, combined with effective monitoring, will help to minimise costs and maximise efficiency;
- (c) Both regulators and regulated should commit themselves to a partnership approach, with early engagement in the planning and development of new Community legislation;
- (d) This approach should be built around whole-farm planning and environmental management systems;
- (e) The Government should provide support for advice, training and infrastructure during the transitional phase to new regulatory regimes;
- (f) Unnecessary barriers to information exchange (such as the Environment Agency’s current inability to access IACS data) must be removed;
- (g) The use of appropriate IT systems in support of an integrated approach to farm planning and environmentally sustainable practices in agriculture should be accelerated;
- (h) The current 10-year timescale for introduction of new systems should be dramatically reduced;
- (i) The case for joined-up government is exceptionally strong in this area.

## RECOMMENDATION TO THE HOUSE

67. The relationship between environmental and agricultural policies is of particular significance in the context of current negotiations on enlargement of the European Union and the Mid-Term Review of the Common Agricultural Policy, and raises issues which the Committee feels should be drawn to the attention of the House. It therefore makes this Report for debate.

<sup>22</sup> See House of Commons, Environment, Food and Rural Affairs Committee, 10th Report (2001–02), *The Role of DEFRA*, HC 991, 14 October 2002.

APPENDIX 1  
*Sub-Committee D*  
*(Environment, Agriculture, Public Health and Consumer Protection)*

*Members of the Sub-Committee*

Baroness Billingham  
Lord Crickhowell  
Lord Christopher  
Lord Dubs  
Lord Fyfe of Fairfield  
Baroness Maddock  
Baroness Miller of Chilthorne Domer  
The Countess of Mar  
Lord Palmer  
Earl of Selborne (Chairman of the Sub-Committee)  
Lord Walpole

The Specialist Adviser was Professor Bill Day

Members of the Sub-Committee declared the following interests in relation to this inquiry:

Lord Christopher  
Consultant to British Nuclear Fuels plc  
Countryside Member of NFU  
Member RSPB and National Trust

Lord Fyfe of Fairfield  
Former Chairman, Co-operative Wholesale Society 1989-2000

The Countess of Mar  
Farmer  
Cheese Maker

Baroness Miller of Chilthorne Domer  
Somerset County Councillor  
Chairman Somerset Food Links

Lord Palmer  
Arable Farmer  
Member of NFU for Scotland  
President of The British Association of Biofuels

The Earl of Selborne  
Director, Blackmoor Estate Ltd (a farming company)  
President, The Institute of Agricultural Management  
Trustee, The Lawes Trust (Rothamsted Experimental Station)  
Member, The Commercial Farmers Group  
Member, Country Land and Business Association  
Member, National Farmers' Union (England and Wales)

Lord Walpole  
Landowner, retired Farmer, Gardener. Active in countryside conservation since 1982.  
Vice-President, Council for National Parks  
Director, Peter Beales Roses  
Member, Country Land and Business Association, National Trust

## APPENDIX 2

*List of Witnesses*

The following witnesses gave evidence. Those marked \* gave oral evidence.

- The Commercial Farmers Group
- Council for British Archaeology
- Country Land and Business Association
- \* Department for Environment, Food and Rural Affairs
- English Heritage
- \* English Nature
- \* Environment Agency
- Fertiliser Manufacturers Association
- Hampshire County Council
- Institute for European Environmental Policy
- Institute of Grassland & Environmental Research
- \* National Farmers' Union of England and Wales
- \* National Farmers' Union of Scotland
- National Sheep Association
- \* National Trust
- Natural Environment Research Council
- Royal Society for the Protection of Birds
- Scottish Environment Protection Agency
- \* Scottish Executive Environment and Rural Affairs Department
- United Kingdom Agricultural Supply Trade Association
- Water UK
- Wildlife and Countryside Link

## APPENDIX 3

*Letter from the Chairman of the Select Committee on the European Union to the Secretary of State for Environment, Food and Rural Affairs*

**THE IMPACT OF EU ENVIRONMENTAL REGULATIONS  
ON UK AGRICULTURE**

As you know, Sub-Committee D has been conducting an inquiry into this area of policy for the past three months, taking as its starting point the report of the Policy Commission on the Future of Farming and Food, chaired by Sir Don Curry, and the earlier report (*Environmental Regulations and Farmers*) by the Better Regulation Task Force, chaired by Lord Haskins. Some of the conclusions now emerging from the inquiry will be relevant to consideration of the Commission's proposals for the mid-term review of the CAP, to which the Sub-Committee is turning for its next inquiry.

The full report on the present inquiry will be ready for publication, with evidence, soon after the House returns after the summer recess. There are, however, some immediate messages emerging from the inquiry which, as the Government develops its response to the Curry Report, we believe should be stated as a matter of urgency. In particular, we are concerned that current approaches to regulation of the farming sector should not be set in stone. It is vital that past mistakes which have occurred in the agricultural and other sectors—such as the classification of farm wastes and the problems of fridge and tyre mountains—are not allowed to recur.

The purpose of the inquiry has not been to challenge the need for the UK agriculture industry to conform to EU environmental regulations, but to look at how this is best achieved in a proportionate, effective and user-friendly way, having regard to the special characteristics of the industry. We need to bear in mind that over 70 per cent of the UK land surface is dedicated to farming and related activities, in the hands of tens of thousands of businesses of which a substantial proportion do not even rank as SMEs but are small family businesses, often literally one-man bands.

*A new approach to environmental regulation is needed*

There is an extensive array of EU environmental legislation, both extant and in the pipeline, that potentially has major impacts on farming and the management of the farmland environment. Evidence heard by the Sub-Committee has reinforced the view that this is a critical time for farming and the environment, and that important and innovative changes to environmental regulation of farming are needed now. This is particularly important in the context of tackling diffuse pollution, which is acknowledged by many as a major challenge for regulators and regulated alike. Continuing the traditional approach to regulation, with its major burdens on costs and resources and its piecemeal structure, is not an option.

*Engage the stakeholders at the formative stage*

The message is clear: the UK needs to play a more proactive part in the development of EU environmental legislation. Earlier engagement of the agencies responsible for the implementation of regulations—the Environment Agency in England and Wales and its counterparts in Scotland and Northern Ireland—is needed to ensure that proposed approaches are proportionate and practicable. It is essential, however, that this developmental phase should also involve the farming and food industry so that there is clear awareness of the implications of future policy. The evidence points to major benefits which can be had from planned (and supported) preparation, from the earliest stages of European legislative proposals, involving a partnership approach between regulator and regulated.

Late transposition and hurried implementation of EU regulations are symptoms of failure to engage regulators and other stakeholders in the crucial developmental stage. This can be seen from the threat of infraction proceedings by the Commission against the UK for failure to bring farm wastes within the scope of the Waste Framework Directive and, in another field, from the débâcle over scrap refrigerators. Even where regulatory requirements are crystal clear (as with the impending ban on landfilling of old tyres), the traditional UK approach of relying on market mechanisms may not be sufficient to ensure compliance—however much the “polluter pays” principle is invoked. At the moment there is no market for waste plastics which would enable farmers to comply with the proposed Agricultural Waste Regulations.

There is a serious question over whether the market can simply be left to respond to new regulatory requirements—particularly those which concern disposal and recycling of wastes—or whether some pump-priming or other forms of economic incentive are needed. We shall return to this question in our Report, but it is an issue which has arisen in a number of previous reports by this Committee and its predecessor. Although our imminent Report on Packaging and Packaging Waste does not recommend a reappraisal of the market-based system in that context, there may be a case for other solutions for the agricultural industry. In its approach to regulation, and in drawing up regulatory impact assessments, the Government needs to take a hard look, without preconceptions, at what the market seems capable of delivering and to devise solutions which are proportionate and practicable for the industry.

#### *Partnership*

A partnership approach is needed to ensure an efficient and effective regulatory regime, capable of delivering the desired environmental outcomes and supporting a sustainable farming industry. The evidence suggests that in Scotland environmental priorities are being determined and achieved through a strong spirit of partnership. In England and Wales there is little evidence of this. There are many agencies that have a legitimate interest in farming and the environment, and most are strong advocates of closer partnership. Your Department acknowledges the value of the approach in principle, but still appears to operate through consultation and arms-length dialogue with stakeholders rather than working together as partners with shared objectives. Whatever the reasons for past difficulties, active and positive partnership is now essential to ensure that the real goals for our environment can be met.

#### *A risk-based approach to regulation, with more self-regulation*

This kind of partnership is essential if a risk-based approach to regulation is to be adopted, in which an appropriate base of self-regulation is enhanced by more detailed and formal controls in difficult areas. Farm assurance schemes have been suggested as the basis for self-regulation; with industry support, they could help to ensure that base level environmental requirements are met within the framework of existing assurance regimes. Self-regulation and a risk-based approach to monitoring and enforcement are an essential feature of good environmental regulation. They hold the key to controlling costs, delivering real goals and ensuring that the partnership approach is successful.

#### *Whole farm planning and EMS*

Whole farm planning and Environmental Management Systems are integral to ensuring that the whole range of environmental goals can be met—not just effects on soil, air and water, but also impacts on the historical landscape and biodiversity. There are many examples in Europe in which management planning, particularly for mineral nutrient use on farms, has provided an effective basis for regulation towards environmental goals. We must make full use of such tools to establish a whole farm approach, and enable farm planning to be part of wider-scale catchment and regional plans that are an essential part of environmental management.

We have been particularly impressed by the National Trust's approach to farm planning, which it has developed in partnership with its tenants. We feel it is a model of what can be achieved in a straightforward, user-friendly way, without recourse to a manual the size of a telephone directory. We are aware of other schemes too, some of them supported by your Department, which deserve to be more widely applied and publicised.

#### *Good agricultural practice*

Witnesses agree that, in many circumstances, Good Agricultural Practice as defined in existing Codes would go a long way to meet environmental goals. However the documents defining these Codes are not written in the sort of user-friendly language which would enable them to serve as practical working guidance which farmers can adopt effectively. The Codes are rarely read and even more rarely understood. It is essential that Codes of Good Agricultural Practice underpin the new approach to partnership in order to meet environmental goals. That requires a new approach to their formulation.

*Supporting the transition to new regulatory regimes*

A broader and more flexible approach to environmental regulation will require a transitional regime for any new regulation to be put in place, during which Government support for advice and training, infrastructure and even capital grants should be available. The Rural Development Regulation (under CAP Pillar II) provides a basis on which this support can be provided, but its application depends on the early development and adoption of well managed regulatory regimes.

*A one-stop-shop for advice*

A partnership approach to effective and sustainable land management must be supported by clear advice and guidance and the establishment of appropriate infrastructure. One of the issues which came up over and over again during the inquiry was the need for integrated advice on best practice and the requirements of legislation. We see this as essential to the development of environmentally sustainable farming practices. In England in particular, there is a very varied level and quality of support available, through agencies, NGOs and Government schemes across the country. We believe there is a pressing need to recreate, in a modern context, the best features of the former NAAS and ADAS. Sound environmental advice and business advice provided in an integrated manner to both individuals and communities is essential.

*Information transfer and Information Technology (IT)*

Information provision and exchange will play a critical part in supporting a better regulated environment for agriculture. There is scope for achieving much greater efficiency in agricultural support and regulation by breaking down barriers to the effective use of existing information, and ensuring that it has only to be supplied once. Multiple visits to the same farm and repetitious gathering of information are a serious waste of time and resources for both farmers and regulators. More effective use should be made of IT and unnecessary restrictions on access to centrally held data—IACS information is a case in point—should be removed.

Integrated frameworks for farm planning can provide the basis on which provision of information, both to the farmer and from the farmer to Government and its regulators, can be made more efficient. In the medium term, IT will be crucial in ensuring efficient flow of information to all parties. A number of initiatives are under way, which is encouraging, but their objectives are not well co-ordinated, and a balance must be struck between technical sophistication and an urgent need to introduce systems which can be used now. We were therefore most disappointed to be told by DEFRA officials on 26 June that it could take up to 10 years to achieve proper integration of systems. This timescale is unacceptable and seems to be at variance with evidence we have received from other witnesses (e.g. Hampshire County Council).

*The general mood is in favour of change*

All major players appear ready to adopt a fresh approach to the development, implementation and management of environmental regulations affecting farming. A commitment to partnership, with proper government support, will be essential. There is ample evidence of the benefits that can be achieved through appropriate improvements in land management practices. Extending the traditional approach to regulation of farming activities would involve costs and investment in infrastructure that is wholly unsustainable. Government needs to be bold in seeking a new approach.

*Some provisional recommendations*

Take a new risk-based approach to regulation of farming, making full use of self-regulation and avoiding formal regulation where possible;

Commit to a partnership approach between regulators and regulated, with early engagement in EU planning;

Build the approach around whole farm planning and environmental management systems;

Commit to government support for advice, training and infrastructure during the transitional phase to new regulatory regimes;

Remove barriers to information exchange and accelerate the use of appropriate IT systems in support of an integrated approach to farm planning and environmentally sustainable practices in agriculture.

I hope you find these comments helpful at this stage. I shall be arranging for this letter to be publicised on Parliament's website shortly.

I am copying this letter to the Leader of the House, to Sir Andrew Turnbull, to the Chairmen and Clerks of the House of Commons European Scrutiny and Environment, Food and Rural Affairs Committees, to Les Saunders (Cabinet Office) and to Graham Collins (Departmental Scrutiny Co-ordinator, DEFRA).

25 July 2002

**LIST OF COMMON ACRONYMS USED IN THE REPORT**  
**(including acronyms used in the evidence but not defined in context)**

|       |  |        |  |
|-------|--|--------|--|
| ADAS  | Agricultural Advisory Service                      | LEAF   | Linking Environment and Farming                                    |
| AONBs | Areas of Outstanding Natural Beauty                | LFAs   | Less Favoured Areas  |
| CAP   | Common Agricultural Policy                         | MAFF   | Ministry of Agriculture, Fisheries and Food                        |
| CCW   | Countryside Council for Wales                      | MAGIC  | Multi-Agency Geographic Information for the Countryside            |
| DEFRA | Department for Environment, Food and Rural Affairs | NAAS   | National Agricultural Advisory Service                             |
| EA    | Environment Agency                                 | NFU    | National Farmers' Union (England and Wales)                        |
| ECJ   | European Court of Justice                          | NFUS   | National Farmers' Union (Scotland)                                 |
| EH    | English Heritage                                   | NGOs   | Non-governmental organisations                                     |
| EIA   | Environmental Impact Assessment                    | NT     | National Trust   |
| EMS   | Environmental Management Standard                  | NVZs   | Nitrate Vulnerable Zones   |
| EN    | English Nature                                     | PEPFAA | Prevention of Environmental Pollution from Agricultural Activities |
| EQSs  | Environmental Quality Standards                    | RDP    | Rural Development Plan   |
| ESAs  | Environmentally Sensitive Areas                    | RIA    | Regulatory Impact Statement  |
| FMD   | Foot and mouth disease                             | RPA    | Rural Payments Agency  |
| FTE   | Full-time equivalent                               | RSPB   | Royal Society for the Protection of Birds                          |
| GAP   | Good agricultural practice                         | SACs   | Special Areas of Conservation                                      |
| GIS   | Geographic information system                      | SEERAD | Scottish Executive Environment and Rural Affairs Department        |
| IACS  | Integrated Administration and Control System       | SEPA   | Scottish Environment Protection Agency                             |
| ICM   | Integrated crop management                         | SMEs   | Small and Medium-sized Enterprises                                 |
| IEEP  | Institute for European Environmental Policy        | SNH    | Scottish Natural Heritage  |
| IPPC  | Integrated Pollution Prevention and Control        | SPAs   | Special Protection Areas   |
| IT    | Information technology                             | SSSIs  | Sites of Special Scientific Interest                               |
| LaMIS | Land Management Information System                 |        |  |

