

Scottish Affairs Committee

Oral evidence: [The future of Scottish agriculture post Brexit](#), HC 1637

Tuesday 26 February 2019

Ordered by the House of Commons to be published on 26 February 2019.

[Watch the meeting](#)

Members present: Pete Wishart (Chair); Deidre Brock; Hugh Gaffney; Kirstene Hair; Christine Jardine; John Lamont; Tommy Sheppard; Ross Thomson.

Questions 263 - 313

Witnesses

I: Bruce Wilson, Public Affairs Manager, Scottish Wildlife Trust, Sheila George, Food and Environment Policy Manager, WWF Scotland, Professor Colin Reid, Professor of Environmental Law, University of Dundee, and Aoife Behan, Director, Soil Association Scotland.

Written evidence from witnesses:

- [WWF Scotland](#)
- [Professor Colin Reid](#)

Examination of witnesses

Witnesses: Bruce Wilson, Sheila George, Professor Colin Reid and Aoife Behan.

Q263 **Chair:** Welcome to the Scottish Affairs Committee and thank you for coming along this morning to help us out with our Scottish agriculture inquiry. For the record, please say who you are, who you represent and anything by way of a short introductory statement. We will start, as traditional, from left to right. Mr Wilson?

Bruce Wilson: Thanks. My name is Bruce Wilson. I am public affairs manager at the Scottish Wildlife Trust. We have put quite a lot of effort recently into our land stewardship policy, which details our policy in relation to agriculture.

Aoife Behan: My name is Aoife Behan. I am director of Soil Association Scotland. We are a food and farming charity, and our vision is good food for all, produced to care for the natural world. We are an interesting organisation, in that we work across the supply chain in Scotland, so we work with about 1,000 farmers every year. They are farmers not only farming organically, but farmers and land managers who want to make more sustainable changes to their practice. On the demand side, we work with Scottish local authorities—over one-third of Scottish local authorities—to get fresh, healthy and sustainable food on to the school plate.

Sheila George: I am Sheila George. I am the food and environment policy manager at WWF Scotland. We work to identify policy evidence and solutions to deal with Scottish environment issues. We particularly focus on climate change, energy, food and the environmental context of Brexit.

Professor Reid: I am Colin Reid, professor of environmental law at the University of Dundee. I am not an agriculture expert, but I have been doing a lot of work on Brexit and the environment.

Q264 **Chair:** Grateful. That will be useful. Thank you for that. To get things started, perhaps you could help us explain and describe if Scotland does face any distinct challenges in agri-environmental policy compared to the rest of the UK. Is there anything in Scotland, in particular, that we should be paying attention to? We will start with you, Ms George.

Sheila George: Yes, Scotland is distinctly different, and Scottish agriculture is distinctly different. You have probably heard a lot about the constraints that Scottish agriculture faces: 85% is less favoured area, and 51% is rough grazing, and we hear a lot that that is only suitable for production of sheep and beef.

It is also different in terms of the environmental opportunities and the natural resources that are available. One of the issues with the constraints is that the current system of public support really does not



HOUSE OF COMMONS

help that. It is area focused. It is production focused, and we need to change the definition of production and productivity to broaden it out to include public goods. When we do that, we see that Scotland could have huge potential to deliver and develop a much more sustainable agriculture system.

We have 68% of GB's peat lands. We have 13% of the global blanket bog resource. We have huge potential for carbon capture and storage, and 90% of UK surface water, and 40% of Scotland is high nature value farming, compared to about 9% in England. We have about 60% of semi-natural habitat, whereas England has less than 20%. Therefore, we have this huge potential in Scotland to deliver public goods. That is really where it is different. We would like to change the conversation from constraints to opportunities in the future.

Q265 **Chair:** Thank you. Professor Reid?

Professor Reid: I shall defer to my experts on the agricultural side, other than to say it is just well known that things are very different. I know that any time you are talking about agriculture, the image of agriculture that comes to mind when you are speaking to people in England is just very different from the image that comes to mind for the people in Scotland.

Q266 **Chair:** Thank you. Ms Behan?

Aoife Behan: I want to talk, in support of Sheila's point there, particularly about the prevalence of peat in Scotland. So 60% of the UK's peat land is in Scotland. Although it only makes up 20% of the Scottish landscape, it stores 25 times as much carbon as all the vegetation in the UK. That issue demonstrates how it is vitally important that, as Sheila says, we start rethinking how we define productivity in the context of agriculture and land management, and that we look to integrate agriculture policy with environmental policy, so that it goes hand in hand with production, and start applying public money for a public goods model.

Bruce Wilson: I agree with all of that, but would add in as well that, in order to realise these huge benefits and opportunities that Scottish agriculture can offer, we need to move to adopting more of a land stewardship type of approach, rather than just thinking of agriculture in a silo, state management in a silo, and forestry in a silo. We need to break down those barriers, and then we can realise these huge amounts of public goods that can be delivered.

Q267 **Chair:** I am presuming, given the responses I have heard, that you are relatively happy and relaxed about what is being introduced for the UK Agriculture Bill, which tends to follow the future; the payments will be a matter of following these public good initiatives that you describe. Would that be a correct characterisation?



Sheila George: Bearing in mind that that process may not be delivered in Scotland, we are yet to see what an Agriculture Bill will deliver in Scotland. It looks, in the short term, like it will focus more on the ability to make those payments. We have very little in terms of a long-term vision for Scottish agriculture post 2024, and we are looking at that period of status quo until 2024, so yes it is encouraging to see a public goods focus in the UK Bill, but we are yet to see that strength of argument for Scotland.

Bruce Wilson: A huge worry would be something like Barnettisation of agricultural monies coming to Scotland. That would result in a halving of the money going through our economy, but we think that Scotland is in a very strong position to argue that we can provide—and we already do provide—a huge amount of public goods, and we can provide more. I think that should mean that Scotland should get an entitlement to a larger share of the budget than it currently does.

Q268 **Chair:** Ms Behan, when I speak to farmers in my constituency—I have hill farmers in Perthshire, as well as large arable areas in Strathmore—they tell me that they do this anyway. That part of what their business is all about public goods and delivering environmental improvements on the land they operate.

Bruce Wilson: Sorry?

Chair: I was looking at Ms Behan, but please go on, and we will come to Ms Behan in a minute.

Bruce Wilson: A lot of Scotland is designated high nature value farming. I think we can do a lot more, but that requires help for land managers to be able to achieve that. It is certainly not going to happen on its own. We need to divert the funding to pay for public goods.

Aoife Behan: The existing system has certainly offered an awful lot of stability to farm businesses, but we know that the average subsidy is about 40K per annum. Without that subsidy, those businesses have not been profitable and are not going to be profitable.

CAP has offered lots of support for rural communities, and through pillar two increasingly more conservation efforts have been taking place. But what CAP has done is stifle innovation, and it has left those conservation efforts on the boundaries of fields and not integrated them into the fields. There is an opportunity now, rather than maintaining the supply chain fragility—which CAP pillar one payments, in particular, have done—to look at the pillar two-type payments in a different way and to reward the very many Scottish farmers who are farming quite challenging land but who are delivering environmental outcomes that benefit us all.

Q269 **Chair:** Professor Reid, just how does Brexit impact on all of these particular schemes, and how does this impact on the whole agri-environment situation?



HOUSE OF COMMONS

Professor Reid: It has a big impact because, for the last 40 years, our agricultural policy has been determined by—has been aligned with, has fitted within—the European scheme. In a sense, we now have, theoretically, a blank sheet. We could do whatever we wanted, subject to international agreements and so on, so there is a huge opportunity to do things differently. That, obviously, is an opportunity, but also a challenge—a threat—because one of the great things that the EU has provided over the years in environment agriculture and other areas of policy is stability. Because changing EU law has always been so difficult—so complicated—once a policy is in place, you know it is going to be there for some time. One of the fears in many areas of activity is that, post Brexit, everything becomes much more volatile, much more vulnerable to short-term political ups and downs.

Q270 **John Lamont:** I want to ask about the EU's farming support subsidy scheme, now CAP, and—you have touched on this already—whether you think, overall, it has been positive or negative in terms of enhancing environmental sustainability in Scotland.

Aoife Behan: It has made good efforts in terms of environmental protection and conservation, but a lot more can be done particularly to benefit Scotland. What we need to do in a new system is to shift our definition of productivity. We need to start thinking about productivity—not just about food production, but also those public goods that our farmers produce, so in terms of the environmental benefits.

As I have said already, CAP has very much supported fragility within the food system. It has not helped farmers to turn profitable businesses, but there is an opportunity now to look at agricultural policy in an integrated way and make those businesses more robust. Through some of the schemes that we operate on Soil Association programmes, we know that this can be done. It is not a binary choice between environmental outcomes and food production. There is a way of increasing farm productivity to an optimum level that benefits both the environment and food production.

Bruce Wilson: I would agree with all of that, and I would add that the CAP, basically, within Scotland, has kept money in the productive areas to reward the highest producers. It has been difficult to transfer money north and west within the country, where the highest environmental benefits come from. Rewarding those who are already gaining from production, but not so much those that are delivering the other vital public goods that we need, tends to mean that money does not go to the north and west of the country as much as we think it should.

Sheila George: I agree with all of that, and I would just add that, overall, the CAP has really just driven the agricultural intensification and that—

John Lamont: Intensification?



HOUSE OF COMMONS

Sheila George: Intensification, and it has had huge impacts. Food production is one of the biggest pressures on the environment globally, but also in Scotland.

I want to add that there are some positives to the CAP. The agri-environment schemes obviously are the bits that are linked to delivery of environmental outcomes. Where they are well targeted, well managed and supported with advice, they have been shown to be very effective, but they are a very small proportion of the budget, and most of those schemes are very much underfunded.

Greening was another positive move to try to introduce something more to pillar one that delivered environmental outcomes. It had potential, but we are seeing that there is often low uptake of the options that deliver the most biodiversity outcomes.

Q271 **John Lamont:** Scotland currently spends more of its CAP allocation on direct farming support, compared to south of the border. We transfer less money from pillar one to pillar two. We also spend more pillar two money on less favoured support schemes. This suggests to me that, of the total funding pot available under CAP, Scotland spends less on environmental schemes than elsewhere in the UK. Do you accept that conclusion, and are you suggesting that, once we move beyond Brexit, we should be spending less money on direct support for farming and more on the environmental schemes?

Sheila George: Yes. What we have alluded to is that that direct support is not even targeted to where the farmers need it most. There is quite a big overlap in the high nature value farming and the farmers that are struggling the most in economic, social and cultural terms. If we were to redirect that money towards public goods, it would benefit the farmers that need it most. So, yes, direct support and the proportion of support that comes with very few strings—it doesn't reward non-market goods, and it is poorly targeted. It doesn't work economically, and it doesn't work socially or environmentally at the minute.

Bruce Wilson: We also think that that might be a lot more palatable going forward, talking about stability for the agriculture and rural sectors. In terms of the public purse, it is easier to link the production of those public goods—to attach the benefits—to the taxpayer. We think it is a more logical way to argue for that money to be retained within the rural budget.

Q272 **John Lamont:** Thinking about the Committee's visit last week to the Isle of Lewis, we met some crofters, and they have obviously had a lot of funding over the years. Do you think that money is better spent in that type of scenario, or do you think it should be spent differently? They were on the very margins of sustainability in terms of their business model, but they are clearly doing a lot to protect the environment as well. In terms of the money that has been spent in these types of communities up until now, how should that be developed or changed going forward?



Aoife Behan: Not knowing the place you discuss well, and thinking about the principles, a focus on these public goods is looking at these areas where farming is quite challenging and looking at the environmental outputs that those farmers deliver. We would expect rewards for increasing biodiversity on farms like that and for supporting valuable ecosystems, like clean water and pollinators, for example, or restoring peat land, if that was relevant, in addition to food production. Therefore, it is taking a much more integrated approach to farming across Scotland, which is a—sorry, I have lost my train of thought, but I believe that it would benefit the types of people and farming businesses that you talk about.

It is about sustainability in the round: environmental sustainability, rewarding the goods that the market does not pay for and looking at more resilient farming businesses.

Bruce Wilson: I think resilience is the key, definitely, because it allows you to build other aspects of the business and not just focus on the production side, so you can bring in tourism aspects to the business, you can bring in added value. You could possibly reduce stock densities if you wanted to do that within your business as well, so it gives an extra string to your bow for many people, particularly in crofting communities like you mentioned in Lewis.

Q273 **Deidre Brock:** Looking at Ms George, your submission from WWF talks about supporting Scottish Environment LINK's 10 principles for future agricultural support, but none of them seem to relate to food production, and I wonder where food production fits into everyone's vision for what happens in Scotland's farming areas.

Sheila George: Food production is very much underpinned by the quality of the environment, and I think Scotland's reputation as a good food nation also hinges on the quality of our landscapes and Scotland's international reputation. I think they are very much linked, but food is a market good. It is a public good. It has public value, so we think that the public goods are what require public money support. Food needs to be delivered or produced and consumed in a way that limits its environmental impact.

Q274 **Deidre Brock:** But that would be diverting money from food production support to supporting environmental policies that you would like to see pursued in the rural areas.

Bruce Wilson: I would very much like to contextualise this within the wider basis for agricultural ecosystems. I don't know if you saw the insectageddon report that came out last week: basically, huge declines globally, and specific chapters on the UK detailing the loss of insects that we have in Scotland and in the wider UK. In terms of agriculture, basically, it has a lot to do with that.



One of the things that was drawn out in the report is the absolutely vital nature of our insect populations for food security. If we don't look after the natural ecosystems that underpin our agriculture ecosystems, we will struggle to have a sustainable food sector going forward, so there is some genuine concern about food security underpinning that. Diverting public money to public goods does not preclude the ability to farm. It actually supports it, and it allows businesses to diversify.

Aoife Behan: To support that, I draw the Committee's attention to a United Nations Food and Agriculture Organisation report that was published last week, which said the biggest threat to our food security is biodiversity loss. Land changes, pollution and over-exploitation of resource and climate change are what are going to threaten our food security over the coming years.

What we need to do is shift the debate from productionist to, how do we have a more regenerative approach to agriculture, allow farm businesses to be more robust and also look after our environment? It is very much about being integrated.

IIDRI is a French policy research think tank. It is an independent think tank that published a report recently called "Ten Years for Agroecology in Europe", and it advocated a move to more environmentally sustainable methods of farming. It did quite a lot of modelling, and what it found was that agro-ecological methods can feed the European population and keep us healthy. They can maintain export capacity while also reducing Europe's global footprint, and that can result in a 40% reduction in greenhouse gas emissions, so there is an emerging school of thinking that agro-ecological approaches can be better for farmers and better for the environment, and secure our food production in the longer term.

Q275 **Kirstene Hair:** What areas where rules are currently set at EU level would you like to see covered by UK-wide common environmental frameworks? I don't mind where we start. Professor Reid?

Professor Reid: I am not an expert on the details of this. The plan for the devolution settlement, you have to remember, was designed on a two-tier level, so that certain things were going to be done within the EU envelope, and the much smaller things were going to be done at a UK level—the reserved matters. Now that we lose the EU envelope, we have to have a whole new set of discussions about where it is appropriate to have complete diversification, which can mean fragmentation and lack of co-ordination. Where do we need some co-ordination? Where do we need minimum standards? Where do we need absolute uniformity? I think one of the regrets of the way in which the whole Brexit process has been going on is that those sorts of discussions on what we need to do together, what the levels are, just have not been taking place.

Sheila George: From our perspective, any of those environmental issues—where resources are shared or where the impacts are shared across the UK—will require a common approach again, whether that is a



common framework or common minimum standards. Things like nature conservation are up there; air quality, water quality, climate action, pesticide use and soil quality will require some level of co-operation and co-ordination across the UK. That co-ordination is currently driven primarily by the EU, but there are a lot of systems that have been set up in order to deliver that that could continue to function at the UK level. For example, JNCC set up across GB to set common standards for monitoring of designated sites, to set site selection standards. Those kinds of mechanisms can be scaled up and built upon, but we would like to see the common frameworks, with the EU environmental principles at their heart, as a basis and a bare minimum, and also the principle of non-regression. Therefore, we would like to see the current standards that are provided by the EU to be at least maintained, but for the UK and devolved Administrations to have the potential to build upon and aim for higher standards, if they can do that and it is relevant for their country contexts.

Aoife Behan: I agree. Common frameworks are required to avoid regulatory divergence, protect internal markets and ensure compliance with international regulations, and also to ensure that the UK can negotiate and enter into new trade deals. So they are vitally important.

For agriculture, the key ones for us would be around pesticides, organic farming, fertilisers, animal health and traceability, food and feed safety, and food labelling. While I will admit I am not an expert in this area at all, our thinking is that trans-boundary frameworks, consensually agreed, are vitally important, and whether they are underpinned by legislation or policy I cannot say at this moment.

The existing GAECs—good agricultural and environmental conditions—and the statutory managements requirements that exist in Scotland are very robust and are a very good starting point in terms of where you might look at agricultural common frameworks.

Bruce Wilson: I agree with all of those points. I would add as well, that “invasive” is normally included within biosecurity as well. That is very important. Just to give you an example, ash dieback is something that is going to affect rural areas all across the UK, but we really need a commonality of approach on that kind of issue.

Q276 **Kirstene Hair:** Can I just clarify that there is largely common agreement that, without common frameworks, we would potentially have regulated diversions that would create an impact on the internal market of the United Kingdom and an impact on future trade deals?

Bruce Wilson: I should have added my massive caveat that they absolutely need to be co-developed, co-owned and agreed on by all of the devolved nations, otherwise we don’t see them working, but, yes, I would agree that there are issues that need a transparent approach.

Q277 **Christine Jardine:** Just a follow up that question. You talked about the



need for these frameworks that are co-developed across the United Kingdom. What would the impact be on something like the food industry? We know that a lot of products, particularly in the borders, go back and forward between Scotland and England. What would be the potential impact of some sort of divergence?

Aoife Behan: As the Soil Association, I will use the example of organic. DEFRA is the competence authority for organic, but that has not prevented the Scottish Government from having their own set of policies around organic, and that works quite well. That is a system that we would like to see continue.

As I mentioned before, we have a common framework around soil health, and Scotland is a little bit more robust, so there has been divergence within the existing system. CAP has provided us with a framework, and there has been a small amount of divergence within that without major impact in terms of internal markets. That is vitally important for a nation like Scotland. We need to be able to make policy for our own unique set of circumstances, which we have already discussed. Fundamentally, it is the reserved powers that will have the biggest impact in terms of policymaking and common frameworks—so powers around immigration and trade deals.

Q278 **Christine Jardine:** What you are really saying is that there can be some sort of divergence. There can be specific local arrangements, but within a common framework across the United Kingdom, so the important thing is the common frameworks?

Bruce Wilson: We are particularly keen on this idea of minimum standards underpinning things. We don't want there to be competitive deregulation caused by any of this at all so, yes, divergence is fine if it is going up the way and helping nations adapt to their particular set of circumstances. We mentioned the differences in Scottish agriculture at the start, so that is probably where we come at the issue from.

Professor Reid: On the specific point of cross-border activity and so on, it partly depends on the nature of the regulation. If it was something like pesticide residues at point of sale, it would be where the product was sold that would matter. If it was something that affected the way in which processing was done, it would bite where the processing was, and it would not necessarily be an issue. So for different sorts of regulation, you are going to have different patterns, because the pinch point—the point where the regulations actually bite—will be different.

Q279 **Tommy Sheppard:** Could I come in on this? I am keen to get some clarification here because I think Ms Hair was suggesting in her statement that, without common regulation throughout the UK, there may be divergence that would run against the idea of having internal market consistency across the United Kingdom. To my view, there is a difference that can be drawn between a common framework and the regulatory mechanisms. It would be entirely possible to have a number of different



HOUSE OF COMMONS

regulatory bodies that operated within a common policy framework, so I want to ask if that is your understanding as well. In fact, without having a Scottish regulatory framework or capacity, how would we be able to go beyond minimum standards?

Sheila George: I can take that one. I agree that the minimum standards are the bottom level that we go to, and if those are agreed and the environmental principles are embedded in any approach, and the interpretation of those principles is agreed, the devolved nations can have the flexibility to regulate them.

We have seen another example in addition to EFAs, and that is the water framework directive implementation. The standards are agreed, the metrics are agreed and the UK reports as one, but Scotland has taken quite a different approach to how it regulates that and has developed general, binding rules. It has developed a system of licensing and regulation that is fitted to Scotland's specific context. It was able to invest a lot more resources in monitoring and guidance and giving advice to landowners, and it invested heavily in walking with water bodies and identifying issues. Although that regulation and that framework came from the UK and the standards and the metrics were agreed, Scotland was able to have that flexibility. I think we would like to see something like that continued, but, depending on the issues, the models that are suited will be different, I think.

Q280 Deidre Brock: It is interesting because there is clearly divergence already between the four nations, specifically in agriculture, but also environment. Certainly from the evidence that we received at the Agri Bill Committee, the national farmers' unions of the four nations do not necessarily agree on everything, but they certainly agreed that the ability for them to change regulations, or to be able to alter those within whatever common framework might finally be agreed on, is really important. That, along with those ideals being agreed and not imposed, certainly featured very heavily in their evidence.

I was interested by your point about the common frameworks affecting possible trade deals, because you will be aware that the Scottish Government is in discussion with the UK Government over some of the aspects of these common frameworks that the UK Government would like to see imposed. The feeling has always been that trade deals are a very big part of their thinking and why they want to be able to retain that control over things like GM food, for example—that is one of the areas under discussion. As you will be well aware, that is a very important issue in Scotland that we would like to retain control of—just as an example.

Can I ask particularly about diversity within Scotland? How can any common frameworks that might be agreed on—I think the UK Government, the Scottish Government and the Welsh all agree that there will be common approaches needed in certain areas—take account of the wide diversity within Scottish agriculture? We were visiting crofting communities the other day, and their needs are very different to those of



HOUSE OF COMMONS

the arable farmers or beef and dairy farmers on a larger scale. I just wondered how you think potential common frameworks might be able to accommodate those fairly great differences. Perhaps Professor Reid?

Professor Reid: It has been one of the challenges. When you try to set the CAP, the whole EU standard, it becomes harder for that to reflect local differences. When you get down to the UK, it might be easier, but as you said, within Scotland itself there is huge diversity. It becomes a matter of trying to identify where we need common rules rather than common ambitions or common goals. It is a challenging exercise to try to have a sophisticated, tiered system to work out what we are trying to do, what the different objectives are and how they are going to work in the different areas. Are they producing sensible results or perverse results? If we produce differences between areas, is the industry itself going to feel that people are getting unfair market advantages? Is the public going to see legitimacy in giving more support to particular forms of agriculture or looking after the environment than others?

It is a very difficult issue, partly because it has not been central to our domestic politics for the last few decades, because it has all been moderated at the EU level. There is a huge issue and a huge lack of understanding about where support goes, what support is for and what policy should be. It is a big challenge for everybody involved to try to clarify that and move to what is a better, more acceptable position without it being hugely disruptive.

Bruce Wilson: I would just add that international obligations would have to be met anyway, which provides some commonality within that area. We would very much like to see an approach taken that tries to stimulate a race to the top rather than any potential race to the bottom in environmental standards. We should definitely use that freedom to strive to be better. Animal welfare is an example; in Scotland there are very high standards. We would not want to see that lowered by any internal framework mechanism.

Q281 **Deidre Brock:** Can I just ask a very quick supplementary? One of the crofters at the crofters meeting on Monday said that he felt crofting was the glue that kept a lot of these more remote communities together. I just wondered how that fits in with what you see as the future.

Bruce Wilson: It speaks to the huge cultural association with agriculture in Scotland. The Western Isles have a unique history and culture associated with that. I would probably just say that the public good model that the NGO community in Scotland is proposing would very much help back that up, allow it to sustain, but also give it a legitimate taxpayer priority. There would be environmental and social good coming from those systems that we as taxpayers would pay for.

Q282 **Deidre Brock:** You would envisage crofters being able to stay and gain support?



Bruce Wilson: Yes.

Aoife Behan: Absolutely. This is where the integrated approach comes in. It is absolutely about keeping people farming but rewarding them for the goods that they produce that the market will not pay for. Also—I think we will talk about this later in terms of investment in research and innovation—it is about finding ways for those businesses to diversify, become more resilient and more robust and move away from being dependent on support.

Sheila George: It speaks a lot for crofters that they have attracted a lot of LIFE money. It is not just the CAP funding that we stand to lose if we leave the EU; it is the access to all of that LIFE funding that was targeted towards environmental incomes. The likes of the Western Isles have attracted a lot of that, particularly to protect the machair. There are other areas of funding in which crofters are identified as delivering public goods—more so than intensive farming. We need to think about how else we support them.

Just going back to your original question, there are a couple of elements of common standards that integrate with each other, and one is the minimum standards. But if we are talking about moving towards a more outcome-focused, public goods-based model of support, that is much simpler to tailor to a Scottish-specific context and the within-Scotland context so that we deliver the support where it delivers the greatest outcome. Again, crofters would benefit a lot from that—crofters and low-output, high nature value farming and the farmers that are in these rough grazing areas that are less favoured.

Q283 **Ross Thomson:** Two points. Should different agriculture and environmental issues be subject to different types of common framework? Would there be any disadvantages to having different types of common frameworks operating in the agri-environmental policy area?

Sheila George: One of the challenges would be if some of the frameworks have a legislative footing and some have a more agreement, administrative-style footing. When it comes down to making difficult decisions, the legislative frameworks get prioritised. In Scotland we do have the added challenge of the portfolio split. The environmental considerations sit in one portfolio, and the rural economy considerations sit in the other, and although the intentions may be good, sometimes there is not as much integration and crossover as there could be or needs to be. Yes, there is a risk there that if they are seen as having different levels of importance, one may be prioritised over another.

Aoife Behan: Just thinking about the UK Environment Bill using the EU principles of environmental governance and how the Environment Bill proposes those principles are applied, that highlights to me the issue of agricultural policy and environmental policy not being integrated. If those environmental governance principles are proportionately applied, as the Environment Bill currently states, this could mean that if something was



HOUSE OF COMMONS

going to cost the Treasury, that environmental principle may be left aside. Likewise, it is asking that people have regard to those environmental principles.

The third issue is that the key principles, particularly the preventative and the precautionary principles—the principles that keep us and our environment safe—need to be duties and to be unavoidable and not just to apply to environmental legislation, which is what is currently proposed. It needs to be applied across the piece because that is the only way that we can protect our own safety and our environment.

Q284 **John Lamont:** Should any of the existing EU environmental principles be preserved in a future environmental governance framework?

Aoife Behan: Yes.

Q285 **John Lamont:** Which?

Aoife Behan: All four of them.

Q286 **John Lamont:** All of them?

Bruce Wilson: Yes. We would also like to see some consideration of a principle of keeping parity at the moment, considering we are a bit concerned about the potential for things to stay stationary.

Professor Reid: I would say all four, supplemented with an overriding objective to achieve and maintain a high standard of environmental protection and probably also a reinstatement of the integration principle. We have already discussed the possibility of mismatches between environment and agriculture. When you think about the way in which all sorts of economic and transport infrastructure and other areas of policy have an impact as well, it is important to make sure that the environment is thought about across the whole sweep of Government.

Q287 **John Lamont:** There are quite a lot of scare stories about how our environmental standards and indeed other standards might slip after we leave the European Union. Do you not feel that they have been blown out of proportion given the United Kingdom's track record of environmental protection over recent years?

Professor Reid: If you are talking about scare stories, yes. The danger is when things become too difficult, too expensive or too inconvenient. That is where having the EU sitting outside to nudge the Government in the UK to keep the standards and meet their targets makes the difference. It will be in the few, marginal hard cases that there is a danger of the environment slipping down the priorities.

Sheila George: We would be more comfortable if we saw the Scottish Government bring forward a Scottish Environment Act that had environmental principles built into it, and that explicitly outlined what the governance arrangements were going to be and outlined targets for



HOUSE OF COMMONS

nature restoration as well as nature conservation. That would slightly ease our worry that there is a risk of deregulation.

Q288 **John Lamont:** In terms of these environmental principles, how do you see them interacting with the agricultural common frameworks that we hope are going to be developed?

Sheila George: They should be embedded within the agricultural common frameworks. They should be the basis of the agricultural common frameworks as well.

Q289 **John Lamont:** Across the UK there should be consistency?

Sheila George: Yes.

Q290 **John Lamont:** If we have frameworks covering farming, we should have those principles consistent across all of the United Kingdom?

Sheila George: Yes. Agricultural policy and the future of agricultural policy should be built and delivered in a way that complies with the intention behind the EU environmental principles.

Bruce Wilson: I am not sure I can think of any area where the Scottish Wildlife Trust would not support the principles governing, because they are very sound principles. We think that it would be vital to include them within agriculture in particular.

Professor Reid: That does not mean one uniform solution. It is just that the principles have been part of the shaping of whatever the relevant policies and approaches are.

Q291 **John Lamont:** Are you communicating that to the relevant Scottish Government Minister and the UK Government?

Sheila George: Yes.

Q292 **John Lamont:** What sort of response have you had from both Governments on this issue about the frameworks and environmental protection?

Sheila George: We know from the Continuity Bill that the intention of the Scottish Government at that time was to maintain the environmental principles. We know that, in the Scottish Government consultation, they have put that forward to maintain these four environmental principles. The Continuity Bill at the time also stated that they should be interpreted in the same way that they currently are and be looked at within the context of proportionality. Unfortunately, that line in the Continuity Bill was found to be outwith Scottish competency, but the rest of that section regarding common frameworks and the ambitions at least for a watchdog were found to be within Scottish competency. If the Continuity Bill were taken forward, we know that there is a high commitment there. If it is not, the commitment is still within the principles and governance consultation.



HOUSE OF COMMONS

Bruce Wilson: Yes, and that has been very recently released. The Scottish Wildlife Trust, WWF and the Soil Association are all putting responses together to that now.

Q293 **Chair:** I have just seen that between 2003 and 2016 the European Commission brought 29 cases against the UK Government on environmental matters, 24 of which resulted in a judgment wholly or partly against the UK Government. As we leave the European Union, there will not be this enforcement mechanism. Does that create any problems, or have you any concerns that we might be lacking in something that will make sure we are subject to good practice? I suppose that is one for you, Professor Reid.

Professor Reid: Yes, there is a huge problem about how we make sure that Government keep to their environmental commitments and their environmental targets. The targets and requirements will come over as being a matter of domestic law. Therefore, in theory, the domestic courts can enforce them, but we do not have experience of our courts enforcing what you could call the outcome duties that are a major part of EU law. EU law requires that you meet certain bathing standards—by a certain date, the bathing water quality will be of a certain standard. That has not been a feature of domestic law, and we do not know how that can be enforced in UK, English and Scots law.

Who is going to have standing to do it? At what stage do you come to court? What does the court do by way of remedy? Often the failing will be a result of actions or inaction by many different actors, and other than the court simply declaring, "Yes, you are in breach," it is very hard for the court to see what it is going to do. This was discussed a bit when the Climate Change Acts were going through because both the UK Act and the Scottish Act involve legally binding targets, but what exactly does that mean? What happens when you hit the date and the target is not met?

Q294 **Chair:** If the UK Government is the last arbiter of the common frameworks and there is no enforcement mechanism, surely that creates a multitude of challenges for Scotland, who would be expected just to go along with basically whatever the UK decides?

Professor Reid: If you are going to have common frameworks, one of the issues you have to decide is the monitoring and the reviewing to make sure people are complying. What happens when people do not comply? You can simply have reporting requirements and rely on political pressure here, in Holyrood, in Cardiff and in Belfast to do it; you can have a more formal parliamentary link into that; or you can have meeting the framework as a legal obligation on the Government.

However, if you are going to do that, then obviously the framework has to be set up in a legally binding way, and you are going to have much more formal mechanisms to legislate for it and decide what the content is. Are the different Parliaments and/or Governments going to have a



veto on it? You are recreating the architecture for the intra-UK negotiation, dealing and working that was ignored, to a large extent, when the devolution settlements were arranged, because when it was really important, it was reserved. In other areas, we do not have to worry about it because there can be some divergence, but before it gets to be a problem, you will hit the EU boundary. I am afraid it is a constitutional redesign.

Q295 **Chair:** Does anybody else have any concerns about that?

Sheila George: In an ideal world, we would like to see a commonly agreed, commonly built UK governance framework that replaces what we currently have from the EU. The way that the OEP is currently proposed, we do not feel that it performs those functions, and we would be concerned about that being a UK governance approach. We know that Scotland's ambitions are for something higher and something that will replace the functions that we currently get from the EU Court of Justice and any other EU body of relevance. At the minute, there is a risk—because we are running out of time to put things into place—that we are going to have a huge governance gap.

Q296 **Chair:** Are there any potential solutions that you can identify?

Sheila George: We are hoping that the OEP will be strengthened in the process of amendments to the Bill. The things that we are most concerned about with it are that it does not have a statutory overarching purpose. When there are other challenging common frameworks, it does not have that hook to push. It does not have that one overarching objective to fight for. It is not financially independent; the budget is determined by the Secretary of State. It has a very narrow remit that does not include all of the issues that impact the environment that we would like it to. It does not adequately provide citizens with access to justice. If those things were addressed in the OEP in the short term, there may be potential for that to apply in Scotland as well.

Q297 **Chair:** There are 24 areas that have been identified for common frameworks. Do all of them need to be subject to a common framework?

Sheila George: Can you repeat that, sorry? I could not hear.

Q298 **Chair:** There are 24 areas that have been identified as requiring common frameworks. Do you agree that that is the right 24? Are they necessary? Maybe even more? Why those 24, and are they all absolutely necessary to be included in that group?

Bruce Wilson: Given the timeframes that we are looking at now, those are areas that I would agree probably need frameworks. There are probably other areas as well. An organisation of our size would find it hard to have a view across all of those areas, but certainly I agree with Sheila's point that there are many areas within the environment that we feel are not included enough or—



Q299 **Chair:** Are not included and should be included?

Bruce Wilson: Should be included. Yes, areas that should be included within frameworks.

When you asked about a common approach, the one thing that did spring to mind, if there was a four-nation approach taken to this, and if it was co-designed and co-owned, is that it would be possibly more independent. That is something that we could see being a good point. It would also probably be less likely to be abolished—from any area of the UK—if there was a four-nation approach, given that we would be very aware of the other nations as well as Scotland and of what they were doing in regard to the environment, because it obviously has knock-on impacts for Scotland.

Professor Reid: The list of areas is always a very odd one and defined in different ways. If you go back to what the Joint Ministerial Committee said in October 2017, they were pointing out that common frameworks can take quite different forms. We are not talking about the same approach, necessarily, in all the areas. They talked about common goals, minimum and maximum standards, harmonisation, limits on action and mutual recognition. You need some area of collaboration, but in terms of what that collaboration actually means, how it works and where you actually need formal common frameworks, as opposed to just general agreement for the time being, it is a very varied area and a very varied landscape.

Q300 **Christine Jardine:** Still staying with environment and Government schemes, if you like, the UK said it wanted to co-design the environmental governance schemes with the devolved Administrations. Presumably, from what you have already said, you would support that approach.

Sheila George: It needs to be a consensual approach, yes.

Bruce Wilson: Not imposed, basically.

Q301 **Christine Jardine:** Are there any environmental issues specific to Scotland that you think might be difficult to manage in a UK-wide scheme?

Sheila George: I think, as long as a UK-wide scheme adequately reflected the huge potential for public goods delivery in Scotland and, as we mentioned before, the huge natural resources that are available in Scotland, we would not have so much concern. It is really important that it is open to scrutiny by all the Administrations and that it is jointly agreed and meaningfully jointly agreed.

Q302 **Christine Jardine:** If it is jointly agreed, is it sufficient to replace the provisions and the environmental government mechanisms that we will lose if we leave the European Union?



HOUSE OF COMMONS

Sheila George: Not as it currently stands, and I think that is why we know Wales and Scotland are concerned about that, as it currently is proposed, becoming a UK framework. If it were improved, then maybe those conversations would change.

Q303 **Christine Jardine:** I was going to ask what improvements you wanted to see.

Bruce Wilson: We would like to see the ability to levy fines. That would make it much more powerful because, ultimately, that is a big deterrent, we think.

Sheila George: It is the independence as well. It needs to be fully independent. It needs to have adequate funding, it needs to have adequate expertise and, as I mentioned before, the remit needs to be broadened out to include all of the environmental issues that may be impacted by other issues.

Professor Reid: I would just add that, as things stand, it does not even meet what is in the backstop of the withdrawal agreement in terms of interim measures. There are all the standard issues about independence, finance and so on.

Given where we are, perhaps an idea worth exploring is whether there should be a commitment from all the Governments that in, say, four or five years' time, we should review whatever the position is. I do not think you are going to get a commonly agreed proper framework set up in time, with everything else that is happening just now. Maybe just accept that we are putting in interim measures just now but with a commitment that, in so many years' time, we are going to review the position across the UK, see what mechanisms have developed and try to have at that stage a slightly calmer reflection on how we can do things well together.

Q304 **Chair:** On the fines issue, if fines were levied, where would the fine money go? Would it just go back to the Treasury?

Professor Reid: I am not a great fan of fines, for that very reason. The current situation with the EU has been that money has been leaving the UK pocket and going elsewhere, which does make an impact. If you have a four-nations body, then potentially you have some power because money could be transferred out of England into the other nations if England is failing and the others are meeting this. But there is always a danger, because, often, non-compliance will be the result of lack of resources and lack of effort, and if you take money away from the people doing that, you are just punishing that. I know that there is an active debate across the environment legal community about the value of fines.

Bruce Wilson: I would defer to Colin's vast knowledge on the subject—

Professor Reid: There is not just one view on it.



HOUSE OF COMMONS

Bruce Wilson: But I can see that money talks in a lot of situations, and having that stick in place would be quite a powerful thing to have, I think.

Q305 **Chair:** Given that it is agriculture, a bit of stick and carrot, yes?

Bruce Wilson: Yes.

Chair: Sorry about that.

Q306 **Hugh Gaffney:** If Scotland does establish its own environmental governance scheme, what impact might divergence from the UK Government's approach mean to Scotland's agriculture?

Professor Reid: To the extent that the governance scheme is simply making sure that whatever rules and policies are in place are being complied with, in a sense it does not matter other than the transaction costs of getting caught up in it. Are particular farmers or particular NGOs going to have an easy route to complain and a means of redress for themselves? Across the industry as a whole, it should not make a difference.

When it comes to actually having fundamentally different structures, rules and standards, then that clearly could have a big impact, because there will be more or less cost involved and more or less issues in relation to market access in the rest of the UK and beyond.

Bruce Wilson: I have mentioned quite a few times just really trying to avoid a race to the bottom, and making sure that if you have high standards, you can maintain them, and that the encouragement is to drive standards up rather than drive standards down across the whole of the UK as the result of another nation maybe not complying or something.

Aoife Behan: Fundamentally, the functioning of the internal market is absolutely key. It is how we ensure that any common frameworks deliver those outcomes, deliver compliance with our international obligations and allow us to enter into trade agreements. That is where the four-nation consensual approach comes in. I cannot see how this will operate in a top-down way. It needs to allow for divergence within the nations.

Q307 **Tommy Sheppard:** That almost takes me on to what I wanted to ask, actually. To slightly recast Mr Gaffney's question, could you explain what positive benefits there might be for the ability of Scotland to have its own environmental governance? Are there particular areas where that would allow a more efficient and effective response to conditions prevalent in Scotland that are not to be found elsewhere, or are there areas in which you would like to use your lobbying capacity to see things go further or be done differently in a Scottish context that might provide some leadership for the rest of the United Kingdom? It just seems to me so far that we have been discussing the concept of divergence from common frameworks as being problematic. It need not necessarily be so.



Aoife Behan: No. I would say the ability to diverge within a broader common framework is absolutely key for all four nations. All four nations have different sets of challenges and, as we have already discussed, the agricultural sector, the environment, our geography and our climate are different in Scotland, so we need a policymaking capacity to allow for that to happen. The cornerstone of the Scottish brand is provenance and sustainability, and we need to be able to preserve that, not only for our internal markets but for our external markets too. Divergence within a commonly agreed framework should be possible in order to deliver the best outcomes for Scotland.

Q308 **Tommy Sheppard:** Could I ask you to speculate on where that might be beneficial? Is there any particular policy area or problem that we face that could be tackled better?

Sheila George: Scotland has quite distinct policy approaches to land use and land ownership. That is something else that Scotland is very different in. We have the Scottish land use strategy, we have the Land Reform Act, and there is quite a lot of movement and progress in Scotland at a national level to increase community engagement, increase access to land, increase people's awareness of how land is used, owned and managed, and increase land owner, user and manager awareness of the responsibilities that come with that. Through the land use strategy, we have had regional land use pilots looking at how different land uses can interact to deliver different public goods. All of that work is to Scotland's advantage, and it is something that we would like to see progressed in future. Scotland has the powers to do that, and if there were more money available for delivery of public goods, it would definitely help change things on the ground as well.

Q309 **Chair:** One of the things that have really interested this Committee is the use of technology and innovation in agriculture—particularly how it applies across Scotland's rural community. What do you see as the future role of technology and innovation, and how best could we harness this?

Bruce Wilson: We see a huge role for it within Scotland. Quite often we think of innovation only being in the technology sphere—the use of drones or GPS technology on tractors, and that kind of thing—but we also see innovation in the policy sphere being very important. Scottish Wildlife Trust was involved with other partners, including the Scottish Government, in developing the use of the natural capital protocol, which is a tool that is usually used by big business to look at their natural capital impacts. We are applying that on the scale of a small Scottish farm business through the Crown Estate's businesses and trying to translate those messages to the land managers on the ground so they can get a better hand on the natural capital that they are managing.

There is a huge scope for us to integrate techniques like that into the model within Scotland, and that really plays into the funding for public goods, because at present a lot of land managers are not really sure what natural capital assets they manage. Things like soil testing are not very



HOUSE OF COMMONS

common. Audits of biodiversity may be slightly more common but not as common. If we can try to build these things into the overall picture of the farm, land managers can much more easily understand what it is they are managing.

There is also real merit in trying to build the links between the Scottish Government and research institutes that they support, particularly the SEFARI range of institutions like the James Hutton Institute and SRUC, trying to get the knowledge that is within those institutions out onto the ground so we can try to make better use of things like integrated pest management, which takes a much more agro-ecology approach to managing pests and risks like that, which reduces the input for farmers and also helps keep systems in more natural check. I would also just like to mention some work that James Hutton are doing at the moment on vertical farming. I am sure you have probably heard about it, but that is incredibly interesting.

Because we are mentioning Brexit, at the Scottish Wildlife Trust one of our main concerns around the environmental academic world and the agricultural academic world is potential loss of knowledge from international funding through Europe, but also the people who work in the institutions in Scotland as well.

Q310 Chair: You are right to note the vertical gardening. It is a huge, disruptive piece of technology that I think is going to reverberate down the next few years and decades. I visited Bruce Farms in Strathmore in my constituency on Friday—one of the most successful and productive of our agricultural businesses across Scotland and even the whole of the UK. They were talking about things like Monitor and Strategic Farms, but all the technology and innovation is about increasing productivity; there is very little discussion and debate about increasing environmental gains. Do we need to recalibrate and reset some of this?

Aoife Behan: Promoting innovation in agriculture will be absolutely key as we transition into this new phase, particularly when we are thinking about climate change, tackling antibiotic resistance and standing up to new consumer demand around food. Farmer innovation is incredibly important.

We deliver the Rural Innovation Support Service, which is funded through the SRDP technical pot. It is a collaboration between Soil Association Scotland, SAC consultancy, SAOS, and Scotland Food and Drink, and it is a unique way of putting farmers at the forefront of innovation. What we have learned from that is that top-down advisory is not the best way to innovate and embed change in the longer term. The most innovative solutions tend to be the ones that can be integrated into farm practice quite quickly and deliver productivity gains—when I am talking about productivity, I am talking about that optimal level of productivity rather than the maximum level. The gains are around environmental outcomes as well as food production.



Also, we are seeing really positive impacts on farm businesses and how people feel about their farm businesses as well. I am going to use a lot of jargon here, but what we have found is that a practice-led—that hands-on, farmer involvement—and multi-actor approach can find the best practice and embed change quickly. What we have found is that farmers do not necessarily want to do innovation; what they want to do is make their businesses more profitable. We have a number of different risk projects taking place at the moment looking at upland hill farming, sheep farming and agro-forestry. We have a really interesting one around mob grazing. Then we have a more technical one around breeding dairy cows and trying to identify the faster breeders within the herd, which is delivering profitability for the farmers involved in that programme.

Technology is not about technology for technology's sake. When we are thinking about technology, it needs to be in order to deliver a clear outcome. What we have found is that this farmer-led innovation is delivering quite quickly, and it is allowing us to scale things we are learning on the ground quite quickly.

Q311 **Chair:** Anybody else?

Professor Reid: I would just say that there is a huge amount of benefit you can achieve in terms of monitoring, gathering and particularly making accessible information on the state of the environment—on the various elements of it. When you start talking about paying for public goods, some of which are the biodiversity gains, often we do not know enough about the state of biodiversity, or some people know about it, but it is not widely accessible or widely shared. Technology has a huge role to play in, as I say, gathering and making accessible that data.

Q312 **Chair:** Should we be looking to incentivise farmers, then, to look at new technologies and apply them? There is nothing in the agricultural Bill. It is all about public goods but there is nothing about how—

Sheila George: We should certainly be providing support, training and advice for them on the use of new technologies and innovation and on how they can both improve productivity and deliver public goods. Aoife, you mentioned climate change. There are so many things that farmers can do to improve efficiencies and build the resilience of their farm business to climate change that deliver public goods as well, and they are really simple things like a carbon audit, soil testing or nutrient management planning. It can be as simple as just upgrading a grain drier or using GPS on your tractors. Just to touch on what you said as well, using satellite data to gather data in a fairly cost-effective way to help target public money but also to help with monitoring and reduce the costs of monitoring.

Bruce Wilson: There is probably a real desire from the NGO community to have more engagement—not necessarily better engagement but more engagement—with other farming representative bodies to try to get them involved in sharing work that we all have, either from academic research



institutions or our viewpoints on the approach to public money for public goods. At the moment, there are so many demands on the time of, for example, the NSA or the NFUS, that they find it very hard to attend a lot of the stakeholder engagement forums that we would quite like to get them involved in. In terms of arguments about different land use and things, we would be able to have discussions like that more easily.

Aoife Behan: Just to pick up on a point that you said there, it is not about targeting money at technology necessarily. It is about targeting money at facilitating innovation. That is absolutely key. How do we put farmers at the forefront of this innovation? Many of them do not have the time to stand back and look at things, but when we facilitate farmers getting together and give them access to academics or business expertise, innovation falls out of that. That is absolutely key going forward.

Q313 **Hugh Gaffney:** I spoke to a few young farmers recently, and they spoke about technology making a difference. Have you seen technology making a big difference, especially in what you are doing?

Bruce Wilson: Certainly. Reserve management for our wildlife reserves is big for us, but we are certainly looking at potential cost savings around using drone technology to monitor species and at more advanced things such as using electric battery packs for chainsaws for removing invasive species. All that kind of thing has made a huge difference to our land management. Then, on the ground itself, farmers who we have worked with, particularly on things like the natural capital protocol, are reporting that taking that different approach, or that “You can only manage what you measure” approach—soil testing, and taking all that testing into account—is something they have found quite useful.

Chair: Great. This has been a fascinating session, and we are very grateful for your time this morning. You have helped us out significantly with this inquiry. As usual, if there is anything else that you feel you could usefully contribute, please get in touch with this Committee, but we very much enjoyed the session. Thank you for your time this morning.