

Farm Inspection & Regulation Review

Chaired by Dame Glenys Stacey

January 2019



The final report concludes that the current regulation of the farming sector, with what is called a one-size-fits-all rules-based approach, is far too inflexible. The government will respond to the review in 2019.

This is a short summary of the 131-page report, which we will update when there are significant developments. We have highlighted key points in yellow.

The Review recommends:

- A new regulator, that is independent of government, that would be supportive of farmers' individual circumstances, offering practical advice, guidance and helping to incentivise good practice on issues such as biosecurity, soil quality and animal welfare.
- Regulation should integrate incentives, including grant and loan guarantee schemes.
- The regulator should work alongside farmers – to “do with” rather than “do to” them.

“...sometimes swingeing sanctions are justified, but more often, more is achieved by a more supportive approach.”

“Softer regulatory approaches (including advice, incentives and the chance to comply) should feature much more than they do now.”

Dame Glenys Stacey

- Better use of technology to make inspections more efficient, such as using satellite data and drones to monitor field margins and other public goods.

S&P comment

The feedback we receive from most of our clients is that current regulation is too complicated, has elements of unnecessary bureaucracy, and that enforcement can be disproportionate. So we welcome a very significant change from the current regulatory system, which is what the Review proposes.

It recommends that all of the regulators in ‘Defra’ bodies¹, apart from the Environment Agency, would be combined in a new single regulatory field force. The new regulator will have very significant powers, including the ability to prevent certain farming activities unless the farmer is licenced and withholding public funding if a farmer consistently does not comply with regulations. While the case for such powers is forcefully made in the Review and already exists for some sectors, there should be a clear system of ‘checks and balances’ to ensure that the new powers are used in a proportionate, risk-based way.

One way of doing this would be for the new regulator to set a long-term objective for the desired outcomes of regulation and five-yearly plans on how it will achieve them. It should report progress to Parliament annually. This is a similar approach to the one used by the Committee on Climate Change, which works well in ensuring the organisation has set clear objectives and is delivering them.

¹ Animal and Plant Health Agency, Environment Agency, Forestry Commission, Natural England and Rural Payments Agency.



Why we regulate

- Regulation is all about changing people's behaviours - to get people to act in ways that they may not otherwise choose.
- In regulating farming, the government aims to enhance animal health and welfare, and enhance good management of farmed land and the natural environment. The government wants the sector to deliver more on all fronts, which should influence the way we regulate to deliver those aims.
- The Review suggests that a third government aim for regulation is to facilitate international trade.

The building blocks of effective regulation

- Regulation is based on standards, monitoring (of compliance and of outcomes), promoting changes in behaviour and enforcement. Regulation works at both individual and systemic levels.

What we found

- At present, no single regulatory body has the full picture of each farm. The five separate Defra organisations² make it almost impossible to take a holistic view of the risks and opportunities, farm by farm.

"We cannot say at any one time, who is responsible for each stretch of land. We cannot identify with any certainty how compliant farmers are with core regulatory requirements. We cannot gauge the total burden of regulation. There is no one regular holistic assessment across farming of how things are. That leaves us with no valid measure of the extent to which our regulatory system promotes confidence or is effective overall."

What should change

- We suggest that mandatory rules have their place, but they are often not the best approach. It depends on the individual or on the issue, but more supportive and collaborative approaches suit a lot of situations better.
- A new independent regulator would signal a commitment to doing things differently. It would be responsible for detailed standard-setting and for operational delivery.
- There should be one consolidated Defra field force focused on farming under the authority of the new regulator³:
 - It should be organised so that it can deliver services, including advice, at a local level.
 - It should be responsible for a periodic 'state of the nation' report for farming, so that there is a periodic and comprehensive assessment of how things are.
 - It should be empowered to commission regulatory activities (such as the first response to welfare complaints) from individual local authorities or other suitable bodies if effective and efficient to do so.

More straightforward regulation

- Registration should be simplified down to two basic and linked requirements:
 1. All land used for farming or environmental management should have a registered 'land keeper', placing the onus of responsibility at any point in time with one individual⁴.
 2. All poultry owners, irrespective of size, should be registered due to the need to reach all poultry owners when a disease outbreak occurs. Registration should also be considered for other species for disease control purposes.
- The Review advocates a risk-based approach, and makes the point that large enterprises are not necessarily riskier than others.

² Animal and Plant Health Agency (2,618 full-time equivalent staff numbers), Environment Agency (11,241), Forestry Commission (1,495), Natural England (1,740) and Rural Payments Agency (1,551) – total 18,645.

³ The Environment Agency should retain its field staff to suit its future remit.

⁴ The Review suggests that this should be based on Ordnance Survey mapping, and so remove the need for more precise measurement. It suggests that current arrangements for registering land parcels should be carefully assessed and simplified as soon as possible.



Being clear about what is expected, and why

- Regulatory requirements should be clear, relevant and kept up-to-date, and made in consultation with the industry.
- The new system should be much more than applying 'the regulatory baseline'. It should:
 - Give the regulator the ability to apply the right approach to the right issue.
 - Be empowered to exercise oversight over private sector assurance schemes where those schemes seek accreditation.
 - Have the power to require farmers to assess their own compliance and provide that information to the regulator.
 - Allow the regulator to develop a farm ratings scheme.
 - Allow the regulator to give on-farm, holistic advice⁵, which will help enhance good management.
 - Link regulation to advice to grants and guaranteed loans to help with agreed priority infrastructure projects which address 'big harms' not otherwise likely to be addressed, such as poor or insufficient slurry storage⁶.
 - Give the regulator the power to create licence schemes so that only suitably capable farmers and land managers undertake designated farming activities.
 - Enforcement should include proposing good practice with the aim of bringing individuals into compliance. Significant sanctions will be appropriate on rare occasions.
 - Develop, in consultation with the sector, measures that enable farmers to track progress, areas of concern and make key business decisions. This includes carrying out research.
 - Include a Government decision on whether land managers who consistently do not comply with regulation can apply for public funds, grants or loans.
- The new regulator will become the main repository of information and performance data for farms, so farmers should not have to provide the same information twice. This information, in combination with sophisticated mapping and remote surveillance imagery, can build a picture of farming as a whole⁷.

"This will be a big regulator – because that is what is needed – but it need not be 'Big Brother'."

"...there is an obvious opportunity for efficient arrangements, should the regulator hold responsibility for incentives and opportunity funding to be provided by the ELM. ... the regulator needs all the right levers to change behaviours where needed, and to enable as well as to enforce."

"...a good deal of visits to farms still need to take place, for bovine TB and other disease control and surveillance, and to facilitate international trade."

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⁵ The advice should not be mandatory for farmers to take and the Review suggests that the regulator can charge for the advice.

⁶ A recommendation is that the Government considers offering incentives to farmers with insufficient slurry storage facilities during the agricultural transition period.

⁷ It is not entirely clear what information farmers might be required to publish but the recommended powers say it will allow the regulator to "harness the power of the market".



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