

AGRICULTURE BILL AND FISHERIES BILL – IMPACT ASSESSMENTS

STATEMENT FROM THE REGULATORY POLICY COMMITTEE

20 FEBRUARY 2020

The Regulatory Policy Committee (RPC) has the important responsibility of independently assessing the quality of government departments' impact assessments (departments' assessments of the costs, benefits and risks of proposed regulatory measures). The RPC publishes an opinion on whether or not an impact assessment (IA) is fit for purpose, in order to ensure that the evidence and analysis placed before ministers and Parliament is sufficient to support their consideration of the proposed regulations.

The Agriculture Bill and the Fisheries Bill are currently in the process of being considered by Parliament. Contrary to the requirements of the Better Regulation Framework, the Department for Environment, Food & Rural Affairs (DEFRA) has not presented an impact assessment for either Bill; they are therefore being considered by Parliament without an assessment of the impacts on businesses or an independent opinion from the RPC.

The RPC has considered the proposals in the Bills and believe that in both cases these could have significant impacts on business when they come into effect (as set out in the annex to this statement) and that therefore IAs should have been produced by the Department, submitted to the RPC for independent scrutiny, seen by ministers and presented to Parliament. We expect that, in future, government departments will submit IAs to the RPC before the relevant bill is laid before Parliament.

We remain open to DEFRA submitting IAs for both of these bills to the RPC, in order to allow us to provide an opinion on whether or not each IA is fit for purpose.

Regulatory Policy Committee

Annex – Impacts of the Agriculture Bill and Fisheries Bill

Both the Agriculture Bill and the Fisheries Bill set out proposals which, considering both the bills themselves and the associated secondary legislation they enable, have potential impacts on business sufficient to require IAs under the Better Regulation Framework. This requirement applies even where the direct impacts of a bill itself are below the £5 million per annum threshold at which an IA is normally required.

Agriculture Bill

The Agriculture Bill contains a number of proposals which RPC analysis suggests are collectively likely to have a significant impact on businesses when implemented. In all these cases there would appear to be initial familiarisation costs and, at least in some cases, large ongoing administration costs.

The Bill enables the Secretary of State (SoS) to require information provision throughout the agri-food supply chain. The administration, and collection and reporting requirements could place significant burdens on businesses. If these costs are passed along the supply chain, they would also have impacts on retail prices and therefore on consumers and the wider economy.

The Bill also includes fair dealing obligations. This provision enables the SoS to require processors to provide their agricultural suppliers with contracts including details such as ongoing quantities of purchases and pricing mechanisms. Since prices of agricultural products can change regularly, coupled with seasonal and annual variation in quantity, this could require contracts to be rewritten multiple times a year. Such a requirement would place large administrative burdens on both parties and particularly on processors who deal with multiple suppliers.

There are also likely to be impacts resulting from proposals relating to:

- marketing standards and carcass classification; and
- changes to the finance support structure and classification of producer organisations.

Fisheries Bill

The Fisheries Bill also contains a number of proposals which RPC analysis suggests are collectively likely to generate significant impacts on businesses when implemented. Again, in a number of cases businesses are likely to incur initial familiarisation costs and, at least in some cases, large ongoing licencing costs.

The Bill enables the Marine Management Organisation to set charges to recover full costs from activities such as checking and validating catch certification for the imports and exports of fish and monitoring and surveillance of sea fishing which will be a direct cost to businesses.

The Bill also requires British boats to be licensed to fish in their respective national waters. There could be significant familiarisation and ongoing costs to fishermen as a result of this requirement.

There are also likely to be impacts resulting from measures relating to:

- fisheries management plans;
- the regulation of fishing opportunities for foreign vessels;
- potential changes to fishing quotas and days at sea; and
- the power of the SoS to regulate fisheries.