



Department
for Environment
Food & Rural Affairs

Government Response to House of Lords, Horticultural Sector Committee - Report of Session 2022–23



Government Response to House of Lords, Horticultural Sector Committee Report of Session 2022–23

Presented to Parliament

by the Secretary of State for Environment, Food and Rural Affairs

by Command of His Majesty

February 2024



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ISBN 978-1-5286-4684-0

E03064140 02/24

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

The House of Lords Horticultural Sector Committee published its report 'Sowing the seeds: A blooming English horticultural sector' on 6th November 2023. The report included 93 specific recommendations.

The Government has responded to each recommendation in turn.

Recommendation 1: *The Government should consider establishing a cross-departmental horticultural sector working group, to include participants from Defra, DfE, DHSC, DBT, DESNZ, and the Home Office.* (Paragraph 8)

The Farm to Fork Summit demonstrated the active approach that Defra have taken when working across all Government Departments. Horticulture remains a key focus for Government, and we are committed to supporting the sector in any way we can.

Recommendation 2: *The Government must look to reassure and guide the horticultural sector through longer-term planning cycles. To this end, it must publish a Horticulture Strategy for England as promised in the Government Food Strategy as a matter of highest urgency.* (Paragraph 14)

Government is committed to supporting the horticulture sector and is focused on delivering for British farmers and growers. Our regular engagement with the industry helps us understand what support the sector needs to continue to produce great British food and thrive.

We already take a strategic approach that focuses our resources on taking action on the issues most important to the sector. Horticulture and agriculture are very dynamic industries. Although strategies can be useful, they are also a snapshot in time. We are very aware that action and interventions is required to support the horticulture sector and we are working across Government to ensure that major issues such as labour, science and innovation, climate resilience, food security, plant health, food security and many others.

Recommendation 3: *The Government must publish a response to the Automation in Horticulture Review, the Independent Review of Labour Shortages, the Consultation on the Common User Charge, and the Consultation on the Review of the R&D Tax Reliefs Review as soon as possible.* (Paragraph 17)

The government is considering the ten recommendations of the independent review into labour shortages in the food supply chain. We will publish a government response in early 2024. The response will be informed by the findings and recommendations of the review of automation in horticulture.

Defra has analysed the responses to the 'Charging arrangements at government-run border control posts' consultation and expect to publish an update on the Common User Charge proposal in early 2024. This will consider all feedback, possible options and timescales to ensure a charging system that delivers best value for traders and meets governments cost recovery objectives in a transparent and fair way.

At Spring Budget 2021, the government launched a review of R&D tax reliefs to ensure the UK remains a competitive location for cutting edge research, the reliefs continue to be fit for

purpose and taxpayer money is effectively targeted. Alongside this, the government published a consultation, which ran from March 2021 to June 2021. A summary of responses was published in November 2021. As part of the review, the government also published a consultation on the design of a potential merged R&D tax relief scheme which ran from January 2023 to March 2023. A summary of responses was published in July 2023. At the Autumn Statement 2023, the government announced it has now concluded the review of R&D tax reliefs with the announcement of the merged scheme.

Recommendation 4: The Government must appoint a Minister with specific horticultural responsibilities to provide direction and accountability for the sector. (Paragraph 22)

The Government recognises the importance of the UK's horticulture sector, which plays a vital role in supporting the UK economy as well as local communities up and down the country. Recognising the broad scope of the sector, Ministerial responsibilities are shared in Defra between the Minister for Food, Farming and Fisheries (covering edible horticulture) and the Minister for Nature (covering ornamental horticulture). Ministers in Defra work closely together and across Government to ensure that the sector is fully represented.

Recommendation 5: The Government must continue to provide tailored communications to the horticultural sector, particularly to growers of ornamental plants, on ELMS schemes for which they are eligible. If applications to the scheme from these growers remain low, the Government should consult on broadening the criteria to make ELMS more accessible to land managers in the ornamental horticulture sector, including to those who manage land in urban spaces such as community gardens. (Paragraph 30)

Defra are committed to providing tailored communications on ELM schemes to the horticulture sector. Recent communications include a webinar on the 2023 Sustainable Farming Incentive offer, with a follow-up blog post published in December 2023. We are planning further communications in the coming months including a webinar and blog outlining the latest relevant grants and schemes. We strongly encourage the sector to apply for ELMs, as 2024 will see the biggest upgrade to farming schemes since the start of the agricultural transition. We are backing farmers and growers by increasing payment rates by 10% on average, making schemes more flexible and accessible, and publishing further detail. Eligible farmers and growers can apply for actions through the Sustainable Farming Incentive and Countryside Stewardship schemes, which will pay them to adopt and maintain sustainable farming practices. Eligibility for our schemes is kept under review.

Recommendation 6: The Government must “test and trial” an ELMS initiative for growers in intensive horticulture and protected edibles that is delinked from farm size. (Paragraph 31)

Defra has been using Tests and Trials to help shape the development and delivery of our schemes using a test, learn and adapt approach. They are aimed at conducting research to contribute to our understanding of how parts of the new schemes work in a real-life environment. Through Tests and Trials we have tested actions such as the moorland standard and have worked with the horticultural sector including the Landworkers' Alliance who have

tested approaches with farmers and growers providing evidence to inform policy development and support the delivery of our schemes.

Defra will continue to use Tests and Trials to support the delivery of the schemes by working with farmers to identify issues and develop solutions.

Recommendation 7: Payments from the ELMS scheme should be kept under review to ensure they fully recognise the loss of income from reduction of productive land.
(Paragraph 32)

As set out in the Agricultural Transition Plan Update, we want to go into 2025 having reviewed all the actions we pay for to make sure they are appropriately flexible and workable for all settings. This will include a continued effort to keep our payment rates up to date and calculated in the most effective way.

From 2025, we plan to introduce a regular cycle of reviews of scheme actions and prices over a rolling three-year period, with a proportion of options being reviewed each year. This will keep our offers, including prices, up to date whilst responding to farmer feedback and evidence to maintain progress towards our outcomes.

In exceptional cases, where external factors have dramatically impacted the farming sector, we will allow for priorities and actions to be reviewed outside of the scheduled review processes. This is to allow us to retain flexibility where needed.

Recommendation 8: The Government must set out how it will implement the lessons learned from the 2022 ELMS test and trial undertaken with the Landworkers' Alliance.
(Paragraph 33)

The Landworkers' Alliance (LWA) is working with 15 growers to assess the arable and horticultural land actions in the Sustainable Farming Incentive to identify any barriers and how these could be overcome. LWA will also look at opportunities for other actions that growers could deliver to achieve environmental outcomes. They will gather feedback on payment rates, test opportunities for private finance and how to address the barriers created by short-term tenancies in the horticultural sector. The test is due to complete in July 2024. When complete, the findings from this test will be disseminated to policy teams. They will use the findings along with other evidence to inform decision-making.

Recommendation 9: The Government must recognise horticulture as an energy intensive industry and add it to the list of sectors eligible for the ETII scheme.
(Paragraph 44)

At the Farm to Fork summit Government committed to support the Controlled Environment Horticulture (CEH) sector with rising energy costs. Departments are working together to address difficulties for growers to qualify for the ETII scheme and the Energy Intensive Industry (EII) scheme. UK Standard Industrial Classification codes are often used to assess sector eligibility to energy support schemes, and we are exploring if horticulture can be better represented by this classification through a wider consultation by ONS in January 2024.

Recommendation 10: *The Committee agrees with the EFRA Committee that the Government should set out how it will ensure continued fertiliser production in the UK. The Fertiliser Industry Taskforce must make good on its promise to increase transparency in the fertiliser market to help mitigate the effects of price volatility by working closely with industry on a regular basis. In the long term, the Taskforce must take note of our recommendations on R&D with a view to reducing dependence on nitrogen and phosphorous-based fertilisers.* (Paragraph 51)

The Fertiliser Industry Taskforce has now been stood down; however, Defra continues to monitor the functioning of the fertiliser market and works closely with other government departments, devolved administrations and industry to understand supply, demand and prices. Our monitoring is supported by information shared by stakeholders, including in our regular engagement with the Agricultural Industry Confederation (AIC) and through having bi-monthly or quarterly meetings with the main suppliers of fertiliser in the UK.

With regards to market transparency, the Agriculture and Horticulture Development Board (AHDB) now publishes a dashboard on fertiliser prices. We will convene another meeting with key stakeholders to explore what more can be done to further improve market transparency. We continue to encourage industry to prioritise diversification and resilience, while we work cross-government to utilise recent and upcoming trade agreements to build further resilience into supply chains.

The SFI encouraging better nutrient management through increasing nutrient management knowledge, supporting more efficient use of nutrients and encouraging more effective use of organic sources of crop nutrition will assist towards reducing dependence on nitrogen and phosphorous-based fertilisers.

Recommendation 11: *The Government must conduct and publish its review of fairness in the horticultural supply chain as soon as possible and include ornamentals within its scope.* (Paragraph 63)

The Government launched its Review to increase fairness in the fresh produce supply chain on 14 December 2023. The consultation will remain open for 10 weeks, closing on 22 February 2024. Following this, we will analyse the responses and provide a formal response that provides a summary of the findings and sets out next steps.

This review was announced in May at the UK Farm to Fork summit, where the focus was on actions that can be taken to support a thriving food industry. As such, this review will focus on edible fresh produce, which has a different supply chain to most ornamental crops. It remains our intention to consult on the need for supply chain regulations on a sector-by-sector basis, and the decision to exclude ornamentals from this review does not preclude us from consulting on this sector at a later point.

Recommendation 12: *The GSCOP code must be refreshed to embed the 7 Golden Rules identified by the GCA. The CMA must review the scope and remit of the GCA to examine whether the powers the GCA has are appropriate for a wider scope and if they should be increased to address broader supply chain relationships, including processors and wholesale purchasers. Ornamentals should be included as part of the horticultural sector supplying to retailers.* (Paragraph 73)

The Groceries Supply Code of Practice (the Code) is part of an Order put in place following a market investigation in 2006-2008, which found that unfair practices in the supply of groceries to large supermarkets were adversely affecting competition in the UK. The Competition and Markets Authority (CMA) can vary and supersede the Order (and the Code) where there have been relevant changes of circumstance, but only to address adverse effects found during the original investigation and not additional issues or sectors not considered during that investigation.

The CMA understands the golden rules to represent 'best practice' published by the Groceries Code Adjudicator to help ensure compliance with the Code and as such the principles underlying them are already embedded in it.

Successive reviews of the Groceries Code Adjudicator have found it to be highly effective in enforcing the Code. The Government believes the GCA is successful because it is tightly focused on the large supermarkets and their direct suppliers and has no plans to extend its remit.

The Government believes that fairness to producers throughout the food supply chain is best achieved through sector specific codes and launched the review to increase fairness in the fresh produce supply chain in December 2023. The Government will analyse responses to the review and consider the need for providing additional protections for farmers at risk of unfair practices.

Recommendation 13: We recommend in common with the EFRA Committee's recent recommendation that the Government should develop a suite of key food security indicators—from farm inputs and retailer outputs— to monitor and ensure food security and report annually as committed to by the Prime Minister. In addition, the Government must, as a priority, define targets for food self-sufficiency and set itself statutory reporting duties against those targets together with key food security indicators. Defra should, as a matter of urgency, reconsider its interpretation of international rules and consider barriers to promoting British food. (Paragraph 90)

We have committed to broadly maintain our food self-sufficiency at the current level of 60%. The Agriculture Act 2020 requires that the UK Food Security Report (UKFSR) is produced at least every three years. The UKFSR contains a suite of indicators which Defra is in the process of reviewing, in consultation with a wide range of stakeholders, in preparation for publication of the next iteration of the UKFSR by December 2024. Many of the measures within the UKFSR are already published on an annual basis, via publications such as Agriculture in the UK and the Food Statistics Pocketbook.

Defra officials regularly engage with major supermarkets to understand the work they are doing to promote British produce. We welcome their efforts to promote British food and the innovative ways to make it easier for consumers to pick British and back our farmers, who produce some of the best food in the world.

Recommendation 14: The Government should work with industry to launch a campaign to define what is unique and special about British produce and encourage consumers to buy more seasonal British produce. (Paragraph 100)

In January the Secretary of State announced that Defra is launching a consultation on clearer labelling in order to tackle the unfairness created by misleading labelling and to

protect farmer and consumers. In addition, Defra is engaging closely with Supermarkets to understand the work they are doing to promote British produce and ensure it is easier for consumers to pick British and back our farmers.

Recommendation 15: The risk model proposed in the Border Target Operating Model should be kept under review and more clarity provided to accompany risk status updates. (Paragraph 117)

Defra will continue to engage border stakeholders about any changes, ensuring sufficient time for any process changes to be implemented. The risk categorisation that underpins the approach is undertaken by a cross Government expert panel who will review and respond to changes in risk. The Government will provide traders and trading partners with at least three months' notice of any change to risk categorisation so they can adapt their processes as needed. If urgent protective action is required, DEFRA retain the authority to implement temporary safeguarding measures in response to acute threats.

Recommendation 16: The Plant Healthy Certification Scheme should be compulsory, and support must be provided to ensure SMEs are supported to achieve accreditation. (Paragraph 119)

Defra provided funding and technical support to ensure that both the Plant Health Management Standard and associated Plant Healthy Certification Scheme meet robust biosecurity requirements.

Defra has used the Standard as the basis for a Bio-secure Procurement Requirement for public sector procurement of plants and trees. This is being piloted for a number of planting grants. Suppliers can demonstrate compliance by either being a Plant Healthy scheme member or by undergoing an equivalence assessment known as Ready to Plant.

Defra plans to roll out the procurement requirement across all planting grant schemes, as well as central and local government commercial contracts, and is exploring whether the requirement can be incorporated into national planning policy for major developments.

Defra recognises the important contribution that small nurseries make to plant and tree supply and is looking at how best to support and encourage them to practice good biosecurity and become Plant Healthy certified.

Recommendation 17: The Government should work with industry to promote a British kitemark for UK plant products in tandem with the recommended campaign to help consumers recognise what is unique and special about British produce. (Paragraph 121)

Industry, environmental NGOs, and government worked together to develop the Plant Health Management Standard and the associated Plant Healthy Certification Scheme, which was launched in February 2020. Defra provided funding and technical support to ensure both the standard and scheme meet robust biosecurity requirements.

The Standard is regarded as the industry benchmark standard for plant health biosecurity and has the wide backing of the professional plant sectors via the UK Plant Health Alliance.

Plant Healthy certification enables an organisation to demonstrate that it is operating in a bio-secure way in terms of its plant health management systems. There are currently 50 business and organisations who are Plant Healthy certified, with a further 16 in the pipeline. A public launch is currently planned for 2025.

Recommendation 18: The Government should set out clear timelines for the integration of new and upgraded technologies. It should urgently set out its plans including costs and timeframes for the pilot and implementation of the AOS scheme to enable a seamless transition for businesses in the sector. The Government should keep the relationship between the Windsor Framework and the BTOM under review to ensure effectiveness. (Paragraph 144)

Government has been running pilots to test new technologies at the border. The Authorised Operator Status (AOS) is designed for UK businesses of all sizes importing all plants and plant products. AOS will enable traders to manage their own SPS risks. We expect AOS to go live in late 2024. Testing will ensure all elements of the authorisation proposal uphold the high biosecurity standards of the UK. The AOS will be piloted in two stages.

Those involved in the Accredited Trusted Trader Scheme Certification Pilot have now been onboarded with the pilot expected to start in January 2024. Wider pilots will start from the point border controls are initiated in April 2024.

The Border Target Operating Model is consistent with the commitments set out in the Windsor Framework, including continuing to guarantee Qualifying NI Goods unfettered access to the GB market. Separate guidance has been published on gov.uk on the specific arrangements for goods moving into and out of NI.

Recommendation 19: The Government must communicate clearly and collaboratively with industry during implementation of the BTOM. It should make good on its promise to work with importers utilising groupage to clarify procedures and ensure complexity and cost is minimised. This should include reviewing the possibility of easements for SMEs and clearly setting out the costs associated with operating and using BCPs and CPs. (Paragraph 146)

Government is committed to supporting the border policy changes with development of new and existing systems. These will be communicated to stakeholders and systems procedures will be tested and the results analysed before 'go live'.

To minimise the burdens, the Government will continue to work with businesses who use a consolidation model of groupage to explore how certifications could be aggregated, while protecting biosecurity and human health. The Government will implement streamlined EHCs, simplifying guidance and revising official seal requirements. We will launch a Certification Logistics Pilot in January 2024 and will continue to engage with stakeholders to explore what more can be done in this area. We will also work with importers and logistics firms who use the multiple pick-up model of groupage to explore how complexity and cost is minimised under the new model.

Recommendation 20: The Government must define 'consignment' for the purposes of charges under the new model. The response to the consultation on the Common User

Charge should be published as soon as possible. If it should go ahead, the charge should be reviewed regularly to ensure costs are not squeezing out small businesses.
(Paragraph 148)

Defra consulted on the proposed Common User Charge, inviting views on the principles, methodology and indicative rates for the Common User Charge to determine fair and reasonable charges. The consultation launched 12 June 2023 and ran for four weeks, closing on 9 July 2023.

Defra is currently reviewing the feedback from the consultation. The response, and details of the policy as consulted on, the related rates and guidance to the sector will be published in early 2024.

Recommendation 21: CITES processes should be digitalised and import permits should be scrapped to reduce duplication of paperwork. The administrative cost of obtaining a CITES permit should be reviewed to allow SMEs to trade effectively. A more flexible mechanism must be put in place to protect legitimately traded plants being destroyed due to incorrect paperwork. In the case of no-fault destruction of consignments, the Government should consider a mechanism to reimburse growers.
(Paragraph 155)

The post-Brexit CITES requirements have been in place since the UK left the EU, however, we are aware that the horticulture sector have had some difficulties complying with these requirements and in the past 12 months there have seen an increase in seizures of CITES-listed plants.

We are carrying out a review of the inherited CITES Regulations to ensure that they remain fit for purpose. This comprises 3 strands:

- Digitisation: to modernise the licensing system used for CITES with an ambition to move to full e-permitting if possible.
- Process review: to review the operational processes underpinning the UK CITES regime to ensure they are robust and efficient. This review is expected to examine disposal practices to ensure that where specimens have been seizures that the best practical outcome is achieved.
- Legislation reform: to use the opportunities post-Exit to review and improve the retained EU law that governs the CITES rules in GB. This includes considering alternative approaches to import permits for Annex B/Appendix II species which includes many of the CITES-listed plants cultivated in horticulture.

We are preparing legislation proposals for consultation later in 2024 and would appreciate feedback from the horticulture sector if these proposals will address some of the issues they are facing.

Recommendation 22: Horticulture should be put on the curriculum as a stand-alone topic within the science curriculum at all Key Stages. (Paragraph 164)

Every child should benefit from a broad, knowledge-rich curriculum, and the National Curriculum (NC) sets an expectation of what should be taught in schools. Although Academies are not required to follow the NC, they must teach science as part of a broad and balanced curriculum. Teachers use their expertise to determine how they teach their pupils,

and to make choices about detailed topics. Although horticulture is not a stand-alone topic in the NC, it could be covered in Key Stage 1 under 'Plants', Key Stage 2 under "Living Things and Their Habitats" or in Key Stage 3/4 Biology. Therefore, we do not agree that Horticulture should be added to the NC. The NC covers a lot of content, so adding in a new topic could require us to remove something. Additionally, in the 2022 Schools White Paper we committed not to change the NC for the remainder of this Parliament.

Recommendation 23: At Key Stages 3 and 4, career guidance teachers and counsellors should be given far more information about horticultural careers including those at university and research levels and to support them in pointing students to the varied opportunities available. Qualifications should be encouraged but they should not be a barrier to entry. (Paragraph 165)

Teachers, employers and careers professionals all have an important role to play in providing insights into a wide range of careers and skills pathways, so that young people understand the varied opportunities available in sectors like horticulture.

The Department for Education funds The Careers & Enterprise Company (CEC) to connect business and sector bodies with schools and colleges across England to deliver high-quality careers education. Almost 400 Cornerstone Employers, including the National Trust, National Farmers Union and Worldwide Fruit, provide local leadership in Careers Hubs to increase opportunities for meaningful employer encounters and workplace experiences. The CEC collaborates with The Institute for Agriculture and Horticulture, ensuring that careers information is promoted to schools via its digital platform and Careers Hub Networks. The CEC's Teacher Encounters programme provides opportunities for teachers to engage directly with employers to see and learn about the different career pathways relevant to their subject and how it can be applied practically in the workplace. Over 1,000 teacher encounters were delivered during 2023, including with employers in the agriculture, forestry, fishing and food industries. Careers advisers keep their knowledge and skills up-to-date through regular continuing professional development (CPD). The Career Development Institute (CDI) offers a range of training opportunities and requires members of their UK Register of Careers Professionals to evidence at least 25 hours of CPD annually. Young people can access information on a range of digital tools and resources through the National Careers Service website. More than 800 profiles include jobs like gardener, agricultural engineer and landscape architect within the horticultural sector. The Service is a partner organisation for Green Careers Week, an annual celebration of jobs, careers and skills that help to protect and restore the planet.

Recommendation 24: The Government must support The Institute for Agriculture and Horticulture to ensure that its careers programmes and schemes reach young people and new entrants from under-represented backgrounds. (Paragraph 171)

The Government will continue to support The Institute for Agriculture and Horticulture (TIAH) as it works to remove the fragmentation that exists within the current learning and skills landscape for agricultural and horticultural businesses. TIAH will enable the industry to drive greater uptake of skills, creating clear career development pathways and promoting the sector as a progressive, professional and attractive career choice for new and diverse talent.

Through the Green Jobs Delivery Group (GJDG), the Government is working with industry, the skills and education sector, local government, trade unions and other key stakeholders to

address the barriers to recruitment, retention and progression in environmental sectors, including to those from under-represented backgrounds. The GJDG will publish a Green Jobs Plan in Spring 2024, setting out actions for government and employers to grow the workforce needed to deliver our domestic environmental targets and goals.

The Department for Education funds The Careers & Enterprise Company (CEC) to connect business and sector bodies with schools and colleges across England to deliver high-quality careers education. Almost 400 Cornerstone Employers, including the National Trust, National Farmers Union and Worldwide Fruit, provide local leadership in Careers Hubs to increase opportunities for meaningful employer encounters and workplace experiences. The CEC collaborates with The Institute for Agriculture and Horticulture, ensuring that careers information is promoted to schools via its digital platform and Careers Hub Networks.

Recommendation 25: The Government must expand TIAH's remit to include the ornamental sector as soon as is feasibly possible. Any such expansion must be adequately staffed, funded, and supported. (Paragraph 175)

TIAH is an independent industry led professional body.

Whilst ornamental horticulture is not within TIAH's initial scope, collaboration is at the heart of what TIAH want to deliver and the ambition is to ensure close co-operation with the ornamental sector in areas where there are common issues (such as labour market information research).

TIAH are already working with the Environmental (formerly Ornamental) Horticulture Roundtable Group (EHG) to ensure this.

Recommendation 26: The Government should explain what changes they have made to the Agriculture, Land Management, and Production T Level on a "lessons learned" basis following the Ofsted thematic review of extant T Level courses. (Paragraph 183)

Careers advisers keep their knowledge and skills up-to-date through regular continuing professional development (CPD). The Career Development Institute (CDI) offers a range of training opportunities and requires members of their UK Register of Careers Professionals to evidence at least 25 hours of CPD annually.

Recommendation 27: The Agriculture, Land Management and Production T Level should be reviewed after its first year with a view to allowing land-based colleges to deliver the work-experience element of T Level courses on site. (Paragraph 184)

Young people can access information on a range of digital tools and resources through the National Careers Service website. More than 800 profiles include jobs like gardener, agricultural engineer and landscape architect within the horticultural sector. The Service is a partner organisation for Green Careers Week, an annual celebration of jobs, careers and skills that help to protect and restore the planet.

Recommendation 28: The Government should support providers of the Agriculture, Land Management and Production T Level to raise awareness of the qualification amongst potential students and in the industry. (Paragraph 185)

Awareness of T Levels among students in years 9-11 has increased by 36 percentage points in the last two years and is highest among year 11 pupils. The latest figures show that nearly 70% of year 11 pupils are aware of T Levels. We have invested around £11million in national communications campaigns which spotlight T Levels, and these will be continued into at least 2025. The Careers and Enterprise Company and Apprenticeship, Support and Knowledge programme raise awareness with schools – and we have given each T Level provider extra funding in 2023/24 to help them promote T Levels to their students locally. Our 400 member-strong T Level Ambassador Network continues to grow and raise the profile of T Levels with employers, parents and students.

Recommendation 29: The Government must reform the apprenticeship levy to meet the needs of horticultural businesses. Flexibility should be introduced to support delivery of training in rural settings, for example a removal or lowering of minimum thresholds for attendees for training courses. There should be greater flexibility around the use of the apprenticeship levy to support the “bite-size learning” of specific skill sets to up-skill existing workforces. The Government must open up the apprenticeship levy to seasonal workers or provide an alternate training scheme for them to support SMEs who rely on this workforce. (Paragraph 192)

The apprenticeship levy was introduced to incentivise larger businesses to develop and invest in apprenticeships whilst ensuring the availability of funding for apprenticeships in smaller employers. Government is increasing investment in apprenticeships in England to £2.7bn by 2024-45 and has removed the limit on the number of apprentices that SMEs can recruit. In the last two financial years, on average 98% of the English apprenticeships budget was spent. Allowing employers to spend levy funds on other training would significantly reduce the funding available for apprenticeships, particularly for SMEs.

Apprenticeships can be offered in skilled occupations and must deliver substantial training over a minimum duration of 12 months. There is no minimum threshold of attendees for apprenticeships training. Employers have developed several horticulture apprenticeships and can develop further standards where necessary. The sector may want to consider if the flexi-job apprenticeship model can enable seasonal workers to benefit from apprenticeships, giving them the opportunity to pause their training and move between employers as industry working patterns require.

Where shorter more flexible courses may be appropriate, employers can work with training providers, MCAs and Local Authorities to develop and deliver Skills Bootcamps to help them fill skill shortage vacancies. They can also benefit from the new agriculture, land management and production T Level.

Recommendation 30: We encourage universities offering courses in Plant Science, Horticulture or Botany to revise their module list considering the skills needed in the sector, to ensure that their graduates are trained to meet the challenges of the industry. The Department for Education should offer advice and support on this where possible and appropriate. (Paragraph 198)

It is not appropriate for the Department for Education to offer advice and support in relation to revising the module lists for Plant Science, Horticulture or Botany courses offered by universities. Higher education (HE) providers are independent, autonomous institutions, and are therefore responsible for their own decisions regarding the courses that they deliver.

Recommendation 31: We support the recommendation of the Independent Review that further and higher education funding bodies should review food supply chain-related subjects to ensure courses are well resourced and that recurrent and capital funding is enhanced and protected in the long-term. (Paragraph 199)

The government is currently considering the recommendations from the Independent Review into Labour Shortages in the Food Supply Chain, including the recommendation to support food career curriculum delivery. The government response will be published in early 2024.

Recommendation 32: The Government must produce a strategy to ensure that there are sufficient skilled workers available in key areas as recommended by the Independent Review into Labour Shortages in the Food Supply Chain. (Paragraph 204)

The government is currently considering the recommendations from the Independent Review into Labour Shortages in the Food Supply Chain. The government response will be published in early 2024.

Recommendation 33: The Government must publish its review of the seasonal worker route, as promised in response to the Independent Chief Inspector of Borders and Immigration's December 2022 report. It must also respond to the Migration Advisory Committee's latest Review of the Shortage Occupation list. (Paragraph 213)

The Government will publish the reviews of the scheme for 2020-22 in due course and is carefully considering the MAC's review of the SOL.

Recommendation 34: The Government should convene a meeting of retailers and the NFU, with representation from seasonal workers, to discuss the welfare issues raised in this report. (Paragraph 214)

Defra regularly engages with retailers and representative organisations such as the NFU, both individually and in forums on seasonal labour issues. Defra also attends the Seasonal Worker Scheme Taskforce, a multi-stakeholder programme consisting of retailers, growers, suppliers, scheme operators, NGOs, trade unions and non-profits working collaboratively to help safeguard and ensure access to workers' rights in the scheme.

Recommendation 35: The Government must review options to make local housing and transport more affordable to ensure that local people are not discouraged from taking up seasonal work. They must also ensure that flexibility in the tax and benefits system is being properly advertised to claimants who may wish to move into work temporarily, and to ensure that government departments are communicating with one another about these opportunities. (Paragraph 223)

The National Planning Policy Framework is clear that planning policies and decisions should be responsive to local circumstances in rural areas, and support housing developments that reflect local needs. Local authorities should seek opportunities to bring forward rural exception sites that provide affordable housing for local people and others with a family or employment connection to the area. In 2021 we published Planning Practice Guidance to help local authorities, housing associations and others to bring forward more of these sites in the future.

The updated National Planning Policy Framework (December 2023) strengthened support for community-led housing. It emphasises the role that community-led development can have in supporting the provision of housing in rural areas, and introduces a new community-led housing exception site policy.

We agree that it's important that people are aware of the job opportunities in their area and the way in which the UC rules ensure that work pays and de-risks taking temporary work. Our Jobcentre teams are committed to delivering a quality service to ensure all claimants receive the best possible support to meet their individual circumstances.

Recommendation 36: The Government must commit to data collection to understand how many seasonal workers will be needed in the UK in the short, medium, and long-term. Once these figures are collected, a seasonal workers workforce plan should be published detailing how many visas are needed and how many the Government expects to make available for the next 5, 10 and 20 years. (Paragraph 233)

The government is currently considering the recommendations from the Independent Review into Labour Shortages in the Food Supply Chain, including the recommendations concerning access to migrant labour and to produce a workforce data strategy. The government response will be published in early 2024.

Recommendation 37: Even if there is flexibility on the exact number of visas available, the Government must guarantee the existence of the seasonal workers scheme, in principle, for five years at a time, as per the recommendation made in the Independent Review of Labour Shortages in the Food Supply Chain. The Government must communicate any changes to the scheme in good time to allow scheme operators and growers to plan ahead and to communicate with incoming seasonal workers. (Paragraph 234)

The government is currently considering the recommendations from the Independent Review into Labour Shortages in the Food Supply Chain, including the recommendation concerning access to migrant labour. The government response will be published in early 2024.

Recommendation 38: To lower recruitment and training costs to growers, increase efficiency, and to retain and attract talent on UK farms, the seasonal worker scheme visa should be extended to nine months, and employers should bear the consequent cost of the NHS surcharge incurred after six months. (Paragraph 235)

The government is currently considering the recommendations from the Independent Review into Labour Shortages in the Food Supply Chain, including the recommendation concerning access to migrant labour. The government response will be published in early 2024.

Recommendation 39: *The GLAA must, as a priority, re-establish confidence with industry that it competently applies due diligence in the licensing of overseas labour recruiters in accordance with its own guidelines. It must define legal requirements country by country and inspect against these, ensuring that there is a sustainable operational and commercial model in place that does not involve charging recruitment fees to workers, inappropriate sub-contracting, or the use of unlicensed gangmasters.* (Paragraph 244)

The GLAA recognises that more prevention activity would help to ensure that workers sourced from overseas are not being exploited. As part of our approach, the GLAA has published guidance for businesses who wish to source workers from overseas and worked with key stakeholders to deliver information to potential workers. We are also working with the IOM and the FCDO to identify legitimate government backed schemes which are compliant with the licensing scheme for UK based businesses to access when operating overseas. We have also put MOU's in place with key countries to ensure that workers are sourced from legitimate businesses. However, the GLAA has no powers to inspect against the requirements of other countries or to investigate unlicensed trading outside of the UK. It would not be appropriate for the GLAA to provide advice on compliance with non-UK law.

Recommendation 40: *The GLAA must issue new guidance on scam adverts for UK seasonal worker schemes.* (Paragraph 245)

The GLAA will be actively seeking funding opportunities to ensure that this issue can be highlighted in source countries. The GLAA has worked with the IOM to produce a toolkit to tackle worker exploitation.

Recommendation 41: *To encourage workers to return to the UK, and therefore cut training costs for UK growers, the Government should process the visas of returning seasonal workers at cost.* (Paragraph 249)

It is the government's policy that those who use and benefit most from the immigration system should contribute towards the cost of operating the system, reducing the burden on the UK taxpayer. The Home Office keeps fees under review and does not make a profit from applications where the fee is higher than the estimated unit cost. All income generated above the estimated unit cost is used to fund the wider migration and borders system.

Recommendation 42: *Reforms should be made to how seasonal workers are taxed to allow them to retain more of their earnings. A dedicated seasonal workers' tax code should be introduced under which no income tax is levied until the worker has reached the annual tax threshold. The pension auto-enrolment and National Insurance enrolment obligations should be removed. Employer National Insurance should be allocated to refund the costs of visa and travel for seasonal workers.* (Paragraph 250)

Saving for retirement is a crucial right for all qualifying workers across the UK economy and applying exemptions to the automatic enrolment (AE) duties would undermine the success of workplace pensions. There is already a 3-month postponement period to help minimise burdens for employers with short-term workers. We have no plans to remove seasonal workers from AE and the benefits of pension saving.

HMRC provides an arrangement for certain agricultural workers ('harvest casuals') where employers do not have to deduct income tax when they pay harvest workers for two weeks or less or fourteen non-consecutive days in any tax year. This arrangement does not provide employees with a tax exemption but is intended to help employer administration. For employers taking on harvest workers for longer than two weeks, they will need to operate PAYE as normal in line with other sectors.

Employers are still required to report payments of earnings to HMRC where employee or employer National Insurance is due or where the earnings help the seasonal worker build entitlement to contributory benefits or the UK state pension.

For fairness with other workers, it would not be right to remove liability to income tax and National Insurance for seasonal workers from their earnings.

Recommendation 43: To protect the lawful operation of scheme operators' businesses, workers who claim asylum should not be included in the Home Office requirement that 97 per cent of sponsored workers leave the UK at the end of their stay. (Paragraph 255)

The Home Office already takes into account any extenuating circumstances when calculating a Scheme Operator performance against Part 4, Annex C1, hh. of the Sponsor Guidance, including giving due consideration to how any asylum claims impact the calculation of these figures. More broadly however, all Scheme Operators have a duty to ensure that their activities do not pose a threat to the integrity of the UK immigration system. and this includes not generating significant rates of asylum claims or overstaying.

Recommendation 44: The Government must separate labour inspectorates from immigration enforcement and make clearer the roles and responsibilities of current enforcement bodies including the Home Office. The Government must provide an official source of redress to seasonal workers that is not linked to immigration. (Paragraph 269)

Labour inspectorates and immigration enforcement are not currently combined, and therefore cannot be separated. The Home Office does not operate a labour market inspectorate, rather an immigration compliance function.

Whilst the Home office will always pass on intelligence or concerns of malpractice to the appropriate regulator, and we inevitably work closely with these organisations, it is not the function of UK Visas and Immigration to police the UK labour market. Migrant workers enjoy the same protections under UK law as resident workers.

Recommendation 45: Seasonal workers should be informed of their right to join a trade union during the recruitment process and upon their arrival to the UK and should be signposted to other sources of support. (Paragraph 270)

The organisations who sponsor seasonal migrant workers provide resources to workers during and after recruitment, which includes information on their right to join a trade union. This is often shared through recruitment presentations, the Just Good Work app, or through information guides which point workers to additional resources, including government websites and helpful contact points.

Recommendation 46: A compulsory welfare spot-check should be introduced between month three and six at farms that host seasonal workers, during which a selection of workers should be interviewed by the GLAA/Home Office to ensure that welfare standards are being upheld on the farm. This interview should be available in the first language of the workers, and it should be made clear that it has no link to their immigration status and is totally anonymous and confidential. Worker accommodation should also be inspected. Inspectors should have the power to fast-track cases of non-compliance with existing labour laws to the relevant bodies. (Paragraph 271)

UKVI compliance staff visit farms primarily to assure Sponsors are adhering to their duties, but to also undertake some welfare checks on sponsored workers by interviewing a sample, checking correct salary paid and undertaking a sample check of accommodation.

Adverse findings on farms or any reports received by the seasonal work team will be reported and assessed against the standards expected of the sponsors. Where appropriate UKVI reports these issues to sponsors and monitors what action is taken to address concerns raised through on-going engagement with the sponsor.

During 2023, 124 farms were visited, and 1026 sponsored workers interviewed.

Recommendation 47: The GLAA must implement a system of audits, spot-checks and systematic inspections on farms that are part of the seasonal worker scheme. There should be a clear, tiered, enforceable system of penalties for those who fail to enforce labour laws. The Home Office must increase the budget of the GLAA so that it is able to fulfil its function. Some of this budget increase should be ringfenced so the GLAA is able to hire more labour inspectors in line with the number recommended by the ILO. (Paragraph 279)

The Home Office already conducts a system of audit spot check and systematic inspections on farm as part of the Seasonal Worker scheme. Requesting GLAA to fulfil this function would cause duplication. Separately the GLAA has specific powers to investigate modern slavery offences in England and Wales and can take action against businesses who are trading without a licence across the UK.

Recommendation 48: The GLAA must proactively enforce the full payment of the National Living Wage to all seasonal workers for 32 hours a week. If the GLAA does not have the resources to do so, responsibility for this task should pass to HMRC. The Government should update the guidance to specify that this means 32 hours a week for the full six-month season. (Paragraph 281)

The Home Office already proactively enforces the full payment of the National Living Wage to all seasonal workers for 32 hours a week. The Immigration Rules governing the Seasonal Worker route already specify that workers must receive 32 hours pay for each week of their stay in the UK.

Recommendation 49: The Home Office should issue new guidance clarifying that all caravans provided for use by seasonal workers must reach BS3632. Local authorities should be given a duty to inspect and enforce both this standard, and health and

safety regulations in caravans housing seasonal workers. The new advice should clarify that only caravans with shared living space and single-occupancy bedrooms which reach BS3632 should be eligible for the maximum occupancy charge, which should not exceed the accommodation offset rate. (Paragraph 291)

We will convene relevant departments to discuss this recommendation given it relates to accommodation and marketing standards, as well as different enforcement powers.

Recommendation 50: The DLUHC should report on the results of the consultation on extending the Decent Homes Standard to the private rented sector, including on how this standard would apply to the seasonal workers scheme. (Paragraph 292)

The Government is committed to introducing a Decent Homes Standard (DHS) into the private rented sector for the first time, and the Renters (Reform) Bill includes provisions that will allow a DHS to be applied to privately rented homes and enforced by local authorities. We will publish our response to the 2022 consultation on applying a DHS to the private rental sector in due course. Existing housing standards legislation for the private rental sector, including the Housing Act 2004 and Homes (Fitness for Human Habitation) Act 2018, only applies to buildings. The DHS, and Housing Health and Rating System that underpins parts of the standard, have also been designed to apply to buildings. Caravans, and other types of non-building accommodation, are therefore not within scope of the DHS provisions in the Renters (Reform) Bill, though we recognise that safety and decency are also important for those living in such accommodation.

Recommendation 51: Rental contracts for accommodation should be provided in seasonal workers' own languages and signed and agreed ahead of their arrival in the UK. (Paragraph 293)

The majority of workers will receive information in their own language on what to expect regarding their accommodation in the UK before their arrival, and in many cases that will be agreed and signed by the worker prior to departing their home country. We will continue to discuss this recommendation with operators to ensure workers are informed of and content with their living arrangements in advance of travelling to the UK. Our annual survey of workers allows us to monitor worker's direct experiences, including matters of contracts and accommodation, and feed back to growers and operators where further improvement is needed.

Recommendation 52: The GLAA should consider how widespread this practice is, and what can be done to ensure that workers are not being charged additional fees. (Paragraph 295)

The Government recognises the importance that impact of utilities and other charges are included in accommodation charges, in situations where the accommodation offset applies. DBT support efforts to monitor the level of this sort of bad practice and consider how best enforcement should be approached to ensure that the offset is not undermined, and that potentially vulnerable workers are not exploited. Officials will continue to liaise with other relevant Departments. The GLAA would also like to work with organisations like the IOM who are experts in this area to build an understanding of how widespread this practice is.

Recommendation 53: We endorse the recommendation made by the Low Pay Commission that the Government work together to address the interaction between seasonal workers' rate of pay and the accommodation offset rate. (Paragraph 297)

The Government is committed to reviewing the operation of the accommodation offset, following the recommendations of the Low Pay Commission, and a full response will be issued in due course.

Recommendation 54: The Government should consider what flexibility can be introduced into the planning system to enable more farms to provide a higher standard of accommodation to workers. (Paragraph 299)

The planning system does not specify the standard of accommodation provided by landlords or employers. These matters are covered by the standards for temporary or seasonal accommodation and safety regulations.

Recommendation 55: We thank Professor Pearson for his Automation in Horticulture Review, endorse its recommendations, and urge the Government to adopt them in full. The Government must publish their response to the Review, in which they outline a plan against each of Professor Pearson's recommendations, as a matter of urgency. (Paragraph 316)

The government would like to thank Professor Simon Pearson of the University of Lincoln for his work co-chairing the Review of Automation in Horticulture, whose findings and recommendations have helped inform the government response to the Independent Review into Labour Shortages in the Food Supply Chain. Both reviews have served to better understand how to transition to a more stable and sustainable workforce and accelerate the uptake of automation. The government response to the Independent Review into Labour Shortages in the Food Supply Chain will be published in early 2024.

Recommendation 56: The Farming Equipment and Technology Fund should be redesigned to make 100 per cent grants available, introduce flexibility in the technology that can be purchased, ensure that all technology applicable to both edible and ornamental horticulture is clearly listed as such, and enable provision to lease or co-own equipment to support smaller growers. (Paragraph 318)

Grants offering a percentage of the cost of equipment are a way to reduce the risk to the farmer when investing in innovative equipment whilst improving value for money by ensuring the farmer also has a stake in the investment. Increasing grants to 100% would require a significant increase in the budget, leading to a significant reduction in the value for money offered by the grant.

FETF is intended to be a quick and simple scheme to apply for. For the next round due in early 2024 there are 25 new items, many of which were suggested by the horticulture sector that will provide a broader range of eligible equipment. Horticulturalists are also eligible for grants up to £500K for be-spoke innovative equipment including robotic harvesters and transplanters under the Farming Transformation Fund.

We will work closely with horticulture stakeholders to ensure growers understand the full range of equipment grants that are available to them.

Currently the scheme only supports the outright purchase of capital items, but we continue to keep this under review ahead of future offers.

Recommendation 57: *The Government must urgently bring forward legislation and detailed guidance to provide clarity and certainty for the sector on how the peat ban will work in practice, including enforcement measures. It should not implement a total ban until it undertakes a full, revised impact assessment. It should consider appointing an existing sector body or group of representative bodies to spearhead the transition.* (Paragraph 362)

The Government remains committed to legislating for a ban as soon as Parliamentary time allows. We are updating the economic Impact Assessment to take into account our latest proposals. Defra is working with the horticulture sector to make the transition to peat free horticulture both for those using peat and businesses manufacturing growing media.

Recommendation 58: *The Government must urgently and clearly outline whether the peat ban will apply to all imported products and set out a plan to establish how the domestic market will be safeguarded against peat-grown imports in collaboration with the Office for the Internal Market. It must work better with its international trading partners, particularly the Netherlands and the devolved administrations, to design a collaborative approach to peat-free.* (Paragraph 364)

The Government has confirmed in Parliament that the peat ban will apply to imports in the same way as domestic products. Defra is holding discussions with the Office of Internal Markets and the Devolved Administrations on implications for the UK internal market. Targets for ending or significantly reducing peat use in horticulture up to 2030 have been set in both the hobby and professional sectors in Germany, Switzerland, the Netherlands and Belgium (Flanders).

Recommendation 59: *The Government must set out in its forthcoming updated impact assessment how the proposed ban could unintentionally cause environmental damage stemming from use of alternative growing media and how it intends to prevent or mitigate such damage.* (Paragraph 366)

The Impact Assessment addresses economic issues. The environmental impact of alternative growing media is assessed through the Responsible Sourcing Scheme for Growing Media. Under the Environment Principles Act 2021, Ministers are required to have regard to certain environmental principles in the making of all legislation. This includes the integration of policy with environmental protection. However, the greatest environmental benefit is realised by leaving peat in the ground and ensuring it is in a healthy condition.

Recommendation 60: *The Government must work closely with the sector to establish a realistic list of exemptions to allow more time for R&D innovation into alternative growing media. It must work with the industry to set a minimum standard for quality.* (Paragraph 368)

The Government is working with the horticulture sector to develop the detail around technical exemptions and the conservation exemption. No consensus has been reached regarding the

introduction of quality standard; Defra would not oppose the introduction of a quality standard.

Recommendation 61: *The Government must continue to provide funding to support research into viable alternatives to peat in collaboration with the industry and academics. It should establish a communications campaign tailored to the professional sector to increase awareness of the viability of alternatives to peat and communicate the findings from its research projects in collaboration with the RHS.* (Paragraph 370)

Defra is currently supporting a number of strands of research in this area. This includes the commendable work of the RHS. The results of current and future research will be disseminated through appropriate channels, to ensure the widest benefit to the sector.

Recommendation 62: *The Government should set a target for the reduction in use of those agri-chemicals that are demonstrably harmful, including certain pesticides and fertilisers in the horticulture sector. It should consult with the sector on a realistic timeframe for implementation and consider mandatory bans if voluntary action is not forthcoming.* (Paragraph 404)

UK leadership was critical to agreeing the Kunming-Montreal Global Biodiversity Framework. The framework includes a global target for Parties to reduce the overall risk from pesticide use globally by at least 50% by 2030. It also includes the aim to encourage the uptake of integrated pest management (IPM). (Target 7).

We are assessing the potential role of domestic targets to support our policy ambitions. Any targets that we set must be designed to deliver our desired outcomes – to minimise the risks of pesticides to the environment and encourage sustainable pest management.

Although we are investigating the role of targets and support reduced reliance on chemical pesticides, a ban of pesticide use is not appropriate as they remain vital tools for farmers and other land managers.

Recommendation 63: *The proposed Horticulture Strategy must detail how it will support the sector to achieve the ambitions announced in the Plan for Water.* (Paragraph 448)

We already take a strategic approach that focuses our resources on taking action on the issues most important to the sector. As set out in the plan for water, the Government is committed to working with the horticultural sector to improve the resilience of its water supplies, whilst also protecting the environment in the context of climate change and population pressures.

Over two rounds, Defra has allocated £20 million in grants to assist growers with the costs of constructing irrigation reservoirs and adopting best practice irrigation equipment through the Water Management Grant under the Farming Transformation Fund. This will support our goal of increasing the amount of water stored by the agriculture and horticulture sectors by 66% by 2050 to support food production and protect the water environment. We are

currently exploring the possibility of a third round of funding in 2024. Defra is also presently analysing the evidence submitted as part of a [call for evidence](#) on planning barriers to small reservoirs and contemplating the next steps.

As part of our goal to improve the abstraction licensing system, Defra has been working with the Environment Agency (EA) to expedite the provision of Abstraction Licences for grant-funded projects. The EA is prioritising licence applications linked to Rural Payment Agency grants for farm storage reservoirs and has appointed a specialist to provide dedicated support for these applications.

Furthermore, we are supporting development of Agricultural Water Resources Management Plans (AWRMP) through the Water for Food Group initiated by the National Farmers' Union. We have begun pilot projects in Cambridge on supply-demand balance assessments for AWRMP and Local Resource Options studies, working with groups of farmers and growers through Water Abstractor Groups to identify potential local water management projects. These projects will begin a national roll-out in April.

Recommendation 64: The Government must continue to support innovative gene editing programmes in close collaboration with academia and industry and must communicate the findings of such studies to industry to translate research into practice. A biannual report on the Farming Innovation Programme should be an effective vehicle for this. (Paragraph 450)

The government is committed to continuing support for innovative gene editing programmes. Funding of up to £30M was recently announced by the Prime Minister and Secretary of State at the No 10 'Farm to Fork Food Summit' to drive forward the use of gene editing technologies. An example is a renewed and expanded programme on crop genetic improvement via Defra's Genetic Improvement Network (GINs) research platform'. Since 2003 the GINs have underpinned genetic improvement of major UK crops to enhance their productivity, sustainability, and resilience.

The recent Environmental Resilience themed competition within the Farming Innovation Programme encouraged applications utilising gene editing and breeding technologies. The budget for this competition was £12.5M. Successful projects will be announced in early 2024.

As publicly funded research, all projects under the Farming Innovation Programme are published on the UKRI Gateway to Research website and there are currently no plans to duplicate this information.

Recommendation 65: The Government must continue to explore how horticultural growers can access technical support to obtain an abstraction licence and take steps to reduce the length of time taken to determine applications. (Paragraph 452)

In early Summer 2023, stakeholders highlighted the capacity of the Environment Agency (EA) to process applications as a bottleneck for Water Management Grant projects.

Defra has been working with the Environment Agency (EA) to expedite the provision of Abstraction Licences for grant-funded projects. The EA has made substantial investments to accelerate the determination timescales for applications and reduce the application queue.

Over the past 12 months, the EA has hired 50 new staff, to enhance the determination process, resulting in a significant reduction in allocation times from 8 months to 6 weeks.

The EA is prioritising licence applications linked to Rural Payment Agency grants for farm storage reservoirs and has appointed a specialist to provide dedicated support for these applications.

Additionally, the EA has introduced an 'enhanced pre-application service' to guide growers through the application process and provide guidance on what technical information they need to provide with their applications.

Recommendation 66: The Government must urgently publish its call for evidence on the planning barriers to small reservoirs with a view to helping land managers with water supply. It must make good on its National Policy Statement for Water Resources Infrastructure and must streamline the planning permission process for nationally significant water infrastructure projects, enable new water supply infrastructure and provide planning guidance for applicants. (Paragraph 454)

As part of the DLUHC-led [consultation](#) from 24 July to 25 September, a Defra-led call for evidence was included, seeking views on nature-based solutions, farm efficiency projects, and diversification including planning barriers to small reservoirs. Defra is currently analysing the evidence submitted and considering the next steps.

The Government is committed to bringing forward reforms to support the delivery of nationally significant infrastructure across all sectors, including water resources. Operational reforms were consulted in July 2023 and a government response will be provided by Spring 2024, setting out how the reforms will be taken forward. Government also reiterated its commitments to nationally significant infrastructure through a series of commitments published alongside the Autumn Statement in November 2023.

We have also launched a new National Policy Statement for water resources to streamline the process of obtaining planning permission for nationally significant water infrastructure projects such as new reservoirs or water recycling facilities.

Recommendation 67: The Government should lower the investment minimum for Water Management Grants to enable small businesses to benefit and continue to work with the sector to streamline the scheme to make it more accessible to a wider range of growers. (Paragraph 456)

The second round of the Water Management Grant received significant interest from farmers and horticulturalists during the initial online application stage. We are currently considering a third round of funding. For other Farming Investment Fund schemes, we have already reduced the minimum grant amount in order to benefit smaller projects and to respond to feedback from industry. This is something we will consider for a third round of this grant.

Recommendation 68: The Government must press ahead with these proposals and update the industry on its consideration in relation to horticulture in a timely fashion. (Paragraph 458)

We have already commenced engagement with Defra Ministers to understand whether it can be possible to launch a third round of the Water Management grant.

Recommendation 69: *The Government should work with the industry to support campaigns for industry to help businesses and consumers to reduce water use in professional and amateur horticultural settings.* (Paragraph 460)

We are currently working with MOSL (the market regulator) to understand how businesses can help meet the 9% non-household demand reduction target. This includes exploring opportunities for water efficient technology and to provide guidance on water reduction in the horticultural sector.

Recommendation 70: *The Government must publish its long-awaited Land Use Framework as promised in 2023. Policy relating to horticulture must be clearly marked within this strategy.* (Paragraph 486)

The Land Use Framework will be published in 2024. The Framework will build on the insight from the House of Lords Land Use in England Committee's inquiry and support delivery of the full range of Government commitments through multifunctional, resilient, and productive landscapes. The Secretary of State for Defra has written to the Chair of the House of Lords Land Use in England Committee to reiterate the Government's commitment to produce a Land Use Framework and outline the work already underway to implement the Land Use in England Committee's recommendations.

Recommendation 71: *The Government should remove the 5ha limit on eligibility for ELMS to support urban farms. It should consult on business rates for vertical farming and amend the NPPF to reflect their status as agricultural businesses.* (Paragraph 488)

We plan to remove the current rule saying that farmers must have been eligible for the Basic Payments Scheme to apply for the Sustainable Farming Incentive, in summer 2024.

The Levelling Up and Regeneration Act introduces a package of planning reforms, including the introduction of new National Development Management Policies and updates to the National Planning Policy Framework. Defra is working with DLUHC to ensure that we explore the commitments made in the UK Food Strategy and Farm to Fork Summit to revise national planning policy to support new controlled environment horticulture.

Recommendation 72: *The Government should include allotments within the framework for Biodiversity Net Gain and introduce an exemption for such horticulture developments. The Government must set out how developers and local authorities will ensure the maintenance of BNG spaces.* (Paragraph 490)

The Government recognises the importance of allotments, both for local communities and for nature. Allotments are included in the statutory biodiversity metric. This means they are valued within the BNG framework - they can be enhanced or created to generate biodiversity units, which will be particularly valuable in on-site delivery. Equally, any impacts to them require compensation.

Following consultation, exemptions to BNG are narrow and focussed to keep the policy ambitious, whilst being proportionate and deliverable for developers and local authorities. The exemptions are not sector specific.

Defra are ready to work with the Horticulture industry on case studies to promote best practice for maximising on-site BNG opportunities.

The Government has set out how developers and local authorities will ensure the maintenance of BNG in draft regulations and guidance. Significant enhancements and off-site gains must be legally secured, and enforcement is primarily through the planning enforcement regime.

Recommendation 73: The Government should review available incentives for energy intensive horticultural businesses to transition to renewable energy in order to build resilience to future energy shocks and make progress towards net zero. (Paragraph 504)

Government is exploring ways to represent the unique needs of the Controlled Environment Horticulture (CEH) sector in industrial energy policies; CEH growers are now eligible to apply to Phase 3 of the Industrial Energy Transformation Fund, helping cut bills and carbon emissions by investing in energy efficient and low carbon technologies. We are investigating co-location of industries and CEH, creating a circular economy of waste heat and CO₂ to improve energy efficiencies.

Recommendation 74: The Government must do more to establish better Life Cycle Assessment data for the horticultural sector to support Carbon Footprinting exercises as part of an accelerated move towards a single standard for environmental measurement and reporting. It should consider how ELMS could encourage take-up of such approaches. (Paragraph 515)

Government is exploring ways to support farmers and land managers to understand their carbon baseline. Defra is in the process of standardising the methodologies used to undertake carbon assessments, this will enable better lifecycle assessment data for specific enterprises such as horticulture. The Farming and Countryside Programme (the home of ELM in Defra) is exploring how carbon audits can best be delivered - and critically how trusted advisers can play a part in maximising their take-up (as set out in the Agricultural Transition Plan).

Recommendation 75: The Government should work with industry influencers such as the RHS to develop a simple messaging campaign to raise awareness amongst consumers about environmentally-friendly and climate-resilient growing in domestic settings. It should provide clear guidance on pollinator-friendly species. (Paragraph 530)

Defra has committed to reviewing the National Pollinator Strategy and Action Plan ahead of developing new priorities for pollinators post-2024. In the past this has included some public engagement and awareness-raising activities through the Bees Needs Champions Awards and Bees Needs Week (8th-12th July 2024).

The Government would also consider additional proposals from the industry on how best to promote environmentally friendly gardening. The Government works closely with representatives of the gardening sector, including the RHS, through industry led groups such as the Environmental Horticulture Group and would be happy to discuss any proposals at this or another forum.

Recommendation 76: At the end of its term in 2024, the Government should review the effectiveness of its strategies to engage the public within the National Pollinator Strategy 2021–2024, including the reach of the ‘Bees Needs’ campaign and its work with growers to maximise the use of pollinator-friendly plant labelling. It must commit to publishing a revised strategy from 2024 onwards based on the learnings from such a review. (Paragraph 532)

Defra has committed to reviewing the National Pollinator Strategy which will involve evaluating progress against all 65 actions detailed in the Action Plan, including actions to work with growers and retailers to raise awareness, maximise the use of alternatives to pesticides and also widen the diversity of audiences engaging in Bees’ Needs campaign messaging.

A Defra led working group will also consider what the key priorities should be for taking action to protect pollinators beyond the end of the current strategy in 2024.

Recommendation 77: The Government must ensure that local authorities have a consistent approach to permitting the kerbside collection of plastic garden waste for recycling. It should consult on banning the retail sale of artificial grass and plants for outdoor use. (Paragraph 534)

We want to make recycling easier and ensure there is a comprehensive, consistent service across England. We are introducing our Simpler Recycling reform which will mean that the same recyclable waste streams (paper/card; glass; metal; plastic; food waste; and household garden waste) are collected for recycling from households and businesses, ensuring that across England, people will be able to recycle the same materials, no longer needing to check what their council will accept for recycling: Government response - GOV.UK (www.gov.uk)

The government has no plans to ban the sale or use of artificial grass but we are clear its use should wherever possible follow published advice and guidance, including advice in the Green Infrastructure Framework launched by Natural England in February.

The Levelling Up and Regeneration Act introduces a package of planning reforms including the introduction of new National Development Management Policies and updates to the National Planning Policy Framework. Defra is working with DLUHC to explore how small-scale interventions for nature, including limiting the use of artificial grass, can be promoted in any future updates to planning policy.

We will continue to review the latest evidence on problematic plastic products and materials to take a systematic approach to reducing the use of unnecessary plastic products. Our 25 Year Environment Plan sets out our ambition to eliminate all avoidable plastic waste by 2042. Given the scale of the plastics problem, we need to take a targeted and evidence-led approach to tackling the issues of plastic waste.

Recommendation 78: *The Government must undertake a comprehensive review of the future direction of research and development in horticulture and its funding landscape. Public-private partnerships should be supported by Government in both policy and funding models to bind the fragmented landscape, emulating the Dutch ‘triple helix’ model.* (Paragraph 541)

The creation of DSIT and publication of the Science and Technology Framework set a clear strategic vision for UK Research, Development and Innovation. R&D public expenditure will increase to £20 billion per annum, promoting additional private investment (2:1 private-public).

The 2021 Spending Review increased funding for core Innovate UK programmes to £1.1 billion per annum by 2024-2025, increasing funds for collaborative policy and funding models. For example, DSIT invited the merged Agri-Tech Centres to put forward a proposal to become a Catapult, which HM Government will consider.

The Government is already adopting a “triple helix” approach to research and development. For example, Defra working in partnership with UKRI to deliver the £270 million Farming Innovation Programme in England for industry-led research and development in agriculture and horticulture is enabling more farmers, growers, academics and agri-food businesses to become involved in agricultural R&D. This builds on previous 2018 Industrial Strategy Challenge Fund £90 million investment to deliver industry-led R&D to transform food production.

Recommendation 79: *We urge the Government to re-think its preoccupation with competitive short-term funding as the only solution and give urgent attention to the need for some R&D institutions to receive longer-term core funding for advances in edible and ornamental horticulture.* (Paragraph 547)

In response to the Independent Review of the UK’s Research, Development and Innovation Organisational Landscape report, Government committed to increase the breadth of organisational models by experimenting with organisational and funding options.

The response committed to maximising the impact of the UK’s world-leading public sector RDI organisations and infrastructure and to better capitalise on the collective talent, research and technical capabilities of these organisations.

Recommendation 80: *UKRI should undertake a review of BBSRC funding criteria to ensure that ornamental horticulture projects are given equal access to opportunities to apply for funding.* (Paragraph 557)

Researchers are able to submit research grant applications for consideration at any time to BBSRC¹, which includes the field of ornamental horticulture. UKRI/BBSRC continues to support underpinning plant science relevant to horticulture / ornamental projects and will continue to review its funding and peer review criteria to ensure equity of access to applicants in all areas of BBSRC’s research and innovation remit, including ornamental horticulture, as part of ongoing effectiveness in delivering UKRI/BBSRC strategy.

¹ <https://www.ukri.org/who-we-are/bbsrc/board-and-panel-membership/responsive-mode-research-grants/>

A recent example of BBSRC's strategic support for the horticulture/ornamental sector is the [Plant Health Innovations for Biosecurity](#) call, which aims to accelerate effective development of innovative solutions, technologies, or practices that enhance plant health/biosecurity. Applications will be assessed in early 2024.

UKRI's [Cross-Council Remit Agreement](#) sets out the principles and processes for the assessment of responsive mode proposals across interdisciplinary research topics. This agreement allows for research that spans UKRI council remit areas, including projects relating to ornamentals and horticulture.

Recommendation 81: Future R&D strategies should consider the value of on-farm and low-tech innovations and be willing to give smaller grants to small scale projects.
(Paragraph 558)

Industry feedback about the value of smaller, rapid high-risk awards is something BBSRC has heard and responded to and will continue to do so. For example, the 2022-2023 [Crop Pests and Diseases funding call](#) for research strategies to improve understanding, management and control of crop pests/diseases that present a significant threat to UK crop production, successfully supported small awards of between £20-50k.

Horticultural producers will be included in a forthcoming Defra programme (ADOPT) that specifically targets smaller grants to farmers and horticultural "growers". In addition, the [AgriTech and FoodTech sector "Launchpad"](#) has been launched by Innovate UK, which is a place-based initiative supporting agrifood based businesses in the east of England. While relatively small (c£2 million) it has gained good traction, delivers small scale grants and includes the ornamental sector – something that is important in the East Anglian Fens.

Defra is also offering smaller scale grants through the Farming Equipment & Technology Fund (FETF) which is open to edible and ornamental horticulture.

Recommendation 82: The Government should keep the impact of the closure of AHDB Horticulture under review and work with the sector to address resultant challenges.
(Paragraph 564)

Following the hort industries decision to end the levy, the industry identified that the crop protection work AHDB did was vital to the sector. Through the Crop Associations they set up Horticulture Crop Protection (HCP), which has taken over this work from AHDB. HCP is industry funded through a voluntary levy. The consultation to end the levy clearly stated that if the industry chose to end the levy, government funding would not be available to replace it. The levy could be re-introduced at any point if that was what the industry wanted.

Recommendation 83: The Government must ensure the EU Fruit and Vegetable Aid Scheme's replacement is tailored to the UK horticultural landscape. It should make the process simpler for growers to be recognised, allow a more accessible funding programme for collaborative grower groups and individuals, and better provide for the variation in fresh produce crops. (Paragraph 567)

Following the announcement of a replacement for the EU Fruit and Veg Aid scheme at the Farm to Fork summit, we are actively engaging in a comprehensive process to understand the perspectives and needs of the UK horticulture industry. This crucial phase involves

closely examining how a new scheme can complement existing structures to provide a cohesive support system for our growers. We agree that the cornerstone for any replacement scheme must be its accessibility to growers. Simplifying access is a priority and something that this government has in its gift now that we have left the EU.

Additionally, our focus extends to encompass a wide variety of crops, particularly those contributing significantly to food security. This tailored approach reflects our commitment to the diverse nature of edible horticulture.

Engagement with the sector will be a continuous and dynamic process as we work towards implementing the replacement scheme in 2026.

Recommendation 84: The Government must work with UKRI to develop longer-term funding models for horticultural projects and introduce better models of follow-on funding to enable research to be translated into practice in line with horticultural growing cycles. (Paragraph 574)

BBSRC works closely with Defra and is part of the department's [Genetic Improvement Networks](#) (GIN) advisory panel. Horticulture projects funded by BBSRC can therefore receive follow-on funding for applied research and translation through the GINs. The GINs were created in 2003 to support crop improvement, with several of the Networks focused on key areas relevant to horticulture (the Vegetable GIN, the pulse and legume GIN, and the Oil Seeds GIN).

In January 2024, Defra launched the procurement of a £15 million 5-year R&D investment into Defra's Genetic Improvement Networks (GINs) Platform to drive crop breeding innovation, improve productivity and help farmers and breeders produce stronger, more sustainable and resilient crops for the future. This significant investment helps to unlock the potential of precision breeding, following royal assent for the Genetic Technology (Precision Breeding) Act.

Recipients of eligible BBSRC awards may also progress to other UKRI translational mechanisms, such as the BBSRC [Follow-on Fund](#) and Innovate UK awards. Defra worked closely with UKRI-BBSRC to shape the scope for a recent £5 million+ research call on [Protected and Controlled Environment Horticulture](#).

BBSRC commits to maintain regular engagement across UK plant funders and stakeholders, with models to progress working with industry and support translation of research into practice.

Last year Defra made £6 million of follow-on funding available through the Farming Innovation Programme to support promising R&D projects identified by UKRI to get closer to commercialisation.

Recommendation 85: The Government must publish its response to the consultation on the review of R&D Tax Reliefs and outline clearly how this will impact businesses including those in the horticulture sector. The Government should ensure that tax incentives and match funding opportunities are maintained. (Paragraph 575)

At Spring Budget 2021, the government launched a review of R&D tax reliefs to ensure the UK remains a competitive location for cutting edge research, the reliefs continue to be fit for purpose and taxpayer money is effectively targeted. Alongside this, the government

published a consultation, which ran from March 2021 to June 2021. A summary of responses was published in November 2021.

As part of the review, the government also published a consultation on the design of a potential merged R&D tax relief scheme which ran from January 2023 to March 2023. A summary of responses was published in July 2023. At the Autumn Statement 2023, the government announced it has now concluded the review of R&D tax reliefs with the announcement of the merged scheme.

Information on impacts from policies that will be enacted as a result of the Finance Bill 2023-24, have been published online in the tax impact and information notes.

Recommendation 86: The Government must support a tailored campaign to promote the Farming Innovation Programme to ornamental growers via existing communications channels. (Paragraph 576)

Defra, alongside delivery partners UKRI and the KTN, will continue to engage with all sectors in scope of the Farming Innovation Programme to raise awareness of all relevant opportunities.

Defra has engaged with ornamental growers and trade bodies to make them aware of the opportunities in the past and will continue to do so. Each competition within the Farming Innovation Programme is accompanied by a Defra blog post and dedicated webinar session containing information on competition scope and eligibility. We will commit to review application data from any ornamental projects to understand if there are any barriers to the sector. We strongly encourage trade bodies within both the ornamental and edible horticulture sectors to continue to promote Farming Innovation Programme competitions to the businesses they represent. We also encourage the ornamental and edible horticulture sectors to look at the existing projects to identify advantageous technologies that may have generic application.

Recommendation 87: The Government should mandate that all local authorities are required to devise an allotment strategy as part of local plans, and to identify suitable land and training/mentoring partners as part of this strategy. (Paragraph 598)

The National Planning Policy Framework requires local authorities to consider the provision of access to allotments when producing planning policy and making decisions.

Parish councils have responsibility for allotments, where they exist.

Localism Act 2011 enables communities and parish councils with the right to register a building or piece of land as an 'Asset of Community Value' if the asset's principal use furthers their community's social wellbeing or social interests and is likely to do so in future.

Local communities should determine which spaces and places are most important to them.

Recommendation 88: The National Planning Policy Framework should be updated to fully recognise and reflect the role of community growing in local food security and biodiversity, as well as for its socio-economic benefits. (Paragraph 600)

The National Planning Policy Framework is clear that planning policies and decisions should:

- aim to enable and support healthy lifestyles, for example through the provision of access to allotments
- recognise that some undeveloped land can perform many functions, such as for food production
- ensure that opportunities are taken to incorporate trees in developments, such as parks and orchards
- should contribute to and enhance the natural and local environment by protecting and enhancing sites of biodiversity value

The most recent update to the National Planning Policy Framework included changes to ensure the availability of agricultural land for food production is adequately weighted in the planning process.

In addition, the role of Local Plans and national planning policy can be strengthened as a result of the Levelling Up and Regeneration Act. This includes policies on the natural environment, by giving them greater weight in decision-making.

Recommendation 89: The Government should recognise the role the domestic horticultural sector can play in supporting health, wellbeing and climate change agendas. It should recognise nutritional security as a public good and properly incentivise horticultural growers to deliver against its public health ambitions. (Paragraph 611)

The Government wants to see an innovative, productive, and competitive horticulture sector and recognises the contribution this can make to the resilience of our food supply chains and as a major driver of local economic growth and employment. We will continue to look at how the Government can best support the horticulture sector, working across departments to ensure policies on health, climate change and productivity are cohesive.

In our Environmental Improvement Plan published in January last year we made a commitment that we would work across government to ensure that everyone lives within 15 minutes' walk of a green or blue space. In parallel, we committed to work to reduce other barriers which prevent people from accessing green and blue spaces, such as physical challenges, lack of confidence and lack of information so that everyone can – and wants to – access and engage with these spaces.

We are already working across government on a range of projects and programmes which will help deliver this commitment, such as our King Charles III England Coast Path, Access for All, and Farming in Protected Landscapes programmes, DLUHC's Levelling Up Parks Fund, DfE's National Education Nature Park and Climate Action Award, and DfT's work to support active travel. The Government recognises the role the (ornamental) horticulture sector plays in the development and maintenance of the green spaces needed to meet this commitment.

Recommendation 90: The Government must urgently publish its response to the consultation on public sector food and catering policy for England. It should re-specify the School Fruit and Vegetable Scheme to allow schools the freedom to procure healthy produce from local suppliers. (Paragraph 613)

The public sector food and catering policy consultation closed on 4 September 2022. The Government Buying Standards for Food and Catering Services (GBSF) and supporting

guidance will be updated to showcase the use of sustainable, high welfare, quality produce in the public sector. We expect to publish the consultation findings, alongside the updated standards and guidance, in the coming months. The GBSF set non-regulatory requirements for the buying, cooking and serving of food in central Government departments, HM Prison and Probation Service, NHS hospitals, and the armed forces in England. Education settings and residential care are both exempt but strongly encouraged to apply the GBSF as best practice. The School Fruit and Vegetable Scheme is not linked to the GBSF.

The School Fruit and Vegetable Scheme provides pupils in Key Stage 1 at state-funded primary schools with a free piece of fruit or vegetable every school day. It is currently centrally procured, but ahead of each re-procurement, a number of methods of alternative sourcing are considered.

Recommendation 91: The Government must publish its plans for delivering the Community Eatwell pilot and commit to publishing the findings of the scheme. (Paragraph 615)

The government is taking firm action to tackle obesity and poor diet and is considering how to take this work forwards as part of our wider support offer and in line with the evidence on what works. For example, through the Healthy Food Schemes, the Government provides a nutritional safety net to those families who need it the most. Healthy Start, the Nursery Milk Scheme and the School Fruit and Vegetable Scheme together help more than three million children.

Recommendation 92: The Government must publish the findings from its 'Preventing and Tackling Mental Ill Health Through Green Social Prescribing' programme at the earliest opportunity. It must develop an action plan to mobilise social prescribing and nature-based solutions to illhealth and implement proper regulatory oversight of such systems. (Paragraph 639)

We will publish the evaluation report from the green social prescribing programme and share plans for the next steps in supporting the roll-out of green social prescribing, as soon as possible.

Recommendation 93: The Government should consider how the health of those professionally engaged in the horticultural and wider agricultural sector can be supported to access mental and physical health services appropriate to the occupational risks they face. (Paragraph 641)

In the 2023 Spring Budget the Government announced over £400 million in funding for employment support and resources within musculoskeletal and mental health services in England. This includes tailored employment support that can be made available to horticultural and agricultural workers, including expanding the well-established and successful Individual Placement and Support (IPS) scheme, and scaling up musculoskeletal hubs in the community.

The Government also operates the Future Farming Resilience Fund. Whilst this is primarily concerned with providing free business advice, one of its objectives is to ensure farmers' wellbeing and mental health is supported. The organisations involved in delivering the

scheme provide this support either from in-house experts or by signposting to support available from external expert services. The Fund runs until March 2025 and a full list of delivery partners, alongside a summary the services on offer, is available on [GOV.UK](https://www.gov.uk).

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978-1-5286-4684-0