# NEW OPPORTUNITIES

## BETTER OUTCOMES AND REDUCED BURDENS





IRECT SUPPORT

REGULATION LABOUR I

This briefing, the third in the series, sets out the new opportunity to review and improve regulations that affect landowners and other rural businesses.

## WHAT IS THE OPPORTUNITY TO SUBSTANTIALLY IMPROVE REGULATIONS OUTSIDE THE EU?

The EU has been the source, and sometimes the excuse, for many of the frustrations and disappointments with regulations that govern the countryside. Exiting the EU potentially presents a unique opportunity to bring a new way of thinking about how to deliver the safety, standards and environmental outcomes, while removing unnecessary and costly burdens on businesses.

Landowners and farmers are expected to deliver a diverse range of benefits from their land. Exit from the EU provides the opportunity to see if we can meet these expectations in new and different ways. Regulation is only one way of changing behavior. Others include providing incentives, information and advice. Regulation should only ever be a backstop for situations where the others are inappropriate or prove ineffective. Exiting the EU will not, and should not, lead to governments of the UK seeking to change all the laws that affect rural businesses. In many areas it is bound by commitments as a signatory to international agreements such as the Bern Convention and Climate Change Agreements. In others it is the UK that has led the EU and the world to achieve better standards that we would not seek to reverse. In addition, to trade within the single market the UK will need to comply with the rules that underpin it. Above all rural businesses want certainty and any changes in regulation arising from UK exit from the EU must be planned with the overriding objective of avoiding disruption and confusion.

## THE DECISIONS THAT MUST BE MADE

The UK legal and regulatory framework is closely intertwined with EU law. A careful planned approach must be taken to prepare for the transition out of the EU.

- → Take immediate opportunities to remove obvious burdens: There are rules that do not achieve their intended purpose effectively and that also hold back farmers and other rural businesses. These changes should be ready to take effect as soon as we leave.
- → Provide certainty for businesses by ensuring all laws transfer into domestic law unless deliberately changed: Ministers must introduce a legal backstop that ensures that all EU laws in place at the point of formal separation of the UK will be transferred into domestic law unless they are explicitly and deliberately removed or amended.
- → Respect the devolution settlement in Scotland and Wales: Exit from the EU must be taken as an opportunity to redefine inter-governmental relationships and ensure that Westminster, Holyrood and Cardiff share the responsibility for ensuring that the rural economy thrives throughout the UK.
- → Develop new world-leading approaches to achieving regulatory outcomes:

Exiting the EU provides an opportunity to think differently about how we deliver outcomes across all the regulations governing farming, land management and running rural businesses. This opportunity should not be missed but it should also be systematic and undertaken over a realistic timeframe.

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## MAIN AREAS OF EU REGULATION AFFECTING LAND OWNING BUSINESSES

#### **RENEWABLE ENERGY**

EU rules have set targets and shaped the emergence of renewable energy generation as a significant feature of our electricity and heat supplies. However, it is UK policy that has had the most impact on the specific market dynamics in the UK and this will continue after UK exit from the EU.

#### WATER

EU laws govern the way we manage water ensuring it is safe, pollution is controlled and providing a framework for flood management. The UK has delivered big improvements in these areas but there are opportunities to do things better.

#### Example: Nitrates

As the UK exits the EU, consideration can be given to a new and better approach to tackling pollution, particularly from nitrates. Governments can look at removing disproportionate burdens on farmers while improving water quality for all.

#### **AIR QUALITY**

EU rules set targets for the quality of the air people breathe and regulate emissions for vehicles, agriculture and production across the countryside. These rules are vitally important. UK should explore opportunities to drive standards upwards.



#### FOOD CHAIN

EU rules have driven standards in traceability, product safety and consumer information. The UK has led Europe in its standards and should continue to do so. Given the importance of food trade with the EU the continuation of common rules and standards are highly likely and desirable.



#### PLANT PROTECTION

Farmers need tools to protect crops from pests and disease. The products involved have to be closely controlled and risks fully assessed. However, the EU authorisation process has become overly politicised and the UK Government can have a clearer more balanced policy.

#### Example: Glyphosate and triazoles

Glyphosate is desperately needed by farmers and gardeners across the country who are battling with the damage caused by rye and black grass. The threat of a prohibition looms as a result of the chaotic EU licensing process. The UK can do this better.

#### NATURE CONSERVATION

EU laws underpin the protection of birds and other wildlife. These are vital legal protections, but sometimes they make little sense at a regional or local level. We should be able to make changes to improve our ability to meet conservation objectives as laid down in international law, without imposing unnecessary burdens on land managers.

#### Example: Newts

Rules on the relocation of certain species can impose major delays and costs to new developments. An example is the impact of protection rules on newts. Though rare in some parts of Europe, many species are abundant in the UK. A new approach could ensure conservation rules are properly targeted at preserving species that are rare in the UK.



#### COMMON AGRICULTURAL POLICY

One of the greatest opportunities to improve on the EU CAP is to develop a policy that is more responsive to the unique needs of our domestic farming and environmental objectives. The way compliance rules are developed will be the key to success.

#### Example: 'Three crop rule'

The ill-conceived 'three crop rule' requires most farmers to plant three crops on their land, even though doing so brings very limited environmental benefits and can have a significant detrimental impact on the farmer's business.

#### BEFORE THE UK EXITS THE EU

#### Take immediate opportunities to remove obvious burdens

Develop a new world-leading Food, Farming and Environment Policy with a more proportionate compliance system that reduces costs for land managers and the tax payer without reducing environmental standards.

Undertake careful planning alongside the Scottish, Welsh and Northern Irish governments to ensure that businesses understand the compliance requirements and legal jurisdictions.

### AS THE UK EXITS THE EU

#### Avoid chaos

Establish a legal backstop that ensures that any EU law that has not been specifically identified for alteration or removal is automatically transferred into domestic law.

Ensure that businesses fully understand the legal jurisdictions that apply for repatriated legislative powers between UK and devolved governments.

Identify the immediate changes that can be made once the UK is no longer subject to the EU's legal framework.





#### **BUILDINGS**

EU laws set standards for construction and maintenance of residential and commercial property. One size fits all rules impose significant burdens on rural homes, agricultural and commercial buildings.

#### **Example:** Energy performance

Energy performance rules are complex and flawed. They actively discourage the right types of investment in making older rural buildings warmer and more energy efficient. Exiting the EU creates opportunity for a better system.

### ONCE THE UK IS OUTSIDE THE EU

#### Lead the world

Commit to formal review of all the regulatory areas that affect farming, land management and rural business. These reviews must be established with clear timelines and objectives to ensure that all laws and regulations are achieving the best outcomes with the minimum burden. Regulation should form part of a wider approach which also considers the potential for other options including facilitation. information, advice and incentive as well as regulation.

<u> </u>	FOUR CHANGES TO REGULATION MADE EASIER BY EXIT FROM THE EU THAT COULD HAVE AN IMMEDIATE IMPACT ON RURAL BUSINESS			
1	UK FOOD, FARMING AND ENVIRONMENTAL POLICY	→ Building a new policy to succeed the Common Agricultral Policy presents numerous opportunities to change the regulatory burden on farmers. Rules imposed by the EU to tackle problems elsewhere in Europe, like the 'three crop rule' need not apply.		
2	PLANT PROTECTION PRODUCTS LICENSING	→ Introduce a new transparent and streamlined process for licensing crop protection products vital to managing crops and other plant life.		
3	WATER MANAGEMENT	→ Replace prescriptive rules on nitrate use with evidence-based regulations which reduce water pollution with less regulatory burden on farm businesses.		
4	ENERGY PERFORMANCE RULES FOR BUILDINGS	→ Undertake immediate review of rules on achieving energy efficiency compliance for domestic and commercial property to ensure they are fit for purpose for rural properties and encourage the correct approach and investment.		

## AN OPPORTUNITY FOR CO-OPERATION ACROSS THE UK

The legal implications of exiting the EU are made even more complex when seen through the lens of devolved government settlements. There is scope for significant confusion that could have a harmful impact on businesses across the rural economy.

The first priority must be to avoid confusion. As part of the process of transferring regulations into domestic law, there must be clarity and transparency over which legal jurisdiction applies. Secondly, the process of repatriation of competences must be an opportunity to strengthen devolution especially in the core areas of food, farming and environmental policy. Governments must be empowered to make the decisions that are right for their specific circumstances and priorities. However, exiting the EU must also provide a foundation for more effective policy co-operation between ministers.

It is vital that, as policy evolves and changes outside the EU, opportunities are sought to achieve common objectives wherever possible, and to avoid businesses from any part of the UK-facing trade or other competitive disadvantages.

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