

Name:	Policy Board	Meeting Date:	18 March 2020
Location:	NFU HQ	Time:	09:00 – 13.00
Room:	Boardroom	Chair:	Minette Batters
Circulation:	Policy Board	Secretary:	Alison Taylor
		Tel:	024 7685 8852
		Ref:	PB1054

Present: Minette Batters (Chair), Tom Bradshaw, Ali Capper, Andrew Clark, Matt Culley, John Davies, Richard Findlay, Terry Jones, John Mercer, Michael Oakes, Stuart Roberts, Michael Sly, and Tom Wornham

By Invitation: Fran Barnes, Thomas Binns, Chris Cardell, Andrea Graham, Phil Hambling, Nick Hamer, Phil Jarvis, John Pawsey, Kevin Pearce, Alison Taylor and Nick von Westenholz

In Attendance: Lee Abbey, Rachel Chambers, Diane Mitchell, Claire Robinson, Louise Staples and Jack Watts

Apologies: Richard Lister and Robin Manning

Policy Board Minutes – 18 March 2020

1. 14 January minutes & actions [PB1039]

The Board found the minutes from 14 January to be a true and accurate reflection of the meeting and the document was therefore approved. The Chair declared that all the actions from the last meeting were ongoing and read out the apologies for this meeting.

FOR DISCUSSION AND ACTION:

2. Opening remarks from the President [Verbal] (*Minette Batters*)

The President congratulated all recently elected Office Holders following the latest NFU elections.

The Board heard that the President met with SoS George Eustice last week (w/c 9 March), who insisted that the transition period to a new ELMs payment scheme will continue as planned. It was heard that Eustice fully supported the strategy of 'public money for public goods'.

The Board heard that the President met with Zac Goldsmith, who strongly supports the NFU's stance on food import standards and gave assurances that Government has not yet made a decision on import standards.

The President addressed the current situation with regards to COVID-19, stressing the importance of being proactive now, to keep supermarkets stocked with healthy food and making sure the membership feels fully supported.

3. Coronavirus Update [Verbal] (Andrew Clark, Phil Hambling and Terry Jones)

Director General Terry Jones (TJ) discussed how the NFU will run in the coming weeks, in light of Government advice of social distancing during the COVID-19 outbreak, focussing on the three areas of people, operations and members. The Board heard that following the Government advice, all NFU staff both at HQ and throughout the regions are either already, or working towards working from home as far as possible.

TJ outlined operational plans around cancelling mass gatherings and face-to-face meetings, moving instead to virtual meetings and the trial and deployment of member-facing webinar systems on key areas such as BPS payments.

The Board heard that the Food and Drink Federation has warned of a 40% reduction in staff at food manufacturing sites by Easter, affecting food production, particularly the 'just in time' sector. The NFU could take the opportunity to discuss issues regarding access to labour.

TJ also highlighted that with no knowledge of how the COVID-19 crisis could last, there would likely be some additional longer-term changes to the operation of the organisation.

Andrew Clark and Phil Hambling discussed how the policy teams are working to understand and predict the impacts of COVID-19 on farm businesses and food supply, with the aim to influence policy and practise appropriately. Policy teams are currently gathering information on current and potential impacts, in order to create a risk register, a policy action plan and a commodity dashboard. Both the policy action plan and the commodity dashboard will be shared with the Board and Forum Chairs.

The Board heard how continuing announcements surrounding social distancing and the Government's Business Support Package are being analysed in order to produce a member-facing Q&A and checklist to inform and advice the membership on the changes. CallFirst, Regional Directors and County Advisers are supporting this.

Kevin Pearce informed the Board of a daily Birdtable to ensure coordinated activity across the organisation in all core areas. This will enable daily discussions government announcements, policy work, member communications, business continuity and the risk register.

The Board raised concerns around market disruption and heard that the risk of long-term disruption to processing sites, livestock markets and the wider food sector market is currently low.

The Board raised concerns about staffing shortages and reduced access to labour for farm businesses. Questions were asked about the potential short-term upskilling of current staff and the honouring of farmer and grower production contracts. There was also concern about supply chains and logistics in the event of a lockdown, as well as the potential for members to lose money through diversification businesses.

The Board was assured that all issues mentioned would be added to the risk register and that conversations were taking place with NFU Mutual regarding business interruption insurance

ACTION: Sector Board Chairs and Forum Chairs asked to reach out to members to make sure NFU policy priorities remain timely and correct. Office Holders and Directors to update risk register to reflect current and future concerns.

4. ELMs – new consultation update and NFU plans for member engagement [PB1046] (*Diane Mitchell and Claire Robinson*)

The Board heard of an ELMs discussion document released by Defra, with a consultation period ending 5th May 2020. The paper detailed a three-tier structure, largely based on previous discussions and provided a framework to discuss with members. The three-tier structure does support maintenance of environmental delivery which is important for members. The proposals go wider than farming. The NFU's preference is for a farmed environment scheme with a priority to keep money in agriculture. The NFU wants freedom for decision making by business owners to develop agreements suitable to their farm. Less agreeable proposals within the structure are for local priorities to be decided by local groups and for collaboration to be a large part of tier 2 and 3.

The Board heard that the NFU had requested an extension to the current 5th May consultation deadline, in order to bring a response back before the Board on 14th May before submission.

The Board heard that engagement on the response with Forums, Boards and the regions will be done virtually, with the possibility of producing a video presentation.

The Board heard that the NFU response to the consultation will consider any reliance on reverse auctions and the effect of permanent land use change on the tenant sector. The response will also discuss the scope of tier 1 as a wide-reaching tier covering areas such as net zero and soil health, as well as ease the transition away from BPS.

Concerns were raised about the feasibility of members meeting delivery targets for productivity grants, in light of evolving government measures surrounding COVID-19. The Board were assured that discussions were taking place with the RPA.

ACTION: Diane Mitchell and Claire Robinson to consult with Forums, Board and regions and produce a response to Defra's latest ELMs consultation. The response is to be brought back before the Board in May, if a consultation extension is granted.

5. Brexit Update – EU/UK current relationships [Verbal] (*Nick von Westenholz*)

The Board heard that all trade negotiations and related Cabinet committees have been temporarily suspended. Going forward, negotiations may be picked up again, although will be held virtually. The EU has published draft text of its preferred FTA, with the UK government expected to publish theirs soon. The official Government position remains that the transition period will end on 31st December 2020, although discussions around delaying the period are becoming increasingly inevitable. Under the Withdrawal Agreement, the delay would be for either one or two years.

Extending the transition period will impact on the ability of the UK Government to enact some aspects of the Agriculture Bill. It is assumed that if the Bill is not enacted by early summer, a delay in implementing aspects of the agricultural transition will be required. This sparks worries about the level of scrutiny the Bill may face whilst passing through both the House of Commons and the House of Lords if its passage is expedited. The same principles apply to both the Immigration and Environment Bills.

The Brexit & International Trade team have been working across these areas. In the event of a delay to legislation and/or negotiations, the team will use the time to conduct deep dives in areas of trade negotiations.

The Board heard that the current COVID-19 crisis may affect the ambitions for both EU and international trade negotiations. A 'hard' Brexit, leaving the EU without a negotiated settlement, would present serious hardship for farming, given the economy is likely to suffer serious damage as a result of COVID-19.

6. Access to Labour [PB1042] (*Lee Abbey and Rachel Chambers*)

The paper presented to the Board outlined concerns surrounding the proposed new immigration system, set to come into force on 1st January 2021, including the need for an entry route for entry level roles in agriculture and for agricultural roles to be listed on the Shortage Occupation List for the points based system.

The Board heard that the NFU is currently reassessing the evidence submitted to the last MAC consultation, in preparation for a response to the upcoming MAC consultation. Potential asks in any future response include a temporary two year scheme for entry level workers, during which workers can be trained and upskilled in order to be able to apply for a points based visa, as well as the need for costs such as for provided accommodation to be taken into account in salary thresholds.

The Board were informed of a delay to a joint food chain response to immigration proposals, due to rapidly changing COVID-19 factors. The Board heard that the NFU was awaiting a response from Government on whether a standalone sheep shearer scheme was included in the new immigration proposals.

The Board heard that the Seasonal Worker Pilot Scheme had been expanded to 10,000 workers for 2020, which has been welcomed by the NFU. Defra have called for the full scheme to begin in 2021, to which the NFU has called for the scheme to be expanded to 70,000 workers, to fill the needs of the agricultural industry and for businesses to be able to start recruiting from the autumn of 2020 if freedom of movement ends as expected on 31st December 2020. There is concern over how the impact of COVID-19 will affect the ability to recruit workers from outside the UK.

The Board discussed concerns over workforce availability due to travel restrictions during the COVID-19 outbreak. It is estimated that 10% of the annual workforce from outside the UK have already arrived in the country, but there is uncertainty as to if the remainder of expected annual workers will be able to travel to the UK to work in the coming months.

The Board heard that discussions with various stakeholders, including Defra, are taking place across the industry over a range of mitigation measures. Suggested measures include employing university students, those who are temporarily unemployed due to COVID-19, such as those in the service and hospitality sector, relaxation of the rules surrounding the employment of asylum seekers and classifying workers within the supply chain as key workers, with the aim it will help bring overseas workers into the UK.

ACTION: Board members to ensure that potential impacts and mitigation measures of the COVID-19 outbreak on the access to labour in the food supply chain be fed through sector labour leads, to enable informed discussions with Defra.

7. Resolution on Development Consent Orders [PB1048] (*Andrea Graham and Louise Staples*)

The submitted paper outlines a resolution brought about by the S Bucks and Middlesex branch of the NFU. The branch is concerned about the use of Development Consent Orders (DCOs) by Government Agencies associated with major infrastructure projects. The branch has asked the Board to maintain pressure on developers to ensure appropriate negotiation takes place and to raise the issue at Government level within DfT. The branch would like the issue to be formally brought to Council.

The Board agreed with the resolution outlined in the paper.

ACTION: Louise Staples to give regular written updates to Council, summarising DCO activity across the country.

FOR INFORMATION ONLY:

- 8. FDSC [Verbal] (*Terry Jones*)**
- 9. The NFU's submission on applied tariff [PB1041] (*Tori Morgan*)**
- 10. Overview of budget [PB1043] (*Michael Parker*)**
- 11. Meat waste reduction [PB1044] (*Harriet Henrick*)**
- 12. Agriculture Bill Policy Statement update [PB1045] (*Gail Soutar and Andrea Graham*)**
- 13. Ending the sale of new petrol, diesel and hybrid cars and vans [PB1049] (*Jonathan Scurlock*)**
- 14. Nitrates and SSAFO regulatory review [PB1050] (*Ian Ludgate*)**
- 15. BPS update [PB1051] (*Richard Wordsworth*)**
- 16. Agri-environment update [PB1052] (*Alisha Anstee*)**
- 17. Legal update [PB1053] (*Nina Winter*)**

No comments were made on these papers.

AOB:

The Board discussed the availability of food within the supply chain for food banks.

The Board discussed lobbying for a delay to the increase in living wage, due to the effects of the current COVID-19 outbreak. It was decided that at the current time, lobbying should be left to other sectors affected by an increase to the living wage.

The Board heard that LEAF Open Farm Sunday has been moved to Sunday 20th September.