Select Committee on the Natural Environment and Rural Communities Act 2006

Corrected oral evidence: Natural Environment and Rural Communities Act 2006

Tuesday 5 September 2017
11.05 am

Watch the meeting

Members present: Lord Cameron of Dillington (The Chairman); Earl of Arran; Lord Faulkner of Worcester; Lord Foster of Bishop Auckland; Lord Harrison; Countess of Mar; Baroness Parminter; Baroness Scott of Needham Market; Baroness Whitaker.

Evidence Session No. 2 Heard in Public Questions 12 - 17

Witness

I: Lord Haskins.
Examination of witness

Lord Haskins.

Q12 **The Chairman:** Thank you for attending this evidence session of the Select Committee on the Natural Environment Research Council Act 2006. You have in front of you a list of interests that have been declared by members of the Committee. The meeting is being broadcast live via the parliamentary website. A transcript will be taken and published on the Committee website and you will have the opportunity to make corrections to it where necessary.

The first series of questions deals largely with Natural England. How closely does Natural England match the initial vision that you set out for such an organisation in your 2003 review? Has it worked as you envisaged it?

**Lord Haskins:** I read my report not having looked at it for 13 years, and I felt I was living on another planet, given the way we were approaching the rural agenda generally. There was quite strong optimism generally in society. The Government of the day, which happened to be a Labour Government, seemed quite interested in attracting support from the rural community because they had done rather well there in general elections. Although the rural community felt that it had been left outside, there was a general public acceptance that rural things mattered. We were dealing with a new department, Defra, which in my view was, and still is, a slightly absurd department; the concept of putting agriculture and environment together and hoping that everyone will be happy has not been tremendously successful.

It was a difficult situation. Rural economic policy itself is much more complicated than urban metropolitan policy, because there are so many variables: natural assets, where you live, economic viability, environmental appeals, sustainability—a whole range of complexities. We were trying to put that into some sort of national order—and indeed European order, because of course a huge amount of European was involved in it.

My first impression was that everybody was too keen and there were far too many initiatives. There were initiatives right, left and centre, there were organisations right, left and centre, and the right hand did not know what the left hand was doing. There was a huge desire to control things from the centre. Initiatives were coming from the centre, people were making policy and delivering the same policy, which is a very bad and unhealthy thing to do, and it needed a bit of a sort out.

I see a lot of Natural England now in my role as chair of the Humber local enterprise partnership. We get the Defra agencies together—I have not given up on devolution—to talk about the issues at a local level and about how they might work together, and it has been very successful, I have to say; the Government are pretty impressed by what we are doing to get statutory agencies working together at a local level. My impression of the two main bodies—Natural England and the Environment Agency—is that
for their remit, which is basically regulatory, they are doing a pretty good job. They work very professionally, with great difficulties because of the lack of resource, and they talk to each other. We certainly found 15 years ago that they were not talking to each other; they were all in their Whitehall silos.

Beyond the regulatory initiatives, I was hoping that a lot of the rural development policy stuff would be picked up through Natural England, but it has not been, basically because the money has run out. Since 2008, the amount of money allocated to rural development has been decimated. I was very keen to get the local authorities much more into the act, but the funds for local authority and rural development have been slashed dramatically. Indeed, rural development is now entirely dependent on European funds, and there is a strong question mark about those now, too.

Q13 Lord Faulkner of Worcester: May I ask you about the balance that Natural England has struck with land managers? Is it encouraging positive behaviour sufficiently and at the same time investigating bad behaviour? How is it managing that balance?

Lord Haskins: It is managing it remarkably well in the circumstances, bearing in mind that in 2002-03 these balances were seriously wrong. We had just gone through two big traumas in the countryside, mad cow disease and foot and mouth, both of which I was closely involved with, and you could clearly see a non-connect right across the piece. I might be prejudiced, but I think that today’s Natural England is very sensible about the need to balance the economy against the need to sustain the environment. I think we have made great progress on that. The culture in the countryside with regard to the environmental agenda is much more positive, and people are working much more closely with the Environment Agency and Natural England, and vice versa.

As I say, though, the social development side, which I was hoping Natural England would pick up, has gone completely.

The Chairman: Before we leave Natural England, and looking forward a bit, do you have any thoughts on how Natural England will best be able to represent the environment post Brexit? That might not be within your brief, but will Natural England be independent enough to be able to put the finger on government when it comes to representing the environment, or should it report directly to Parliament? Are there other ways of pinning the Government to a sound environmental agenda?

Lord Haskins: That is an interesting point. Both Natural England and the Environment Agency are at present guided to a large extent by European regulations, so there is a degree of independence from Whitehall, although not much. But when the European funds dry up, which they will, and the dependency falls straight on to Defra, there will be a serious question generally as to whether it would be more appropriate for statutory agencies to be directly responsible to Parliament—many of them already are—rather than being funded by Defra, where they will be
very much subject to Treasury pressure. All the agencies that we are working with now on this very agenda are very apprehensive about what might happen.

On the regulatory front, the general view is that EU regulations will just be transposed into the great repeal Bill and nothing much will change. But on the funding side, which is the key element of the thing, some 60% of funds for rural development come from European sources at the moment and there is reason to be very concerned about what will happen to that and where that will go.

**The Chairman:** Michael Gove has already announced that Pillar 1 will probably disappear in the future, as will Pillar 2, which at the moment is delivered almost entirely by Natural England, the Forestry Commission and other organisations, so their funding will have to be greatly increased in order to make that work.

**Lord Haskins:** I will believe that when I see it. There is a lot of muddled thinking in most parts of the Government on the situation post Brexit but particularly on the rural agenda. Whether that is the farmers or the environment, I do not think anyone has given much attention to it.

Q14 **Baroness Scott of Needham Market:** From your opening remarks it is clear that you believe as strongly now as you did then that policy and delivery need to be kept separate. The Government’s response at the time to your report was the creation of the Commission for Rural Communities to deliver the policy role. That has been abolished for the last three or four years. Could you reflect on whether forming the commission was the right thing to do? Did it do the right things? What was good and what was bad, and what lessons do we therefore need to learn and make sure get carried forward?

**Lord Haskins:** I do not think it was radical enough. While doing the report, I spent quite a lot of time in France and Germany seeing how policy and delivery are separated and how central government does not get involved in delivery of rural policies. The then Government did not accept that; nor have successive Governments. In a sense, I could see that the CRC was doomed to hit the buffers when it came to 2008 and 2009. Now, however, there is talk about a devolution agenda. I never hear the rural side talk about it—I live in the north of England and we are talking vigorously, if optimistically, about the need for devolution. That is separating policy from delivery. That is exactly the key element: that we have the local authorities delivering. My own local authority, East Riding, has done sterling work without much money but with a lot of enthusiasm to develop its own local delivery policies. I am sure that is the way to go. The CRC was a sort of compromise that was never going to work.

**Baroness Scott of Needham Market:** Do you have a view on whether what we might call the strategic policy function is better delivered from within government, or is an arm’s-length body with some expertise and independence a better way forward?
**Lord Haskins:** This is the whole nub of devolution. As long as taxation is largely collected centrally, there is no way Her Majesty’s Treasury will abandon responsibility for that on the policy side. Ultimately, policy development has to lie with central government as long as we have a centralised system of taxation. That applies right across the piece. However, on the issue of consultation and developing policies, Natural England and the Environment Agency both do sterling work on behalf of government. Those two agencies are at arm’s length from government. For the most part, they do a pretty good job in advising government on that front.

**Baroness Whitaker:** We have shared opinions before. My question is still in this general area but moves us on. Since the closure of the Commission for Rural Communities and the subsequent winding-up of Defra’s rural communities policy unit, how, if at all, have the CRC’s original functions of advocate, adviser and watchdog been fulfilled? I would really appreciate your opinion, as I am sure we all would, on how rural proofing is working out.

**Lord Haskins:** Bear in mind that I am a lot further away from all this than I was years ago. The request to come to this Committee was based on something out of the past, so I am trying to catch up. My impression, and it is purely an impression, is that a huge gap has appeared since the rural communities policy unit and the CRC’s advocacy unit disappeared. With them went any basic interest that Defra might have had in the agenda that we were trying to develop. Michael Gove is making some mild noises on the environment, but the issue that we were concerned about was rural communities being left behind.

The metro areas were going ahead and there was a growing inequality between them. That has become clearly exaggerated in the past few years, because any devolution deals that have been talked about are purely metro deals. No thought has been given to any devolution outside the eight big cities in England. I contrasted that in the report with the engagement on the rural agenda that you get in the Celtic nations, for obvious reasons: there are more votes in the rural agenda in Scotland, Wales and Northern Ireland than in England. Interestingly, the rural voice does not seem as wound up about it as it was in my time. They gave me a really hard time on it. Now there is a sort of defeatism about it.

**Baroness Whitaker:** Do you have an opinion as to how those gaps would be best filled?

**Lord Haskins:** Yes. The people who understand rural issues are local people. They are such diverse issues. I live in the countryside, so called, five miles from the centre of Hull. That is a very different agenda from that which you might have if you were sitting in Cumbria or in remote areas. To try to have a one-size-fits-all from the centre does not work particularly well for the rural agenda. If I were in government, I would pick nine or 10 essentially rural unitary authorities, rather than district authorities, and I would say, “Let’s do a bit of piloting. Let’s see what we can do to devolve delivery of policy”. We would have to have a policy first
of all. Sometimes I am not entirely sure that there is one. Once we get the policy, we should devolve it and ask those local authorities to deliver as they see fit locally. That was missing. That was the theme I was obsessed with in 2002-03 and I am obsessed with it still. There is a greater need now than there was then.

**The Chairman:** So you are saying that, apart from the policy-making, which probably includes rural proofing across departments, the countryside is best left to its own devices?

**Lord Haskins:** No, I did not say that. I said that local authorities that have a strong countryside element—that element varies greatly from local authority to local authority—should take more responsibility for rural development than at present. They do not do a bad job in the circumstances with European funds. Ownership of rural development should be given to where it belongs. At the moment, nobody owns it.

Q16  

**Lord Harrison:** First, a very warm welcome here today. You talked partly about localism in your 2003 review and extended that in some of your comments about local authorities. I remember 35 years ago chairing the countryside committee of Cheshire County Council, and even today I am embarked on working with others—along the Mersey and the Dee; in other words, cross border into Wales—about pumping up the economic viability of that whole area. It strikes me that that would fit into the idea that you just expressed about local authorities building their strengths together, on the economics but especially on what the countryside can do.

**Lord Haskins:** I recollect having to declare an interest in the report: I was on the board of Yorkshire Forward, the regional development agency. It seemed to me that Yorkshire Forward, covering a range of rural issues, was the best body to bring all this together, but it did not have the cash or resources to do it. Frankly, if you do not have the resources to develop policy, you will not get much policy.

**Lord Harrison:** Which links back to some of your other comments earlier about the lack of funding and the perilous nature of what might happen if we lose the EU funding.

**Lord Haskins:** Yes. This is not just a rural issue, of course. EU-funded universities are in much the same position. Local authorities and all their infrastructure issues are heavily dependent on European funding. We are all working very hard to find a way to create alternative funds for that. It will be extremely difficult. I am concerned that rural needs might be neglected in favour of the metros’ needs for expensive infrastructure funds. The Treasury will have to find substantial funds to replace what is coming at the moment. I am concerned that Defra will not defend its position as vigorously as, let us say, BEIS in that fight.

**Lord Harrison:** Just to take the jigsaw one bit further, you have given a tick to the Environment Agency and Natural England. If the local authorities were to play a stronger role, would they fit naturally into that
part of the jigsaw?

**Lord Haskins:** Absolutely. The Humber LEP has a particular body, a sub-board, that deals with investment and regulation. It is chaired by the leader of East Riding of Yorkshire Council on behalf of the four authorities.

There is another initiative, which Michael Heseltine put me up to. It is a really good idea. Every couple of months we meet the regulatory bodies—the Defra bodies and others, such as the Highways Agency—to discuss major issues such as floods and major projects going through. The idea is that when people are going for planning development they do not have to go from one agency to another and another. The agencies are all in the room and there is a single conversation, and we shame them into agreeing something. That pilot has been very successful, and I hope it will be developed nationally, because again it is a way of bringing the statutory agencies together. The statutory agencies love it, by the way; it brings them into contact with local people, local business people and local authorities, and people can see that that avoids awful failures in the planning process and makes progress. It is very encouraging.

So I stick with the themes in my report.

**The Chairman:** With Defra closing the rural communities policy unit and you saying that rural development ought perhaps to be part of the local authority domain, would it be a good idea to move rural development back to DCLG?

**Lord Haskins:** That is a good question. Yes, is probably the answer. I had not thought about it, but it probably would be, because Defra’s role is a complicated one at any rate. I know, and you know very well, that Defra as an organisation was put together in the middle of the night after a general election without any thought at all to its strategic purpose but in order to satisfy the personal political ambitions of certain senior people in the Labour Party.

**Lord Faulkner of Worcester:** Surely not.

**Lord Haskins:** We have lived with that hybrid, and hybrid it is, because Defra’s problem is that it has to try to reconcile what are essentially tense relationships. Elsewhere in Whitehall you separate them, and they fight. MAFF was the farmers’ body. I am not saying that we should go back to MAFF at all, but the Defra agenda is too complicated. Local authorities should take a much bigger role in rural development, and maybe your suggestion to move rural development back to DCLG would be a good idea.

**The Earl of Arran:** You have expressed very strongly your fear for the future, and I think that all of us around this table totally agree with that. If there was ever a need for MAFF to return as its own entity, it would probably be now, because I do not have much trust in Defra producing what is sensible.
In all honesty, if there was one recommendation that you would like to see this Committee make, what would it be?

**Lord Haskins:** It would hinge on this issue of separating policy-making from delivery. I was very struck by how France in particular makes that separation. France has a very centralised system of government, as we do, and policy-making there is probably more centralised in some ways than it is here, but there is a significant break at the actual point of delivery.

That brings me back to another obsession of mine: accountability. Where does the accountability lie when things fail? When we were looking at foot and mouth—and I spent a lot of time looking at problems of foot and mouth in Cumbria—it was very difficult to pin down where the accountability lay. Whitehall is very good at blurring accountability, which you see going on in these Brexit negotiations: who the hell is in charge? Nobody knows at all what is going on. I learnt in business that the more you throw accountability down to the front-line troops to better reward, the more effective it is and the more rewarding it will be. We have not really grasped that in England. We are doing it in Wales and in Scotland, but not in England.

**Baroness Whitaker:** I have a supplementary question on that. If you separated policy formation from implementation, you would presumably have to guarantee input from the local level into the policy. That would require quite a developed communication structure.

**Lord Haskins:** Absolutely. There is a problem, let us be clear. We have run down our local authorities spectacularly for the past 60 years, so the quality of local authorities is very variable, shall we say. There are some good ones; there are an awful lot of not very good ones. Whitehall often runs behind that and says, “We can’t give these people these responsibilities, because they are not competent enough to do it”. Sometimes you have to jump, and if you make those local authority jobs worthwhile and reasonably rewarding, not financially but in terms of job content, I guess you will get good people wanting to do those jobs. If you demean them—and they are being demeaned terribly at the moment; the slashes to public expenditure on local authorities have been far worse than those to any other parts of the central budget—you will get what you deserve. It is not an easy issue at all, and it is not particularly a rural issue—it will be interesting to see how this develops with the metro mayors. It is a real problem, and they will have to deal with it. Do they have the competence to do it?

**Lord Foster of Bishop Auckland:** I well remember you coming up to my constituency during the foot and mouth saga. One of the qualities that you brought to the discussion was what you have revealed this morning: the keenness for everyone to work together and for local authorities to take the lead. I also favoured the Rural Development Commission in its day but also the regional development agencies, which you, too, have referred to. I think I am one of the few politicians who approve of the odd quango—although I am not keen to sit on them and
never have—because it seems that they can bring all the players together very much more effectively than central government on its own. Do you agree?

**Lord Haskins:** I have spent quite a lot of my time on quangos, and on getting rid of them, too. The word “quango” is pejorative. What we are talking about is getting the engagement of people who know what they are talking about on issues. The local enterprise partnerships and the regional development agencies were exactly that: you got business people, local authority people and universities around the table, and you could produce something at local level that was meaningful which you then put back to central government. That is what I do all the time with Greg Clark, who is a very responsive and receptive Secretary of State. He likes that dialogue.

There are issues with this, of course. The issue of conflict of interest comes up time and again. It is an issue that does not bother me too much, because as long as people declare their conflict of interest, that is fine. Actually, you want conflicts of interests; you want people who understand what they are talking about. I am a largish farmer, and I will know a bit more about farming than some guy in the middle of Manchester, but I have to declare an interest when it comes to these issues.

So I think that the concept of statutory agencies talking to quasi-independent bodies, which is what quangos are, is perfectly healthy.

**Baroness Scott of Needham Market:** I want to come back to the question of rural proofing as opposed to rural policy-making. Most of us observe constantly that government legislation and delivery is not equal across the piece. Assumptions are made, for example, that it is easy to access something such as a hospital, but it is not easy for people living in the countryside who live 40 miles away from one. We can all come up with those examples. How can we begin to break some of that down? Is it a Civil Service problem? Is it a government problem? Is Parliament not scrutinising properly? Why does this get worse and not better?

**Lord Haskins:** There are two reasons for that. The rural advice in this place is much weaker than it was, so people listen less to what is being said than before. The other thing that has always struck me—and, again, I come back to devolution—is the French concept of society: that a big town or whatever with an area of 150 kilometres around it is a community, because the people within that 150 kilometres would identify with the big hospital, and all that sort of stuff. That embraces the rural communities well. The trouble if you make those sorts of measurements here is that we are so thickly populated that the imbalance is very strong and it does not work. We looked at it to see whether that rural-proofing approach would work. You, Lord Chairman, were the creator of rural proofing and you know from the wounds on your back how difficult it is to get it. It is very difficult across the piece to do it nationally. It has to be done locally.
The Chairman: Does anyone else have any further questions? No. Thank you very much for coming to see us today.