

NORTH DEVON COUNCIL

Minutes of a meeting of Overview and Scrutiny Committee held at Barum Room - Brynsworthy Environment Centre on Thursday, 10th January, 2019 at 2.00 pm

PRESENT: Members:

Councillor Patrinos (Chairman)

Councillors Mathews, J Cann, Chesters, Croft, Ley, Spear and Worden

Officers:

Head of Corporate and Community Services and Head of Resources

Also Present:

Councillors Leaver, Mackie and Moore

53. APOLOGIES

Apologies for absence were received from Councillors Bonds, Roome and White.

54. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 15TH NOVEMBER 2018 (ATTACHED)

RESOLVED, that the minutes of the meeting held on 15th November 2018 (circulated previously) be approved as a correct record and signed by the Chairman, subject to the following amendment:

- (i) The amendment of minute 48 under question 16 to delete the reference to (who? Is this Wright?).

55. DECLARATIONS OF INTEREST

There were no declarations of interest announced.

56. IMPACT OF AGRICULTURAL SECTOR ON NORTHERN DEVON ECONOMY.

Also Present:

Councillor Pennington – Torrington District Council.

Mr Topham – Non-Elected Member, Torrington District Council.

Julie Edwards	Mole Valley Farmers
Victoria Eveleigh	West Ilkerton Farm
Richard Tucker	National Farmers Union
David Knight	Exmoor Hill Farmers Network
Norman Rottenbury	South Molton Sheep Group
Mark Fogerty	Bicton College

The Chair welcomed the representatives from various areas of the agricultural industry to the meeting. He explained the purpose of the meeting which was to support the Council objective of increasing prosperity in our area. Because agriculture was the sector that shaped North Devon more than any other it underpinned the rest of our economy by attracting the businesses and tourists that provide incomes for our people. He then explained that the Committee would pose questions to the panel in relation to various aspects of the agricultural industry.

The Committee posed the following questions to the panel:

- 1. How do you see the agricultural sector of North Devon's economy changing in the next five to ten years?*

National Farmer's Union (NFU): North Devon was an extremely varied part of the country and every sector of the farming sector would be affected. Going forward there was likely to be a lot of diversification into holiday lets and wind and solar energy. The Agricultural Bill would likely see a shift in farming to larger farms with an increase in the use of technology. The farming community would need to be open to change going forward. He added that the UK was currently 60% self-sufficient in food production with the highest standards in the world that need to be protected.

Mole Valley Farmers: There would be a rapid change that supports the agriculture industry following the implementation of the Agricultural Bill. The retail industry was heavily involved in the development of innovative products to develop businesses and increase profits. Businesses had to be profitable in order to invest, which was key to expand and develop farms to meet the demands of the industry. Sales in relation to animal feed had increased and the reduction in the use of antibiotics ensured that UK products were not undermined by cheaper imports. She added that if farmers decided to sell up, the production cycle would be lost and would not recover for an extremely long time.

South Molton Sheep Group: Policy makers at government level were going down the environmental route and the Agricultural Bill focussed heavily on the environment. The majority of farmers were born and bred to produce food and his own business had contributed to 80 different firms in the previous 12 months through the production of land.

Exmoor Hill Farmer's Network: The process to produce meat from a cow took three years from conception to slaughter so it was necessary to take a long term view in policy making if farms were to survive.

West Ilkerton Farm: There was the potential for a lot of small farmers to go out of business following the implantation of the Agricultural Bill and BREXIT. An agricultural recession was a real threat particularly to the North Devon economy.

2. *What do you think are the main benefits the Agriculture Bill brings to farmers in North Devon? How could the Bill be improved?*

Bicton College: Being part of the European Union was beneficial to the farming community as it provided a certain amount of protection. Once the UK has left the European Union there were fears of lower quality products being imported to replace home grown and reared produce. Farmers were also supported financially by the European Union and the impact of BREXIT would be wildly felt through the farming community. There were also concerns from the beef and sheep farmers that the basic payment, that so many relied upon would be phased out and if that was lost a large proportion of farms would be unprofitable. There was potential for volatility in the value of produce over the next few years and a lot of financial support would be required to support reduced incomes.

National Farmer's Union: There was no mention of food within the Agricultural Bill, which was disappointing.

Exmoor Hill Farmer's Network: The Agricultural Bill was in bare bone format and could be added to. There was a huge opportunity for local farmers with the support of North Devon Council to lobby the government to ensure that they achieved the greatest benefits possible from the Bill.

West Ilkerton Farm: On the positive side, the Agricultural Bill did make reference to upland farmers and marginal areas both of which were relevant to the North Devon area.

3. *In 2013 more than a third of farmers nationally were over 65. How do you think this challenge might be met?*

Exmoor Hill Farmer's Network: The statistics in relation to the figure was not fully representative as the information was drawn from the person named on the forms. There were a lot of members of younger generations involved within the family but their names were not listed on the paperwork. He added that there was a growing number of younger farmers working within the North Devon area. There were also a growing number of farmers who had no-one to inherit their farms together with a growing number of people who wanted to branch into the farming industry. Whilst farming provided a relatively low income a great deal of financial investment was required to set up a farming business even with the option of tenant farming.

South Molton Sheep Group: There was a real challenge for young people to make their way within the farming profession if they did not come from farming families.

National Farmer's Union: There was an image problem with the farming industry together with a lot of misconceptions about the profession. A good

business acumen was essential, which also included a multitude of skills in relation to animal welfare, land management and knowledge of soil quality to run a successful operation. There was a shortage of skilled workers coming through the education system together with a lack of understanding of where food came from. Recruitment to the farming industry was vital and would benefit from greater support from the education authorities.

Mole Valley Farmers: Employees often visit local farms to offer technical advice and support. There were a growing number of young farmers and an appetite to improve and promote the image of the industry. Data analysis was an essential part to develop profitable businesses going forward. Devon County Council provided support to Farmwise, which was a one day annual event held in Exeter for local schools. The event was so popular that there was a waiting list of schools who wished to be involved. However, there were costs associated with travelling.

Exmoor Hill Farmer's Network: Farmwise was a really good event and would work particularly well within the North Devon area.

West Ilkerton Farm: The involvement of young people within the industry was vital to securing the future of the farming industry. Employers such as Mole Valley Farmers and other local employers was key to ensuring the future of young people within the industry. The Exmoor Hill Farmers Network was very beneficial in terms of the social aspect, as many farmers worked alone and rarely interacted with other workers within the profession.

4. *What local change have you seen that can be attributed to climate change and what do you expect in the future?*

West Ilkerton Farm: In regards to climate change, it was difficult to attribute weather conditions to what was part of the natural cycle and the impact of global warming. There had been more extreme weather events in recent times and an increase in the frequency of storms. Diseases in animals such as red water fever were more common place and a number of farmers had reduced their stock to reduce the risk of loss. There was a growing requirement to weatherproof farmers to provide shelter for animals during periods of severe weather. However, such improvements and maintenance was very costly therefore many farmers worked through damage limitation.

Mole Valley Farmers: There was no longer any distinction between the seasons and farmers were having to purchase additional feed to support their animals. Heat stress in dairy cattle was also a problem during the heatwave of 2018.

National Farmer's Union: Grass growth rates were recorded on a weekly basis. However, the industry had yet to experience the full impact of last summer's extreme weather. There was a risk of cold weather before the end of the winter, which could lead to a food shortage. Local farmers were always on hand to assist with the clearing of roads in rural areas during periods of heavy

snowfall which was an invaluable social support service that was provided without any recompense for the time and cost involved.

5. *Have you encountered any delays caused by a lack of vets at abattoirs to carry out sanitary and phytosanitary (SPS) controls?*

Exmoor Hill Farmer's Network: There had been no delays at the present time. However, with a vast number of abattoir vets and abattoir employees being of European nationalities things could be very different following BREXIT.

National Farmer's Union: Testing for tuberculosis (TB) was a very difficult and costly exercise and a huge amount of work for veterinarians. There had been a reduction in the number of abattoirs as a result of the compliance with the stringent regulations.

6. *Last year the Prince's Countryside Fund said grazing livestock farms, in particular, faced the unwelcome prospect of "slipping away" without urgent support to help them remain productive and viable after Brexit. Does this seem true to you and do you think the Agriculture Bill might address the problem?*

National Farmer's Union: Sharing production data would be advantageous to ensure greater efficiency. There was a lot of grass in the North Devon area, which in turn supported the dairy process.

Bicton College: Beef and sheep farmers were reliant on grass and were therefore a vulnerable sector with 50-75% of their income coming from the basic payment leaving them very vulnerable to changes in subsidy arrangements such as proposed in the Agriculture Bill.

Mole Valley Farmers: You cannot manage a business if you don't measure and certain amount of responsibility needed to be taken by retailers to work with local farmers to improve their businesses and land management.

7. *What are your views of the impact of a UK/USA or UK/Argentina trade agreement that covers agricultural production?*

Mole Valley Farmers: The government would be keen to do a trade deal and the agricultural sector must not become the sacrificial sector. America would be keen to export beef and chlorinated chicken into the UK in a market where local farmers could produce a better product. Reassurance from the government was required at national and regional levels that the standards would be equivalent or better than the current levels. Production for a niche sector would not be a profitable or viable option.

National Farmer's Union: Farmers had no issue with producing food for supermarkets provided that it was labelled properly. There was concerns in relation to the use of chemicals for crop spraying by the

Americans in food production, which had been banned in the EU for the previous 20 years. There were positive examples of the importance of promotion of home grown products in countries such as Australia

Exmoor Hill Farmer's Network: There were big opportunities on the east coast of America to trade UK lamb and mussels together with the demand for organic milk and marketing would be the key to the success of that.

Bicton College: Any trade deal that was agreed like for like would be difficult for farmers to compete with and it was a very complex process. There was also a risk that agriculture could be used as a pawn in any trade deal negotiations as that had happened previously.

The Committee discussed the significant tariffs that the UK would face under the World Trade Organisation whilst any trade deals were negotiated.

8. *I've read that upland sheep and cattle farms are particularly vulnerable to about changed because of their usually small size impact on making their viability? Do you feel that is true?*

Exmoor Hill Farming Network: Sites of Special Scientific Interest (SSSI) came with a vast tier of regulations in themselves and were very complex to manage.

South Molton Sheep Group: Upland farmers had one choice of farming either beef or sheep.

West Ilkerton Farm: The Agricultural Bill might benefit upland farmers in terms of the support it potentially provided. However, there were so many conflicting issues within the legislation that it wasn't clear at the present time.

National Farmer's Union: Farmers were also being given conflicting advice from different organisations, which was very confusing.

9. *What is your view of the present measures in force to reduce the incidence of Bovine TB?*

Exmoor Hill Farmer's Network: The National Trust did not permit for their tenant farmers the culling of badgers on its land, which was a significant stumbling block for tenant farmers. The inoculation programme was to inoculate the badgers as opposed to the cattle and for the programme to be successful the badgers had to be inoculated every 12 months. Badgers were a protected species and could not be controlled as vermin. There was also a wider benefit to culling for the hedgehog population, as the badger was the only animal that could unroll a hedgehog.

The National Farmer's Union: Statistics had shown a significant reduction of TB in culling areas as opposed to inoculating. To trap the badgers prior to inoculation, peanuts were put into cages to entice the badgers. However, badgers like peanuts and the same badgers would return for the peanuts and be re-inoculated and therefore the programme was not successful in

vaccinating all of the badgers. If cattle were inoculated with the TB vaccine, the UK would not be allowed to trade within the European Union. There was still a lot to be learnt about the disease. All costs associated with badger controls were supported by each independent farmer and not taken from the public purse. Each participant was fully trained prior to any involvement with culling.

The Committee thanked the panel for explaining the inoculation and culling processes.

10. As I understand it trade in animals between the EU and third countries, which would be the UK if we leave, can only take place at Border Inspection Posts, which are relatively few and without the capacity to handle the volumes traded between UK/EU. What is your view on the impact that would have on the production of animals in the UK & especially in ND? (Defra Planning suggests that animals in transit for live export that are stuck in long queues at ports will need to be slaughtered. Does that seem alarmist to you?)

National Farmer's Union: North Devon trading with France, which was a key market in Europe would become impractical for the perishable goods such as milk. The exporting of fresh produce such as salad crops on a daily basis would have an even shorter lifespan and there were concerns in relation to animal welfare.

11. Whatever the outcome of Brexit, would it benefit the North Devon economy and its communities if more food was grown and sold locally? And if yes, what steps need to be taken to achieve this?

Exmoor Hill Farming Network: A good starting point would be a local abattoir within the North Devon area.

National Farmer's Union: Planning rules were a stumbling block in terms of the change of use for production. Locally produced food was best environmentally together with development funds to develop skills the skills base required. Farm shops were on the increase and the appetite was there to develop and grow local produce. Investment in the assistance of business support and sponsorship was required together with work within schools to promote farming as an industry.

West Ilkerton Farm: As a business currently produced their own ham and beef on site. However, that was a niche market and local hotels and restaurants had specific requirement in terms of the cut of meat and the volume of the cut that they required on a twice weekly basis and the practicalities of meeting the demand were not viable because only the prime cuts were sought.

Mole Valley Farmer's: Greater awareness over the different cuts of meat was required to encourage the public to explore different options.

12. With 61% of the UK being self-sufficient and a General Election scheduled for May 2022 would you ask MPS to guarantee food self-sufficiency prior to the next election?

Exmoor Hill Farmer's Network: In terms of self-sufficiency, the UK could only be self-sufficient in home grown food products. It would help if the government sourced all the food it procured for the NHS, the Army and schools from local UK sources.

13. BREXIT would see an impact on many environmental aspects, what educational prospects were there going forward for young people within food production?

Bicton College: The environmental pressure was increasing all of the time with any land that didn't meet the criteria being intensively farmed and students would need to be experts in all areas. The management of farming businesses would be more complicated and a specific skills set would be required.

National Farmer's Union: From an environmental point of view, farmers would not want to contaminate water supplies with pesticides and the utilisation of technology to support the use of fertilisers to keep soil within fields and not the rivers would be an advantageous tool.

Mole Valley Farmers: Soil samples were now taken to ascertain the correct fertilisers required.

14. BREXIT would be the biggest change in trading and Policy in decades. How would that process be managed without a trade deal?

National Farmer's Union: There was a big market for products and with the French farming protests on our behalf, the status quo offered the least amount of change.

Mole Valley Farmers: A lot of farmers voted to leave the European Union. However, the European Union provided a lot of security to farming businesses and it would be of greater benefit to the farmers to remain within the European Union.

Exmoor Hill Farmer's Network: It is often suggested that farmers mostly voted to leave the EU but there was no evidence to support that.

15. Farming is a complex industry. What could the Council do to assist with the stability of food production going forward?

Exmoor Hill Farmer's Network: The procurement of local food products in schools and other organisations would be advantageous. In the longer term, the education of all schoolchildren about food looking at its origins and how it was sourced.

Mole Valley Farmers: Events like Farmwise would be a really positive way of engaging with schoolchildren.

16. 20 years ago the consensus amongst older farmers was sell off farming land and younger generations were not encouraged to choose the profession. Was that still the case?

Exmoor Hill Farmer's Network: The attitudes towards the younger generation's involvement with farming had changed significantly with younger members of the family actively encouraged to be involved within the business.

17. Do you believe that without diversification by the smaller farmer a lot of them would not remain viable?

West Ilkerton Farm: There were several different options available to farmers who wished to diversify. For example holiday lets were once a popular alternative. However, supply now outweighs the demand and conversion of agricultural buildings for that purpose was very expensive. Farmers were now looking at other alternatives such as wind turbines, solar farms and biomass boilers and in situations where the majority of income was generated by other alternatives the business was not technically classed as a farm.

18. Was there a support network available to farmers to support mental health and wellbeing? How might BREXIT affect this?

Exmoor Hill Farm Network: Mental health support was very area specific and the Network did its best to engage with farmers where possible. Regular social events were held together with support groups through farmers clubs.

National Farmer's Union: The biggest threat to farming at the present time was the uncertainty surrounding mental health. Often the people affected were the very people that you wouldn't expect to be and it was vital to ensure that those people were reached.

Mole Valley Farmers: Sedgemoor Livestock Market held a farmers walk in clinic every Saturday with two trained nurses who were supplied by the NHS available to speak to people. Since this was set up in 2018, 200 farmers had sought assistance through the service.

Exmoor Hill Farmer's Network: A similar clinic was also being set up at Cutcombe market within the next month.

The Chairman addressed the Committee summarised the aspirations for the future, which were:

- The implementation of a GCSE in Agriculture.

- Improved access through the planning system to assist businesses in their diversification.
- The streamlining of food inspection paperwork.
- Food procurement at all levels of government and greater education for children in relation to food.
- Inviting farmers into schools to discuss careers in agriculture.
- Greater support for mental health.
- Lobbying to improve the Agriculture Bill so that it supported food production as well as the environment.
- Lobbying the government to try and reduce trading position and unnecessary volatility.
- Supporting schools attending Farmwise.

The Committee thanked the members of the panel for their attendance at the meeting.

57. ADJOURNMENT OF MEETING

RESOLVED that the meeting be adjourned to enable a five minute comfort break.

RESOLVED that the meeting be re-convened to consider the remaining business.

58. TREASURY MANAGEMENT MID-YEAR REPORT.

The Committee considered the Treasury Management Mid-Year Report by the Chief Financial Officer together with the minute extract of the Executive held on 3rd December 2018 (circulated previously).

The Head of Resources advised that the mid year report had been completed in compliance with CIPFA's Code of Practice on Treasury Management.

He highlighted the following:

- There was an additional set of appendices from page 63 of the report onwards, which made reference to treasury management practices for non-treasury investments. The appendices had been included to allow the Council to look into investing in commercial activities in the future and needed a strategy in place going forwards.
- The capital financing requirement (CFR) had been increased from the original estimate of £4.2m to the revised prudential indicator of £4.8m following an approved increase in the funding for temporary accommodation. However, the Council was only borrowing £1.5m externally.
- The current position of capital expenditure was detailed on pages seven and eight of the report, which indicated the revised borrowing estimate of £1.2m.

- The Council's budgeted investment interest return for 2018/19 was £60,000. As at 30th September 2018 £39,972 investment interest was earned in the half year period.
- There were no difficulties in complying with prudential indicators.

RESOLVED, that that the decisions and recommendations of the Executive be endorsed.

The Committee thanked the Head of Resources for his report.

59. COMPENSATION PAYMENTS.

The Customer Feedback and Service Improvement Officer presented a report in relation to Compensation Payments to the Committee (circulated previously), which detailed the payments from 1st June to end of November 2018.

She advised that there had been a number of compensation payments made to Customers in relation to the Waste and Recycling Service adding that the percentage was relatively small given the number of customers that used the service. The green waste service was a paid for service, so compensation payments in that area had increased. There had been no Ombudsman decisions in relation to any of the complaints.

In response to a question regarding the compensation amounts that been made, the Customer Feedback and Service Improvement Officer advised that the payments were not proportional to the fee paid by customers. Instead it was assessed on each individual case and circumstance.

In response to a question regarding the installation of BARTEC in all vehicles, the Customer Feedback and Service Improvement Officer advised that there was now enough systems for each vehicle within the fleet.

In response to a question regarding a compensation payment of £500 for miss advice from a contractor, the Head of Resources advised that the responsibility was on the Council to ensure that the information was correct. He added that the payment came from the Environmental Health and Housing Budget.

The Customer Feedback and Service Improvement Officer advised that the three month break in green waste collections over the winter months had been reduced to two months following feedback from customers.

Resolved, that the report be noted.

The Committee thanked the Customer Feedback and Service Improvement Officer for her attendance at the meeting.

60. POLICE AND CRIME COMMISSION UPDATE.

The Vice Chairman addressed the Committee and advised that there was nothing to report at the present time.

61. NHS UPDATE.

The Chairman advised that he attended the meeting of the Torridge District Council's Overview and Scrutiny Committee on Wednesday 9th January 2019 where Doctor John Womersley had been invited as a guest.

He questioned Doctor Womersley regarding the 44 area footprints in England and the development of their own five year plan by autumn 2019. Doctor Womersley replied that it was their ambition to create GP networks with 30-50k patients, which would not be largely different from the current situation.

RESOLVED, that the update be noted.

62. WORK PROGRAMME/FORWARD PLAN.

The Committee considered the Work Programme/Forward Plan (circulated previously).

The Chairman addressed the Committee regarding the recording of meetings and whether Members were happy for this to continue going forward.

The Vice Chairman supported the recording of future meetings adding that all Members should be referred to as Councillor in the meeting and not by their Christian names.

The Chairman requested that the Clerk ring members of the Committee to ensure a quorum for the special meeting on 15th January 2019 following the indication by several members that they were no longer able to attend the meeting.

In response to a question regarding the consideration of Batsworthy at a future meeting, the Head of Corporate and Community Services advised that there was a heavy agenda for the February meeting and that to consider the item properly it would need to be single item agenda.

RESOLVED, that it being 5.00pm the meeting continue to allow for the remaining business to be transacted.

RESOLVED:

- (a) that the Work Programme be noted;
- (b) that all future meetings of the Committee be recorded;

- (c) that the Clerk to the Committee contact Members to seek dates of availability for a special meeting to discuss Batsworthy.

Chairman

The meeting ended at 5.10 pm