



The Scottish Parliament
Pàrlamaid na h-Alba

Published 21 April 2022
SP Paper 160
4th Report 2022 (Session 6)

Rural Affairs, Islands and Natural Environment Committee

Subordinate legislation considered by the Rural Affairs, Islands and Natural Environment Committee on 20 April 2022



Published in Scotland by the Scottish Parliamentary Corporate Body.

All documents are available on the Scottish Parliament website at:
<http://www.parliament.scot/abouttheparliament/91279.aspx>

For information on the Scottish Parliament contact Public Information on:
Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@parliament.scot

Contents

The draft Agriculture and Horticulture Development Board (Amendment) Order 2022	1
Policy Background	1
Committee consideration of the instrument	2
Committee consideration of the motion	3

Rural Affairs, Islands and Natural Environment Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Rural Affairs and Islands.



rural.committee@parliament.scot

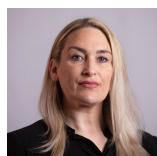
Committee Membership



Convener
Finlay Carson
Scottish Conservative
and Unionist Party



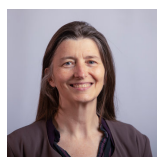
Deputy Convener
Beatrice Wishart
Scottish Liberal
Democrats



Karen Adam
Scottish National Party



Alasdair Allan
Scottish National Party



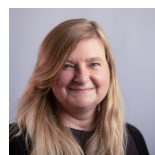
Ariane Burgess
Scottish Green Party



Jim Fairlie
Scottish National Party



Rachael Hamilton
Scottish Conservative
and Unionist Party



Jenni Minto
Scottish National Party



Mercedes Villalba
Scottish Labour

The draft Agriculture and Horticulture Development Board (Amendment) Order 2022

1. At its meeting on 20 April 2022, the Rural Affairs, Islands and Natural Environment Committee considered the [Agriculture and Horticulture Development Board \(Amendment\) Order 2022](#).
2. The Minister for Environment, Biodiversity and Land reform, Màiri McAllan, accompanied by Scottish Government officials, attended the meeting to provide evidence to the Committee on the instrument and to move the associated motion.
3. The instrument is a UK SI made under the Natural Environment and Rural Communities Act 2006. The 2006 Act provides that the Order cannot be made without the Scottish Ministers' consent, which can only be given after a draft Order has been laid before, and approved by, the Scottish Parliament.
4. The instrument is subject to the affirmative procedure and is due to come into force the day after the instrument is made. According to the explanatory memorandum, this is necessary to ensure the provisions come into force as early as possible into the start of the new financial year to give horticulture and potato sector levy payers certainty that their obligations to make levy returns during the new financial year have been removed.
5. This instrument amends the Agriculture and Horticulture Development Board Order 2008 (S.I. 2008/576) which established the [Agriculture and Horticulture Development Board \(AHDB\)](#). These amendments —
 - remove the statutory levies in the horticulture and potato sectors in Great Britain;
 - create a new duty on the AHDB to poll levy payers at least once every five years on how any levy will be spent; and
 - enable the AHDB to charge for services it delivers to all agricultural industries within the scope of the Order and ensuring that, where an industry is paying a levy, additional charges can only be made for the cost of services that are not already covered by the levy.

Policy Background

6. The 2008 Order places a duty on the AHDB to impose a levy for each industry covered within its scope. The Order also makes provision to enable levy payers to request a ballot on whether the levy should continue or not (if 5% of eligible voters request it). However, there are no provisions that enable a regular vote by levy payers on the priorities for how the levy will be spent.
7. The 2008 Order also enables the AHDB to charge for any services they might provide to levy paying sectors that are additional to services already covered by the

levy, but this does not include making charges for services to non-levy paying sectors.

8. In January and February 2021, levy payers triggered democratic ballots in the horticulture and potato sectors on whether they wanted the statutory levy to continue in these two sectors in Great Britain. The horticulture ballot closed on 10 February 2021 with 61% voting “no” to the levy continuing. The ballot on the potato levy closed on 17 March 2021 with 66% voting “no” to the levy continuing.
9. This instrument gives effect to the outcome of these ballots by removing all the legislative provisions for the statutory levy in these two sectors in Great Britain. Whilst the statutory levy provisions for the horticulture and potato sectors are being removed these two sectors will remain in scope of the Order so that businesses in both these sectors can continue to work with the AHDB on a voluntary or commercial basis if they wish to. It will also enable the AHDB to continue to deliver legacy research and plant protection services to these sectors during a transition period.
10. This instrument also introduces a new duty on the AHDB to hold a regular vote at least once every five years on proposals for how the levy will be spent in each of the levy paying sectors. This is being done to make the AHDB more accountable to levy payers.
11. In addition, this instrument makes a technical amendment to the Order to enable the AHDB to charge for services to clarify that this includes all industries in scope of the Order (and is not limited as currently to only those sectors that pay a levy). This is being done to ensure the AHDB can cover the cost of any services that might be delivered in future to parts of the horticulture or potato sectors that no longer pay a levy but may wish to contract with the AHDB for specific services in future.
12. This amendment also clarifies the existing provision on charges for services to ensure that where an industry is paying a levy, additional charges can only be made for the cost of services that are not already covered by the levy. This is being done to make it clear that a levy paying industry cannot be charged twice for the same service.

Committee consideration of the instrument

13. In evidence with the Minister, the Committee enquired about the level of engagement the Scottish Government has had with the AHDB and the potential impact the changes to the levy would have to the delivery of support services for the horticulture and potato sectors. In response, the Minister highlighted the ongoing work the AHDB is doing in relation to potato blight, aphid monitoring and applications for emergency pesticide use and that some of this work would continue until 2023, something which reflects the views of the industry expressed in consultation. The Minister also emphasised that the the AHDB and Scottish Government were responding to the democratic wishes of the sector and it would be for the industry to decide how it would like to be organised.
14. The Committee also sought assurances that the Scottish Government would continue to support the AHDB in tackling key issues facing the sector. In response,

the Minister was content to provide this assurance.

15. The Committee asked the Minister why the decision was made to poll levy payers every five years. The Minister confirmed that this was a joint government decision and to improve accountability a vote would take place at least every five years and the AHDB has committed to doing so on a more frequent basis.
16. The Committee also asked about how levy payers could influence future proposals made by the AHDB in consultation. The Minister committed to responding to this question in writing.

Committee consideration of the motion

17. After the debate, the Cabinet Secretary moved motion S6M-03604 —

that the Rural Affairs, Islands and Natural Environment Committee recommends that the Agriculture and Horticulture Development Board (Amendment) Order 2022 [draft] be approved.
18. The motion was agreed to without division.
19. The official report of the meeting can be accessed on the [Scottish Parliament's website](#).

The Rural Affairs, Islands and Natural Environment Committee recommends to the Scottish Parliament that the Agriculture and Horticulture Development Board (Amendment) Order 2022 be approved.

