

Audit Committee

AC(3) 13-08 (p2) Welsh Assembly Government Response

Date: 27 November 2008

Time: 1.30- 4.00pm

Venue: Committee Room 3

Response to the report of the National Assembly Audit Committee's report on Tir Gofal: Committee Report AC (3) 08-08 (September 2008)

We welcome the findings and offer the following response to the six recommendations in the report.

Recommendation (i):

There is only limited evidence about the outcomes actually achieved, and about the impact that can be attributed to Tir Gofal rather than other factors. We recognise that outcomes for a wide-ranging scheme like Tir Gofal are difficult to measure, and that environmental change can take a long time to happen. The Assembly Government has a substantial programme of work to measure the impact of Tir Gofal on habitats and wildlife, but we believe that a more comprehensive programme is needed to fully assess the impact of the scheme. We therefore endorse the Auditor General's recommendations in this regard. In particular, we recommend that the Assembly Government further develops its monitoring and evaluation strategy for Tir Gofal and successor schemes so that it:

- a) incorporates and builds on the monitoring and evaluation work completed or planned so far, such as the ecological monitoring survey;
- b) covers all objectives and major prescriptions of the scheme;
- c) adopts a common approach for all agri-environment schemes under the Assembly Government's control, as far as possible, so that comparisons can be made between them;
- d) includes surveys of landholders that assess the nature and extent of changes in management practices;
- e) collates evidence obtained during the application process, for example on reductions in stocking rates and the opinions of project officers on added value, to provide qualitative data on impact where robust quantitative data might not be available;
- f) includes baseline assessments of the condition of habitats, features and rights of way to be enhanced or protected by the scheme; and
- g) makes use of photography to record the condition of habitats and historical features.

Recommendation Accepted.

The Committee's report helpfully identifies some of the difficulties associated with monitoring the impact of a wide-ranging scheme which is seeking to achieve changes which can only be measured over a long time period, but the Welsh Assembly Government acknowledges that - although monitoring of the existing scheme has been wide-ranging and has been sufficiently rigorous to establish confidence that substantive environmental gains are being achieved - improvements in monitoring and evaluation are required in the short to medium term.

The review of land management schemes (on which consultation is currently taking place) proposes that any new scheme should be outcome based. An important task following consultation will be to define the outcomes that any new scheme will deliver; to develop proxy outputs that will enable us to measure delivery of those outcomes; and to incorporate an evaluation and monitoring element to the scheme which will mean that data is gathered as a matter of course throughout the life of the scheme. The use of existing remote sensing data, together with future surveys, is likely to play a significant role in this.

Three main areas of agri-environment monitoring are proposed under the Rural Development Plan for Wales 2007-13:

Habitat monitoring: to assess whether agri-environmental schemes contribute to the maintenance and enhancement of habitat quality. This will involve a continuation of the current assessment monitoring of habitats in Tir Gofal, and an extension to assess if the Tir Cynnal scheme's objective of habitat retention has been achieved. The contribution of areas of conservation interest under the Organic Farming Scheme will also be investigated. The habitat monitoring measures specific objectives outlined in the scheme design.

Species monitoring: to assess whether agri-environment schemes contribute to maintaining and enhancing species abundance. A more detailed species monitoring programme is proposed in the 2007-2013 RDP including a suite of species groups will provide models of scheme impact with a particular focus on Tir Gofal. The species monitoring measures the wider impact of agri-environment schemes on the Welsh Assembly Government's strategic objectives on biodiversity particularly where habitat management has been specifically designed for delivering these objectives.

High level ecosystems monitoring: to assess the extent to which agri-environment schemes contribute to the maintenance and improvement of other measures of ecosystem quality. This will include monitoring of schemes' performance in terms of improving the quality of the wider environment, notably soil and water ecosystems, and the contribution schemes may make towards reducing the agricultural carbon footprint. The ecosystem monitoring will measure benefits which may be incidental to scheme design but which are of key significance to the current policy agenda e.g. climate change mitigation and adaptation, the European Water Framework Directive, and the UK soil action plan.

A tender process has recently been completed for this work and it is anticipated that the successful bidders will commence work shortly.

Evidence obtained during the application process, including details about whole farm stocking rates, has been recorded on agreements for some time, and the Welsh Assembly Government will investigate the practicality of extending the collection, recording and monitoring of baseline information to include reductions and changes in stock management, changes in cropping and land management e.g. fencing of woodlands, options adopted, impact on landscape in terms of the capital works programme, and an indication of whether existing practices will have to stop e.g. supplementary feeding on habitat land. Surveys of landowners to assess the extent of changes in management practices can then be undertaken using this information as the baseline against which change will be measured. Any additional requirements will, however, increase the cost and time needed to prepare individual agreements. Baseline assessments will have to be made either before agreements were signed or at the time of signing in order to verify change as agreement holders are expected to adopt the obligations from the start date.

Tir Gofal Project officers now have access to digital cameras and have been issued with guidance regarding their use during the process of negotiating and drafting new agreements.

Recommendation (ii):

We are concerned about the significant number of farmers who appear to make few or no changes to their management practices as a result of joining Tir Gofal. The nature and extent of these changes is uncertain. In a context of high demand for agri-environment schemes, the Assembly Government needs to do everything reasonably possible to analyse the impact of schemes on farming practices and ensure that they do not pay for work or farming practices that would have happened anyway. We recommend that the Assembly Government uses the opportunity of its review of land management schemes in Wales to analyse their impact on farming practices more systematically, drawing on a range of available evidence, and adjust the design of Tir Gofal or its successor schemes to maximise their added value.

Recommendation Accepted.

The Welsh Assembly Government has sought to minimise deadweight in existing agri-environment schemes as far as is practicable, and is committed to achieving even better value for money from the revised scheme arrangements which will be put into place following the current review of land management schemes. Recent evidence suggests that, in addition to the mandatory scheme requirements, over 80 per cent of Tir Gofal agreement holders adopt voluntary management prescriptions and hence implement changes in their management practices. The Welsh Assembly Government will ensure that as the operational details of the preferred option emerging from the review of land management schemes are worked up, an analysis is undertaken of the impact of existing schemes on farming practices, and will ensure that monitoring of schemes introduced as a result of the review is more focused in order better to demonstrate the extent and effect of these changes, although the evidence referred to above indicates that management prescriptions demanded by Tir Gofal would only rarely have been adopted without the incentive of management payments.

Recommendation (iii):

Tir Gofal has potential to promote public access to the countryside by improving and extending footpaths and by enabling people with little knowledge or experience of farming to see a working farm at first hand. The Assembly Government has taken some measures to improve the impact of the scheme in this regard, especially on public rights of way, but the value derived from this aspect of the scheme remains uncertain. We recommend that the Assembly Government:

- a) measures the impact of Tir Gofal on public rights of way by comparing the condition of paths on entry to the scheme with the condition later on;
- b) works with rights of way officers in local authorities and National Parks to check that farmers comply with the law on maintaining statutory rights of way;
- c) ensures that any other footpaths or areas that the public can access that are funded by Tir Gofal are well publicised and likely to add significant value to the existing network; and
- d) applies the lessons learned from the project in Powys to help farmers organise school visits across Wales, in time for the launch of the successor schemes to Tir Gofal in 2010.

Recommendation Accepted.

The outcome of the 2002 survey of the condition of rights of way on Tir Gofal farms was disappointing but since then the Countryside Council for Wales and the Welsh Assembly Government have worked to improve advice to farmers and improve compliance checks, and there is clear evidence that a significant improvement has been achieved. The Welsh Assembly Government will, however, ensure that evidence from compliance checking is collated to provide a regularly updated measure of the impact of Tir Gofal on the condition of public rights of way.

Excellent working relationships already exist with many local authorities and National Park Authorities: for example, many local authorities seek to use the negotiation of Tir Gofal agreements as an opportunity to improve the rights of way network, and liaison arrangements exist to allow issues identified during Tir Gofal inspections to be fed back to local authorities for them to take appropriate action. The Welsh Assembly Government will seek to ensure that these arrangements are consistently applied across Wales and that compliance with the law on maintaining statutory rights of way is monitored and enforced.

Considerable efforts have been made to ensure that access provision resulting from Tir Gofal agreements is well publicised, and all

agreement holders who include voluntary access provision as part of their agreement are now provided with interpretation boards made from durable materials, onto which a digitised colour image of the route and its relationship to the local rights of way network is printed. In addition full details of access provision are available on the Welsh Assembly Government website.

A project is already underway, building on the pilot work in Powys, with the aim of making it easier for farmers to arrange educational visits. This will include the provision of guidance and the introduction of standardised health and safety requirements, and Tir Gofal staff have developed close links with the CAFÉ (Children, Agriculture, Food, Education) project to offer greater support to farmers offering educational visits, including matching them with schools looking for outdoor education opportunities. The Welsh Assembly Government will work with partners to offer this support more widely, and has built improved arrangements for educational access - and a more strategic approach to access provision more generally - into the consultation on the review of land management schemes.

Recommendation (iv):

Tir Gofal is a relatively uniform scheme with standardised prescriptions and selection criteria, and it is clear that these prescriptions are not always sensitive and flexible enough to reflect local needs and conditions. We recommend that, when developing successor schemes to Tir Gofal, the Assembly Government considers practical measures to tailor the scheme to be more responsive to local needs and conditions, for example by:

- a) varying scoring criteria in different geographical areas;
- b) giving project officers more discretion to negotiate agreements that add value by reflecting local circumstances and conditions; and
- c) providing clear guidance and authority for project officers to require the introduction of species packages where this would be beneficial.

Recommendation Accepted.

While there is an extremely wide range of prescriptions available under the Tir Gofal scheme, there is some evidence that the full range of prescriptions appropriate to individual agreements has not always been explored as agreements are negotiated. In addition the take-up of special projects has been limited. Nevertheless, significant progress has been made in tailoring agreements to take account of local circumstances, for example by reflecting the traditional pattern of seasonal variations in stocking numbers on large upland holdings. In addition, successive reviews of the Tir Gofal scheme have resulted in additional prescriptions to reflect particular Welsh circumstances.

The current consultation on the review of land management schemes indicates how the Welsh Assembly Government will seek to build on this progress by introducing further targeting of schemes, reflecting the need to ensure different outputs in different geographical areas.

Training and guidance has already been provided to Tir Gofal project officers to enable them to identify appropriate species packages and negotiate their inclusion in agreements concluded as part of the current application round. A report will be produced identifying the extent to which this approach has been successful, in order to inform design of any future schemes introduced following the conclusion of the review of land management schemes.

Recommendation (v):

The Assembly Government intends to transfer the first Tir Gofal agreements that expire in 2010 into a suite of new agri-environment schemes that will arise from the current review of land management schemes in Wales. Funds are gradually being transferred from general farm support to rural development schemes (including agri-environment schemes), but the overall increase in resources is unlikely to be substantial. We recommend that the Assembly Government develops a clear exit strategy for Tir Gofal, explicitly addressing the issue of how to balance the demand from farms to enter new high-level agri-environment schemes with the need to sustain the environmental gains from existing schemes.

Recommendation Accepted.

The financial provision contained within the Rural Development Plan for Wales 2007-13 makes clear the very substantial commitment to provide long-term support for land management schemes; the Welsh Assembly Government recognises, however, that it is crucially important that the environmental gains achieved through participation in the Tir Gofal scheme are sustained, and agrees that this is a key issue to be addressed in working up the details of any successor schemes to emerge from the current review of land management schemes.

Recommendation (vi):

Tir Gofal generally operates smoothly and is well managed, but there is some scope to tighten performance management. We recommend that the Assembly Government:

- a) collects information on the resources required for the different elements of the scheme's administration, and uses this information to set budgets and targets and identify potential efficiency gains; and
- b) sets a small number of targets to cover all the main aspects of scheme activity, and monitors performance against targets on a consistent basis each year, so that the performance of the programme over time can be assessed.

Recommendation Accepted.

The Welsh Assembly Government accepts the need to tighten performance management still further, and is already in the process of implementing improvements to the resource management process. Detailed information regarding the actual and projected costs of administering the Tir Gofal scheme is collated on a monthly basis and progress against budget is discussed at management meetings. A work profile is currently being produced to quantify known and anticipated workloads for the period 2009-12. Outputs from this exercise will be used to identify future resource requirements and targets for Tir Gofal, along with further potential efficiency savings.

Key targets have already been set for the Tir Gofal scheme and are detailed in the relevant planning documents for the current and future years. Performance against these targets is reported to, and discussed at, monthly management meetings.