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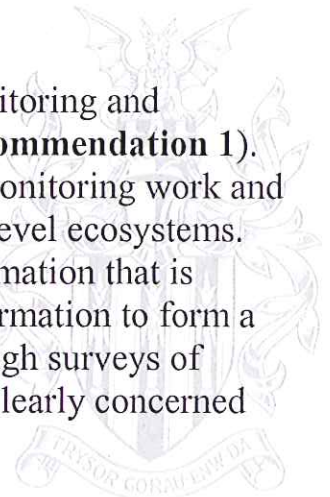
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AUDIT COMMITTEE REPORT ON TIR GOFAL

The Clerk's letter of 21 October requested my advice on the Welsh Assembly Government's response to the recommendations made by the Audit Committee in its report on *Tir Gofal*.

The Assembly Government's response is comprehensive and positive, and accepts all six of the Committee's recommendations. The Assembly Government has reviewed its land management schemes and is currently consulting on how these schemes, which include Tir Gofal, should develop in the future. The consultation opened on 29 September and will close on 19 December. Some of the Committee's recommendations will be implemented as part of the detailed planning work for the new or revised land management schemes that will follow the consultation.

The Assembly Government accepts the need to improve monitoring and evaluation to better demonstrate the impact of Tir Gofal (**recommendation 1**). The response outlines plans to build on the existing habitat monitoring work and to extend the scope of monitoring to cover species and high-level ecosystems. The Assembly Government will consider extending the information that is collected when agreements are signed, and collating that information to form a baseline against which future progress can be measured through surveys of agreement holders. However, the Assembly Government is clearly concerned



about the cost of collecting this additional information, and has promised only to “investigate the practicality” of doing so. I consider this to be a reasonable response, given that Tir Gofal is likely to change significantly following the current consultation, and monitoring and evaluation arrangements will need to be reviewed as the new land management schemes are developed. The Assembly Government has given a clear commitment, in both its response to the Committee and in the consultation paper, to strengthen monitoring and evaluation of the scheme’s environmental impacts.

The Committee was particularly concerned about the impact of Tir Gofal on farming practices, and the risk that the scheme paid farmers to do what they would have done anyway (referred to as “deadweight” in the Assembly Government’s response). The Assembly Government has accepted the Committee’s recommendation to undertake an analysis of the scheme’s impact on farming practices as part of the review of land management schemes (**recommendation 2**). It intends to do this analysis when the operational detail of the new schemes is being developed, and presumably the results will inform the design of the new scheme.

The Assembly Government clearly believes that Tir Gofal has a substantial impact on farming practices already, and wishes to undertake the analysis mainly to demonstrate that impact, not because it has any significant concerns about the impact of the scheme. The response cites the fact that over 80% of agreement holders adopt voluntary management prescriptions, in addition to mandatory prescriptions, as evidence for this argument. This evidence is not really relevant to the issue of deadweight. It is still possible for farmers to adopt voluntary prescriptions – and be paid for them – when they would have done some of the work anyway. Indeed, the evidence cited in my report indicates that there is a significant level of deadweight for field boundaries in particular.

Nevertheless, the Assembly Government states that it is committed to “achieving even better value for money” from the revised schemes, and it has agreed to undertake the analysis of impact on farming practices that is recommended by the Committee. The intended timing of this analysis is reasonable, provided that the Assembly Government completes it before finalising the design of the new schemes. The response to recommendation 2 is therefore satisfactory.

Recommendation 3 covered public access to the countryside. The Assembly Government has agreed to collate evidence from compliance checking to monitor the impact of the scheme on the condition of public rights of way. It has also made commitments to improve the communication of permissive access rights, and to build on the pilot project in Powys to facilitate school visits to farms.

The consultation document on land management schemes proposes that payment for providing permissive access rights should be subject to stricter criteria in the future, in order to improve the public benefits derived from permissive access funding. Under these proposals, the Assembly Government would agree to fund permissive access rights only if these access rights met one or more of the following conditions:

- helped to develop coastal access;
- provided a desired extension to a National Trail or existing public right of way;
- provided a link from land already dedicated under the Countryside and Rights of Way Act 2005, such as land managed by the Forestry Commission; and
- created opportunities for access by less abled people.

The Assembly Government accepts the need for Tir Gofal to be better targeted (**recommendation 4**) and the consultation paper proposes several options as to how this could be effected. These options include greater use of species packages, making certain prescriptions mandatory in areas where they are particularly needed, and paying premium rates for farmers to act collectively to deliver benefits over a wider area than a single farm. The Assembly Government also undertakes to review the training and guidance already provided to its staff, and to use the outcome of this review in designing the new schemes.

Recommendation 5 covers an exit strategy for Tir Gofal. The Assembly Government accepts the need for an exit strategy, and says that this will be considered in detail when designing the successor schemes to Tir Gofal. The consultation paper considers some of the issues involved, and invites suggestions on the kind of transitional arrangements that should be put in place. I consider this to be a reasonable response at this stage.

The Assembly Government fully accepts **recommendation 6** on tightening performance management, and explains some of the improvements it has made already.

Overall, this is a comprehensive and positive response from the Assembly Government. Some aspects of the Committee's recommendations will be implemented when the successor schemes are being designed, and it will be necessary to review progress again at that stage. I will keep the Assembly Government's actions under review, and will keep the Committee informed of progress. In my opinion there is no need for the Committee to take any further action at this stage.

Yours sincerely,


JEREMY COLMAN
AUDITOR GENERAL FOR WALES