

## ENVIRONMENT, PLANNING AND COUNTRYSIDE COMMITTEE- 22<sup>nd</sup> June 2005

### REPORT FROM THE MINISTER FOR ENVIRONMENT, PLANNING & COUNTRYSIDE

#### A. Actions from Previous Meetings

##### 1. Bovine TB Pre-Movement Testing

The Bovine TB pre-movement testing stakeholder group was set up in October 2004 to recommend to the UK Government proposals to implement pre-movement testing of cattle in GB as a means of reducing the spread of the disease. A dairy farmer (Bill Madders) chaired the group and membership, which covered farming, veterinary, livestock markets, SVS and enforcement interests, included Welsh representation.

The group's report was published on 1 June 2005. It is now being considered by Defra in close consultation with the Welsh Assembly Government and the Scottish Executive before public consultation on a detailed proposal for bovine TB pre-movement testing later this year. There will be separate consultation in Wales. The Scottish Executive, will in addition, be pursuing development of a proposal for post-movement testing in Scotland.

I will keep the Committee informed of progress with this important disease prevention initiative.

##### 2. Wales TB Action Group Progress

To date the Wales TB Action Group has focused primarily on the establishment of an Intensive Treatment Area (ITA). The Committee received an oral update on the work of the Action Group from the Chair, Tamsin Dunwoody-Kneafsey A.M at the last EPC Committee meeting on 25<sup>th</sup> May 2005. I am expecting a formal report from the Group containing several recommendations for my decision.

##### 3. Locally sourced non-meat produce supplied to the public sector

During the last Committee meeting Members asked for details of locally sourced non-meat produce supplied to the public sector.

I can inform the Committee that around £55m is spent by public sector authorities in Wales on all types of food products. Out of which some £26.5m is actually spent on non meat related foods - of which

£7.3m or 28% is through sourcing from Welsh suppliers.

Whilst no specific measures or initiatives are being encouraged which are dedicated specifically to sourcing non-meat produce, the overarching aim is to get more Welsh, fresh, seasonal and locally sourced nutritious food products bought by an increasing number of public sector authorities in Wales.

## B. Other Issues

### 4. BSE cases in West Wales

Three cases of BSE born after August 1996 from the same farm of origin in West Wales have been confirmed. These cases are significant because they were born after the introduction of the reinforced ban on meat and bonemeal being included in ruminant feed. The first BSE case was born on 3<sup>rd</sup> October 2001, others in the cohort identified as having BSE were born on 28<sup>th</sup> September 2001 and 1<sup>st</sup> May 2002. The latter is the only case of a cow born in 2002 to be infected with BSE in the whole of the EU.

A detailed epidemiological analysis is under way in an attempt to determine the source of the infection. The cases are being drawn to the attention of the Spongiform Encephalopathy Advisory Committee Advisory Committee (SEAC) and Professor William Hill who is currently carrying out an independent assessment of the possible causes of BSE cases born after the reinforced feed ban of August 1996 (BARBS). All infected animals have been slaughtered. The cohorts (i.e. those born one year either side of the date of birth of the infected animal plus any offspring produced by the infected animal) are being traced and will be slaughtered.

### 5. Foot and Mouth Disease (FMD) Control Legislation

On 8 June 2005 the Assembly launched the consultation on legislation to implement the European Commission's Foot and Mouth Disease Directive. The Consultation includes a Regulatory Appraisal, which sets out the impacts of the legislation on agricultural and rural businesses in the event of an FMD outbreak. The views of stakeholders are being sought on those areas over which the Assembly has some discretion such as the retention of some beneficial elements of existing legislation. The consultation exercise will end on 31<sup>st</sup> August 2005. EPC Committee members have been provided with the consultation pack.

### 6. Proposed EC Directive on Controls for Avian Influenza

A European Commission proposal for a revised Directive for the control of avian influenza was published at the end of April 2005. The proposal deals, as the current Directive 92/40 EEC does, with controls for highly pathogenic avian influenza but also contains new measures in the light of the low pathogenic outbreak in the Netherlands in 2003 and updated scientific advice. It covers controls for low and high pathogenic AI. The objective is to achieve political agreement on the dossier for the December Council, which should provide the UK with sufficient flexibility to deal with a disease outbreak in a

proportionate manner. A consultation exercise on the proposal started in Wales on 6 June 2005 and finishes on 15 August 2005.

## 7. Essential Dwellings in the Open Countryside

Members of the Committee will be interested to know that on 16 May 2005 a Welsh Assembly Government commissioned research report, 'Essential Dwellings in the Open Countryside', was published.

At the moment "essential dwellings" relate only to those which support agricultural and forestry enterprises. The research reviewed existing planning policies having regard to changes in the rural economy and current rural policy. One of the key recommendations advocated the continuance of the concession for essential dwellings but with a need for it to be widened to cover 'other rural enterprises'. Also recommended was the broadening of the current agricultural occupancy condition to become a 'rural occupancy' condition that reflects the diversification of rural enterprises and the need to provide affordable housing to meet local needs.

The advice in Technical Advice Note (Wales) 6, 'Agricultural and Rural Development', is to be revised.

The complete research report is available on the Assembly's web site and hard copies can be obtained from The Assembly's Publications Centre at Pierhead Building.

## 8. Revision of TAN 1 and TAN 2

Draft revised TANs 1 and 2 have now been produced with input from advisory groups of key stakeholders from the public, private and voluntary sectors. The recommendations in the Committee's Report into planning and affordable housing have also been taken into account.

As some of the proposed revisions to both TANs would require policy changes to Planning Policy Wales, a draft Ministerial Interim Planning Policy Statement (MIPPS) has also been prepared for public consultation alongside the TANs. This is essentially a revised version of the 'Housing' Chapter of Planning Policy Wales.

Draft guidance on local housing assessments and a draft 'Affordable Housing Toolkit' are currently being finalised by the Housing Directorate, with the aim of their issuing at the same time or shortly after the TANs / MIPPS consultation as supporting documents, forming a comprehensive affordable housing package.

The aim is for the two TANs and the MIPPS to issue for consultation in the week beginning 4 July 2005 for a period of 16 weeks ending on 21 October 2005. EPC and SJ&R Committee members will receive hard copies of the consultation package in the week of 4 July 2005.

## 9. Penrhos Point Several Order

I would like to inform you that I have made an Order under the Sea Fisheries (Shellfish) Act 1967 granting an extension to the Penrhos Point Order for seven years from 1 June 2005. I agreed to disapply the 10 day laying period under Standing Order 28 so that the Order came into effect on time. I have responsibility for the granting of Several Orders under the above Act. Deepdock Ltd., of Bwthyn y Mor, Anglesey, applied in October 2003 for a renewal of their existing Several Order at Penrhos Point, Anglesey, which expired on 31 May 2005

## 10. Home Loss Payments (Prescribed Amounts) (Wales) Regulations 2005

It is my intention to proceed to make these proposed Regulations, which are required to enable acquiring authorities (and other organisations in Wales, who have powers of compulsory purchase) to make increased maximum, minimum and flat –rate Home Loss Payments.

Home Loss Payments are statutory compensation payable to qualifying owner-occupiers and tenants of dwellings displaced by compulsory purchase or public redevelopment. It is to compensate them for the distress and inconvenience of having to move home at a time not of their choosing. They are paid to owner-occupiers at a rate of 10% of the market value of their dwelling, which is currently subject to a maximum payment of £34,000 and a minimum payment of £3,400. Displaced tenants receive a flat-rate of £3,400.

Under S30 of the Land Compensation Act 1973 the National Assembly has devolved powers to prescribe a different maximum and minimum payments for owner-occupiers (although not the percentage of the market value) and a different flat rate for tenants. Any variation in these amounts is required to be exercised via a statutory instrument.

The proposed Home Loss Payments (Prescribed Amounts) (Wales) Regulations 2005 will increase the maximum and minimum Home Loss Payments from their current levels of £34,000 and £3,400 respectively to £38,000 and £3,800 and increase the flat rate payment from £3,400 to £3,800. It is proposed that the new Order will come into effect in Wales from the 1<sup>st</sup> September 2005.

## 11. Waste Electrical and Electronic Equipment (WEEE) Directive

I approved on the 18<sup>th</sup> April 2005 the publishing of a joint consultation paper with DEFRA on the proposals for transposing the treatment permitting requirements under Article 6 of the Waste Electrical and Electronic Equipment (WEEE) Directive and providing for exemptions for storage, repair and refurbishment of WEEE. The consultation closes on the 19<sup>th</sup> August 2005.

The WEEE Directive encourages the reuse, recycling and other forms of recovery of such wastes so as to reduce the disposal of waste. It also seeks to improve the environmental performance of those

involved in the life cycle of electrical and electronic equipment, and particularly those involved with WEEE.

The consultation document contains draft Regulations which are being made by the Welsh Assembly Government on a joint basis with DEFRA to ensure that the tight timetable for implementation of the whole of the WEEE Directive will be met.

The consultation document, draft Regulations and supporting documents are available at

<http://www.defra.gov.uk/corporate/consult/weee-article6/index.htm> and I would welcome any comments, suggestions or revisions from Committee members during the consultation period.

## 12. Single Payment Scheme

The latest information on the Single Payment Schemes features at Annex 1 and key dates for scheme are attached at Annex 2.

## 13. 2004 CAP Subsidy Payments (as at 9 June 2005)

Scheme	£ paid
Arable Area Aid Payment Scheme	£11.4m
Sheep Annual Premium Scheme	
Sheep Annual Premium Scheme	£71.2m
Sheep Annual Premium Scheme LFA	£21.8m
Sheep Annual Premium Scheme SNE	£3.8m
Total Paid to Sheep Annual Premium Applicants	£96.8m
Suckler Cow Premium Scheme Payments	
Suckler Cow Premium Advance	£14.9m
Suckler Cow Premium Balance	£4.5m
Suckler Cow Premium BNE (total)	£3.7m
Total Paid to Suckler Cow Premium Scheme Applicants	£23.1m

Beef Special Premium Scheme Payments	
Beef Special Premium Advance	£20.9m
Beef Special Premium Balance	£3.4m
Total Paid to Beef Special Premium Scheme Applicants	£24.3m
Extensification Payment Scheme	£7.8m
Total CAP subsidy payments	£163.4m
Tir Mynydd	£35.3m

Additional notes:

1. Suckler Cow Premium Scheme and Beef Special Premium Scheme Balance payments & Extensification Payments commenced on 1 April 2005 - the first day of the EC payment window.
2. BSPS: as this is the last year of the scheme, the number of claims received has increased significantly and farmers have taken advantage of the two month retention period deferral to submit as many claims as possible. Consequently:
  - o over 35,000 claims have been received, a 56% increase compared with 2003
  - o 29.74% scale-back has been applied to BSPS payments (which are nominally 40% of the total premium) - Balance payments are therefore much reduced.

Dairy Premium Scheme Payments

- scheme administered by RPA on behalf of the Assembly.

Approximately 98% of claims paid, with a total value of: £11.5m (total budget £11.9m)

Agri Environment Scheme Payments (1 April 2004 to 3 June 2005)

	01/04/04 - 31/03/05	01/04/05 - 03/06/05
FWS	£35,812	£1,798
FWPS	£487,435	£5,477

ESA	£7,036,184	£1,137,508
Habitat	£502,856	£83,147
OAS	£13,046	£0
OFS	£1,865,387	£724,821
Moorland	£18,990	£0
CGFD	Scheme closed	-
FIG/ FEG	£7,199,727	£1,134,436
Total	£17,159,437	£3,087,187

#### 14. Farming for the Future

Annex 3 contains the latest in a series of regular reports to the EPC Committee on progress in implementing the actions in the Farming for the Future strategy report.

Annex 1

#### Single Payment Scheme (SPS) Update

##### Data Confirmation Exercise

The Data Confirmation exercise is now virtually complete.

##### Data Confirmation Exercise Appeals

Appeals are still being received. To date 865 stage 1 appeals have been received in respect of the data confirmation exercise. Over 72.7% have been processed. 71 stage 2 appeals (hearing before panel) have been received to date of which 13 panel hearings have taken place.

##### SPS Entitlement Statements

The 2nd SPS entitlement statement was issued to farmers on 15 April 2005. This confirmed the number and type of entitlements allocated to each farmer, their gross value in euro and how they were calculated from information established from the Data Confirmation Exercise.

##### Single Payment Single Application Form (SAF)

20,348 Single Payment Application packs were issued to farmers in Wales.

Around 18,700 completed SAFs have been received to date.

2005 SP/IACS validation process: Due to commence shortly.

### Single Payment Entitlements National Reserve

There were two application periods for the 2005 National Reserve.

The following categories were included in the first application period which

opened on 31 January 2005 and closed on 14 March 2005:

- New Entrants
- Investors/Developers
- Reconversion of Production, including conversion from dairy to CAP subsidy schemes and participants in National Agri-Environmental schemes (i.e. those managed by CCW and the National Parks in Wales)
- Lease and Purchase of Leased Land.

The second application period, which opened on 31 March 2005 and closed on 16 May 2005, included:

- Hardship applications for dairy farmers (i.e. quota leased out in 2004 due to hardship)
- Transfer of Leased Land.

Over 3200 applications to the National Reserve have been received. 49% have been processed to date. Farmers will be advised in October if they have been allocated entitlements.

Annex 2

Key dates for the Single Payment (SP)

1 January 2005

Cross Compliance standards apply to SP

15 January 2005

Set aside management conditions apply

31 January 2005



National Reserve first window opened for applications including New Entrants

1 February 2005

Default date for start of 10 month period

28 February 2005

Deadline for return of farmers' soil self assessment form under cross compliance

13 March 2005

Deadline for National Reserve applications for Window 1

31 March 2005

Deadline for hardship applications

National Reserve second window opened including for dairy producers

April 2005.

Single Payment Application packs issued

30 April 2005

Last date for start of 10 month period

15 May 2005

Deadline for Private Contract Clause agreements

Deadline for National Reserve applications for Window 2

Deadline for return of SP application forms

31 May 2005

Deadline for amendments to be made to SP application forms without penalty

30 September 2005

Deadline for amendments to SP application form – Tir Cynnal habitat codes

October 2005

Farmers informed of National Reserve entitlements they will receive

1 December 2005 - 30 June 2006

SP payments window

Ongoing

IACS, Cattle Identification (CII), SP, Sheep Identification & Tir Mynydd Inspections. Agencies will continue to carry out their normal inspection regime (e.g. NVZ inspections 25%).

Annex 3

## FARMING FOR THE FUTURE: PROGRESS REPORT

### Purpose

This is the seventh in the series of regular reports to the Committee on progress against each of the 52 action points set out in Farming for the Future: a new direction for farming in Wales.

Previous reports were considered by the former ARD Committee on:

- 17<sup>th</sup> April 2002
- 16<sup>th</sup> October 2002
- 19<sup>th</sup> March 2003.

Progress on the strategy was debated in Plenary on 21<sup>st</sup> January 2003.

The EPC Committee noted progress on Farming for the Future on

- 26<sup>th</sup> November 2003
- 23<sup>rd</sup> June 2004
- 24<sup>th</sup> November 2004.

## Recommendation

The Committee is invited to note the position. The next report will be provided to the Committee in latter part of 2005.

## Background

Farming for the Future: a new direction for farming in Wales was published on 21 November 2001. It is the Assembly Government's long term strategy for creating a sustainable future for agriculture in Wales.

The strategy contains 52 action points which the Assembly Government and its partner organisations are committed to delivering.

## Progress to date

The table at Annex 3A reports the progress to date on each of the 52 action points contained on the original Farming for the Future strategy document. A summary of the position is as follows:

- All of the measures have either started or are in progress. This includes 31 actions (60%) where action has been achieved or is almost complete and a further 21 (40%) actions on which work is progressing.

## Progress since the last report includes:

- CAP reform implemented from 1<sup>st</sup> January 2005
- The Tir Cynnal scheme opened for applications in April 2005 by means of the new Single Application Form.
- Announcement made on 21<sup>st</sup> March 2005 that changes to the Tir Mynydd 2006 scheme would be kept to the minimum. Details were sent to farmers as part of the Single Application Form 2005 pack.
- The Welsh Assembly Government published a Government strategic framework for the sustainable control of bovine TB in GB on 1<sup>st</sup> March 2005.
- To date 306 registrations have been made through the Farming Connect helpline, 23,697 plans completed, 1734 applications for capital grants approved, over 2,160 farms participating in ICT training.
- A benefit Realisation Report setting out achievements through Joint Initiative for Government

Services Across Wales formally submitted to HM Treasury in May 2005.

- Take up for the proportion of farmers receiving payments via the BACS system now stands at 75%.
- Network of 30 regions pressed the European Commission for strictest interpretation of GM crop co-existence at conference in Italy in February 2005.
- In April 2005 Ministers from the regions in GM network met the European Commissioner for Agriculture and Rural Development to explain their concern about unrestricted cultivation of GM crops and push for strict EU Coexistence measures.
- We have written to the Secretary of State at Defra urging the consideration of the introduction of new primary legislation to underpin robust coexistence and liability regime for the UK.

## New Actions

A list of new actions was agreed at a meeting of the Farming for the Future Advisory Group in November 2003. These new measures and support mechanisms further take forward the direction in the Farming for the Future strategy, having commenced since the launch of the main strategy document. Progress on these new actions are listed at Annex 3B.

Progress since the last report includes:

- The Farming for the Future communications pilot project report was delivered on 1 March 2005.
- The 3<sup>rd</sup> and 4<sup>th</sup> meetings of the Environment Strategy reference group took place in early 2005 and first draft of the strategy is being drawn up in readiness for the formal consultation in July.
- The establishment of food co-operatives in some of the most deprived communities across Wales is contributing towards Health Challenge Wales – our nationally focused campaign for health improvement.
- Second public procurement conference held in Wales "supply and Buy Wales 2005 (March 2005). Delegates heard extensive evidence (including case studies) of successes in this area including Welsh organic beef used in school meals in Cardiff, Welsh Beef supplied to North Wales NHS Trust, Locally sourced food supplied to public services in Caerphilly, Welsh meat supplied to schools in Rome. Wales regarded as leading the other UK administrations in this area:
- The fifth Farming Connect development centre was launched at the Winter Fair in November 2004.

- A new planning advice service for farming families was launched by Farming Connect in May 2005. Farmers will be able to take advantage of open meetings, surgeries and one-to-one consultations
- The Young Farmers project group is focusing on entrepreneurial opportunities for young farmers, in addition to contact/ share farming. As part of this work, a consultant / facilitator information pack is being prepared to help signpost young entrepreneurs to sources of advice and information.

## Monitoring

Progress of the Farming for the Future Strategy is monitored against quantifiable indicators set out in Annex 3C.

The Farming Futures Advisory Group meets annually to take stock and recommend what further action may be needed towards achieving the new direction for agriculture. The Group last met on 18<sup>th</sup> November 2004 and reaffirmed that the core direction in Farming for the Future remains the right approach to help develop a sustainable future for farming in Wales. The Group will next meet in the autumn of 2005.

## Conclusion

The Committee is invited to note the progress to date.