

# Agenda – Economy, Trade, and Rural Affairs Committee

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Meeting Venue:

Committee room 5 – Ty Hywel  
and Video Conference via Zoom

Meeting date: 22 February 2024

Meeting time: 09.30

For further information contact:

**Robert Donovan**

Committee Clerk

0300 200 6565

[SeneddEconomy@senedd.wales](mailto:SeneddEconomy@senedd.wales)

## Hybrid

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### Private pre-meeting

(09.15–09.30)

### Public meeting

(09.30–12.25)

#### 1 Introductions, apologies, substitutions, and declarations of interest

(09.30)

#### 2 Papers to note

(09.30)

##### 2.1 The Biocidal Products (Health and Safety) (Amendment and Transitional Provision etc.) Regulations 2024

(Pages 1 – 2)

Attached Documents:

Letter from the Minister for Rural Affairs and North Wales, and Trefnydd – 5  
February 2024



## **2.2 The Agricultural Holdings (Units of Production) (Wales) Order 2024**

(Pages 3 – 4)

Attached Documents:

Letter from the Chair of the Legislation, Justice and Constitution Committee to the Minister for Rural Affairs and North Wales, and Trefnydd – 7 February 2024

## **2.3 Hybu Cig Cymru**

(Pages 5 – 8)

Attached Documents:

Letter from Llyr Gruffydd MS to the Minister for Rural Affairs and North Wales, and Trefnydd – 8 February 2024

Letter from the Chair to the Minister for Rural Affairs and North Wales, and Trefnydd – 9 February 2024

Letter from the Minister for Rural Affairs and North Wales, and Trefnydd to Llyr Gruffydd MS – 15 February 2024

## **2.4 Legislative Consent: Trade (Comprehensive and Progressive Agreement for Trans–Pacific Partnership) Bill**

(Pages 9 – 10)

Attached Documents:

Letter to the Minister for Economy – 9 February 2024

## **2.5 Economy, Trade and Rural Affairs Committee meeting – 7 February 2024: Follow up questions for UK Government Minister of State**

(Pages 11 – 12)

Attached Documents:

Letter from the Chair to Baroness Neville–Rolfe, Minister of State – 13 February 2024

### **3 Inquiry: Farming Connect: Panel 1 – Stakeholders**

(09.30–10.15)

(Pages 13 – 53)

Dominic Hampson–Smith, Rural Affairs Vice Chairman, Wales Federation of Young Farmers Clubs (YFC)

Gareth Parry, Deputy Head of Policy, Farmers' Union of Wales (FUW)

Abi Reader, Deputy President, National Farmers' Union Cymru (NFU)

Attached Documents:

Evidence paper – Farmers' Union of Wales (FUW)

Evidence paper – National Farmers' Union Cymru (NFU)

Additional paper – Lantra

Additional paper – Menter a Busnes

Research brief

### **Break**

(10.15–10.20)

### **4 Inquiry: Farming Connect: Panel 2 – Stakeholders**

(10.20–11.05)

(Pages 54 – 64)

Hywel Morgan, Chair, Nature Friendly Farming Network Cymru (NFFN)

Elaine Harrison, National Manager for Wales, Confor

Arfon Williams, Head of Land and Sea Policy for RSPB Cymru, representing Wales Environment Link (WEL)

Attached Documents:

Evidence paper – Nature Friendly Farming Network Cymru (NFFN)

Evidence paper – Confor

Evidence paper – Wales Environment Link (WEL)

## **Break**

(11.05–11.15)

## **5 Development Bank of Wales inquiry: Panel 2 – Welsh Business Perspective**

(11.15–12.25)

(Pages 65 – 82)

Ben Cottam, Head of Wales, Federation of Small Businesses Wales (FSB)

Paul Butterworth, Chief Executive Officer, Chambers Wales

Link to consultation page containing all the responses received:

[Development Bank of Wales inquiry](#)

Attached Documents:

Evidence paper – Federation of Small Businesses Wales (FSB)

Research brief

## **6 Motion under Standing Order 17.42(ix) to resolve to exclude the public from the remainder of the meeting**

(12.25)

## **Private**

(12.25–12.35)

## **7 Consideration of evidence following the meeting**

(12.25–12.35)

Paul Davies MS  
Chair,  
Economy, Trade and Rural Affairs Committee  
Senedd Cymru

[SeneddClimate@senedd.wales](mailto:SeneddClimate@senedd.wales)

5<sup>th</sup> February 2024

Dear Paul,

I wish to inform the Committee of the intention to consent to the UK Government making and laying The Biocidal Products (Health and Safety) (Amendment and Transitional Provision etc.) Regulations 2024 by 5 March.

I received a letter from Viscount Younger of Leckie, Parliamentary Under Secretary of State for Work and Pensions asking for consent to these Regulations. The Regulations intersect with devolved policy and will apply to Wales. The Regulations will extend to England, Scotland and Wales and a similar request for consent has been sent to Scottish Ministers.

The Regulations will be made in exercise of the powers delegated to the Secretary of State in Article 85 and Article 83A(2) of Great Britain Biocidal Products Regulation (EU) No 528/2012 (GB BPR) (adaptation to scientific and technical progress).

Biocidal products must be authorised by the Health and Safety Executive who act as the competent authority on behalf of Welsh Ministers.

HSE is proposing to introduce technical updates to the Annexes II and III of the GB BPR which will enable:

- A reduction in animal testing
- Alignment with current guidance, and Organisation for Economic Co-operation and Development (OECD) validated tests
- HSE to ensure scientific progress is monitored and developments are reflected.

The proposed reduction in animal testing will not reduce the quality of testing or safety of products, as reliable non-animal-based tests are now available to provide information which was previously only available through testing using live animals. The Statutory Instrument is subject to the negative procedure and is due to be laid before Parliament on 5 March 2024 with a commencement date of 6 April 2024.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Currently legislation provides a power for the Secretary of State only to make regulations but there is a consent requirement and although the Welsh Government's general principle is that the law relating to devolved matters should be made and amended in Wales, on this occasion, it is considered appropriate for the substance of the amendments to apply to Wales as the Regulations are technical in nature and contain no change of policy. There is no policy divergence between the Welsh and UK Government in this matter. Under the current legislation, there is no provision allowing me to legislate separately for Wales.

Welsh Government are core members of the Biocides Delivery Board (BDB) which is part of the governance structures for the Chemicals and Pesticides Common Framework. The proposed legislative amendments have been discussed and approved by the BDB.

These Regulations do not have implications for the Programme for Government. Authorising biocidal products supports many well-being goals including "a healthier Wales" and a 'resilient Wales' together with associated impacts on the goal of "a globally responsible Wales" where products harmful to human or nonhuman life are properly regulated. I am also heartened to see the proposed application of technology for testing biocidal products which reduces the need for animal testing.

I have written similarly to Huw Irranca-Davies MS, Chair of the Legislation, Justice and Constitution Committee.

Yours sincerely,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive, flowing style.

**Lesley Griffiths AS/MS**  
**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**  
**Minister for Rural Affairs and North Wales, and Trefnydd**

Lesley Griffiths MS  
Minister for Rural Affairs and North Wales, and Trefnydd

7 February 2024

Dear Lesley,

### The Agricultural Holdings (Units of Production) (Wales) Order 2024

At our meeting on 29 January 2024, we considered The Agricultural Holdings (Units of Production) (Wales) Order 2024 (the Order).

You will be aware that our report on the Order contained one technical point, which highlighted that several succession cases brought forward by individuals across Wales have been put on hold since September 2023 as they have had to wait for the new figures provided by the Order to resolve their claims.

We acknowledged that, before the Order was drafted, the Welsh Government was waiting on relevant data from DEFRA. However, as set out in the Explanatory Memorandum (EM) to the Order, this data was received by the Welsh Government on 13 September 2023. It is not clear why, by the time the Order comes into effect, a further five months will have elapsed during which time individuals have been unable to progress their succession cases.

At our meeting on 5 February 2024 we considered the Welsh Government response to our report on the Order. The response to our technical reporting point stated:

*"The Government has noted the LJC Committee's concerns, however availability of the data in relation to England, which informs the development of the legislation, was not available from Defra until 13 September 2023. Welsh Government officials then used this data to produce the relevant Welsh figures, completing this process on 18 October 2023. The Order then must go through the usual legal scrutiny which can take up to 12 weeks. The Order was made on 08 January and laid on 10 January 2024, as soon as the Senedd returned after Christmas recess."*

You may appreciate my Committee's concern that the response we have received is a basic outline of the timetabling involved in the making of the Order, whereas our concern raised in our report sought to clarify the effect the delays may have had on the people whose claims have been put on hold. In the EM to the Order, the Minister notes that, as of 10 January 2024, there were six applications which would be affected by a new Order.

With regards to the timetable described in the Welsh Government response, we are unclear why the "usual legal scrutiny" took almost 11 weeks. Furthermore, we would also respectfully challenge part of the Welsh Government's response which implies that Government was having to wait for the Senedd to return from a recess period before laying the Order. The Minister will know that business may be laid during a recess period.

We would welcome further clarification on how the Welsh Government sought to address any effect the delays to making the Order may have had on the six applications which will have been put on hold, and whether that number remains accurate.

I would be grateful to receive a response by Thursday 22 February 2024.

I am copying this letter to the Economy, Trade and Rural Affairs Committee.

Yours sincerely,

A handwritten signature in black ink that reads "Huw Irranca-Davies". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Huw Irranca-Davies  
Chair



# Agenda Item 2.3

## Llyr Gruffydd

Aelod o'r Senedd dros  
Gogledd Cymru

—

Member of the Senedd for  
North Wales

By email to

Minister for Rural Affairs and North Wales,  
and Trefnydd

8 February 2024

Dear Minister

### Hybu Cig Cymru / Meat Promotion Wales

I wrote to you last week expressing my concern about allegations of bullying at Hybu Cig Cymru, along with concerns about the way these have been handled by the chair and certain board members.

I urged you to explain your understanding of the current situation and to outline what action the Welsh Government has taken to ensure these allegations have been properly investigated and responded to appropriately. Your response does not provide me with the reassurance I was seeking.

Whilst I will respect the confidentiality of that private correspondence between us, I now consider the situation at Hybu Cig Cymru to be a matter of such public interest that I call on you to intervene directly as Minister.

In the interests of transparency and accountability I will also be writing to the Economy, Trade and Rural Affairs Committee of the Senedd asking them to hold an inquiry into HCC in order to ascertain all the facts and provide assurances pertaining to the organisation's leadership and governance, its internal processes and its ability to deliver its remit.

I fear that the increasing levels of concern about the internal issues at HCC are undermining the confidence of levy payers and the wider public in its ability to deliver its remit effectively.

I therefore urge you to intervene, primarily to protect the welfare of all those involved in these allegations, but also to guard against any potential wider damage to the red meat sector in Wales.

Yours sincerely



Llyr Gruffydd MS


### Senedd Cymru

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LlyrGruffydd 

Lesley Griffiths MS  
Minister for Rural Affairs and North Wales, and  
Trefnydd

9 February 2024

**Hybu Cig Cymru**

Dear Lesley,

I am writing to you following Llyr Gruffydd MS's letter regarding the allegations of bullying at Hybu Cig Cymru. I share his concerns and I would be grateful if you would please copy me into your response to him. I will then discuss the issue and your response with the Committee and we will decide how to proceed regarding the matter.

I have copied this letter to Llyr Gruffydd MS for his information.

Kind regards,



**Paul Davies MS**

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Llyr Gruffydd AS/MS

[llyr.gruffydd@senedd.wales](mailto:llyr.gruffydd@senedd.wales)

15 February 2024

Dear Llyr,

Thank you for your letter of 8 February regarding Hybu Cig Cymru (HCC).

I hoped I was clear in my letter of 31 January I was responding as openly as possible in the circumstances. I have confirmed the Welsh Government is aware of these matters and HCC is following due processes on the basis of its own procedures and own professional advice. Whilst these processes remain ongoing, I am not in a position to give any more information for the reasons I have previously outlined.

You have called on me to intervene in HCC, however, Welsh Government, as stated above, is satisfied due process has been followed in respect of information shared to date. However, if you have evidence to the contrary, please could you share.

You also reference an undermining of levy payer confidence and concerns regarding HCC delivering its remit. This would be of considerable concern to me, however, this has not been raised with me to date. Again, if you have evidence underpinning these allegations, I would be grateful if you could share it with me urgently as the Welsh Government is in regular touch with HCC and thus far has not had cause to have concerns regarding HCC's ability to discharge its usual business and functions. Any evidence to the contrary would be reviewed as a matter of urgency.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I am copying this letter to Paul Davies, AS/MS, Chair of the Economy, Trade and Rural Affairs Committee in light of your call for the Committee to investigate. It is, of course, for the Committee to determine whether it wishes to scrutinise this issue in the future. However it should be noted there is nothing further I, nor HCC, would be able to say until the processes in place are concluded and matters resolved.

Yours sincerely,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

**Lesley Griffiths AS/MS**  
**Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd**  
**Minister for Rural Affairs and North Wales, and Trefnydd**

Vaughan Gething MS  
Minister for Economy

9 February 2024

**Legislative Consent: Trade (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Bill.**

Dear Vaughan,

At its meeting on 31 January, the Committee considered the Legislative Consent Memorandum for the Trade (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Bill. At its meeting on 31 January, the Committee considered the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, its associated Bill<sup>1</sup> and Legislative Consent Memorandum. It was agreed I would write to ask you to provide an update on the progress of preparations for the UK's CPTPP accession, and any developments with issues that were raised as concerns in the Welsh Government Perspective document published on 26 October 2023.

In its report on the Welsh Government's Draft Budget 2024-25, the Committee also noted that Chapter 21 of the Perspective document refers to plans to visit Australia in March, and "with potential plans for market visits to other CPTPP member countries in future". Recommendation 31 of our budget report requests more information on planned costs relating to the implementation of post-Brexit international trade agreements. I would therefore also be grateful if your response to this letter, also includes an update on any planned Welsh Government visits to CPTPP countries.

As you are aware, the reporting deadline for the LCM for the Trade (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Bill is 15 March. Therefore a response by early March would be helpful for the committee to take account of any trade policy matters relevant to that report.

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<sup>1</sup> The Trade (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Bill

I look forward to hearing from you.

Kind regards,

A handwritten signature in black ink that reads "Paul Davies". The signature is written in a cursive, flowing style.

**Paul Davies MS**

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



Baroness Neville-Rolfe DBE CMG  
Minister of State at the Cabinet Office  
UK Government

13 February 2024

Dear Baroness Neville-Rolfe,

Thank you for attending the Committee on 7 February to discuss the Border Target Operating Model and the Windsor Framework. The Committee welcomes your suggestion to maintain a dialogue with the Committee as the Border Target Operating Model is rolled out through 2024 and beyond. Members found the session very useful. Following the session, Members had some questions and I agreed to write to you for clarification. I would be pleased if you could respond to the following:

- The Committee welcomed your statements that you are keen to reduce the 'current asymmetry of trade' and that the UK Government has worked closely with the Irish Government and Irish authorities to 'keep friction as small as possible for Welsh ports'. As part of this work, has the UK Government discussed with the EU the possibility to further reduce barriers on indirect movements of qualifying Northern Ireland goods between Wales, Ireland and Northern Ireland?
- You mentioned during the session that the UK Government is in touch with GB organisations. Would you be able to advise if any of these organisations are based in Wales?
- You advised that an announcement will be made shortly regarding the Common User Charge. Could you please notify the Committee when this is due to be made?
- Could you provide an update to the Committee on the UK-EU discussions on the Windsor Framework and Wales?

- The Welsh Government has repeatedly requested to attend meetings of the UK-EU Joint Committee when matters are discussed which have implications for Welsh ports. Is this a matter that could be reviewed in light of the developments discussed during the session?
- Please could you provide a written update on UK-EU conversations with the EU, including the five EU Member States of France, Belgium, Netherlands, Spain and Ireland. The Committee would be particularly interested in conversations with Ireland, given our geography.
- The Committee welcomes the activities you outlined to gather new data, however we are concerned this may not capture statistics relating to how many businesses may have ceased cross-border trading as a result of the post-Brexit regime. Would you be able to provide any statistics on that?

I look forward to your response.

Yours sincerely,



**Paul Davies MS**

Chair: Economy, Trade and Rural Affairs Committee

We welcome correspondence in Welsh or English



# Agenda Item 3

## Farmers' Union of Wales' response to an Economy, Trade and Rural Affairs Committee inquiry into Farming Connect

5th February 2024

### **About the Farmers' Union of Wales**

The Farmers' Union of Wales (FUW) was established in 1955 to exclusively represent the interests of farmers in Wales, and since 1978 has been formally recognised by the UK Government, and subsequently by the Welsh Government, as independently representing those interests.

The FUW's Vision is *thriving, sustainable, family farms in Wales*, while the Mission of the Union is *To advance and protect Wales' family farms, both nationally and individually*, in order to fulfil the Union's vision.

In addition to its Head Office, which has thirty full-time members of staff, the FUW Group has around 80 members of staff based in twelve regional offices around Wales providing a broad range of services for members.

The FUW is a democratic organisation, with policies being formulated following consultation with its twelve County Executive Committees and eleven Standing Committees.

### **General comments**

Farming Connect has become a well known brand amongst farmers in Wales and has reached a wide audience since its inception.

The FUW maintains that business support through mechanisms such as Farming Connect should continue and form part of any future policy, and there is significant support for the provision of practical training including those courses which help farmers meet legal requirements i.e. the Control of Agricultural Pollution regulations.

Whilst Farming Connect is in theory open to all, there is a perception that some elements are limited to certain small groups to the extent that they are almost 'elitist', and farmers query the cost-benefit of providing certain opportunities or 'services' to very small numbers/percentages of eligible individuals compared with wider services that are accessible to all.

In addition, FUW members have previously reported difficulties with accessing various services through Farming Connect which could be improved in order to increase engagement with the thousands of farming businesses that are yet to benefit from such support.

One of the priorities under the 2014-2020 RDP was Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food

and forestry sectors. It is felt that little has been offered by Farming Connect to help farmers meet this objective.

### **Sustainable Farming Scheme**

The proposals within the current Sustainable Farming Scheme (SFS) consultation represent a significant change for farmers in Wales. A far greater emphasis will be placed on mandatory Universal Actions which will require farmers to deliver on a range of outcomes, particularly in relation to the environment. The majority of farmers will have very little experience in online training, recording Key Performance Indicators (KPI) or soil testing.

The current and previous Farming Connect programmes have had very little focus on this area and we therefore envisage that it will take some time to set up a new programme and find the relevant expertise to provide a service that will provide the support needed for farmers to adapt to the SFS.

The Welsh Government's "*Potential economic effects of the Sustainable Farming Scheme*" paper suggests the SFS will result in a reduction in Standard Labour Requirements on farms equivalent to 2,564 jobs. It also suggests that the SFS would result in a devastating fall in what are already low average Welsh Farm Business Incomes of between £6,800 and £9,300. For lowland livestock farms, which had the lowest incomes in 2021-22, the modelling suggests this would mean a fall from an average family farm income of £26,500 to just over £20,000.

Due to these modelling figures, support to help the farming sector in Wales adapt and remain competitive will be even more critical in the immediate future and beyond following the impacts of Brexit, the Covid-19 pandemic and the conflict in Ukraine which have already resulted in financial pressures for farming businesses.

Support will be needed not only for the various options within the SFS but also farm business support, particularly in cases where livestock enterprises have to compensate for the loss of grazing land where farmers have to increase their habitat and woodland cover.

Uptake of the scheme is currently difficult to predict due to the lack of detail around payment rates.

It could be argued that many intensive agricultural businesses could not justify entering the scheme due to a combination of factors including the loss of grazing land, reduction in land value, reduction in land available for Nutrient Management Plan calculations and insufficient payment rates which don't properly compensate for the additional costs.

Across all scenarios in the "*Potential economic effects of the Sustainable Farming Scheme*" paper the percentage of farms that would have a lower SFS payment than the costs incurred by being in the SFS is between 17.3% and 25.7%.

Farms not entering the SFS due to these reasons will also see a significant drop in farm income due to the loss of the BPS.

For those farms that do enter the SFS it is likely that support will be needed across a range of areas, including:

- Business support due to loss of income/restructuring
- Diversification
- Understanding and managing the Universal Actions
- Habitat and woodland management
- IT support
- Record keeping support
- Legal support i.e. tenancy agreements

Some of these areas are included in the current programme, however, options within many areas of the proposed options within the SFS are not.

The SFS will be a profound change from the BPS and therefore the support needed from Farming Connect and the demand from farming businesses could be expected to be far higher than at present.

However, this will almost depend entirely on how many farming businesses decide to participate in the SFS, and in light of current budgetary pressures and recent cuts made to the Rural Affairs budget, the funding allocated to Farming Connect needs to be relative to the demands of such services.

## **Economy, Trade & Rural Affairs Committee Inquiry on Farming Connect**

NFU Cymru welcomes the opportunity to provide written evidence to the Senedd's Economy, Trade and Rural Affairs (ETRA) Committee Inquiry on Farming Connect. We note the Committee will be focusing on the preparedness and capacity of Farming Connect to deliver the future services required under the Sustainable Farming Scheme (SFS) from 2025, as well as support farmers during the transition.

NFU Cymru champions Welsh farming and represents farmers throughout Wales and across all sectors. NFU Cymru's vision is for a productive, profitable, and progressive farming sector producing world renowned climate-friendly food in an environment and landscape that provides habitats for our nature to thrive. Welsh food and farming delivering economic, environmental, cultural, and social benefits for all the people of Wales whilst meeting our ambition for net zero agriculture by 2040.

Ahead of the short one-day Inquiry on 22 February 2024, NFU Cymru is pleased to be able to provide the Senedd's ETRA Committee with this written submission.

1. Farming Connect is the Welsh Government programme that provides support, advice, guidance and training for farm businesses in Wales. Operational since 2002, the programme has been funded through successive EU Rural Development Programmes (RDPs) receiving a funding allocation of almost £46.5 million during the RDP 2014-20 programming period which equated to around 5.5% of the total budget – an uplift of 50% from the previous RDP (2007-13).
2. In February 2023, Welsh Government<sup>1</sup> announced £22.9m for Farming Connect over the next two years, from domestic funds, to support farmers as they prepare to move to the new Sustainable Farming Scheme with the overarching aims of sustainability, improved environmental performance and greater global competitiveness. This support is delivered through a number of mechanisms including subsidised one-to-one and group business and technical advice, subsidised training and knowledge exchange through the farm network, surgeries and clinics etc.
3. In December 2023, Welsh Government<sup>2</sup> published its twelve-week consultation on the final proposals for the Sustainable Farming Scheme (SFS) which will be the main mechanism for supporting farmers in Wales from 2025, arranged around a three-layer structure of Universal, Optional and Collaborative Actions aimed at delivering the Sustainable Land Management objectives set out in the Agriculture (Wales) Act 2023.
4. References to Farming Connect within this consultation are limited, with two specific mentions of the Farming Connect programme (contrasting to 40 references to Farming Connect within the previous SFS Outline Proposals consultation). The reason for this is not clear. There is, however, a proposal from Welsh Government to continue to offer a range of advice, guidance and learning in the years to come and numerous references to the provision of advice and guidance to support farmers with the SFS including with some specific Universal Actions; skills development and mentoring to new entrants; and the possibility of facilitation support for common land management agreements.
5. We are somewhat surprised, at this late stage, at the lack of clarity and detailed proposals for Farming Connect post 2025, including the proposed funding allocations. Based on the

<sup>1</sup> [Over £22m Farming Connect support for Welsh farmers | GOV.WALES](#)

<sup>2</sup> [Sustainable Farming Scheme - Keeping farmers farming \(gov.wales\)](#)

information provided by Welsh Government on the Farming Connect Programme through the transition and on the provision of advice and guidance to support the delivery of SFS it is not easy to determine whether the Farming Connect Programme is well placed to deliver the future services required and we believe that clarification on Farming Connects' proposed role is needed.

6. We note that Welsh Government, in its response to co-design<sup>3</sup> published in June 2023, commits to *“learning from and adapting the current Farming Connect model to make sure farmers can be confident they will receive the advice, guidance and support they need to transition to, and make the most of, the scheme”*. We are not clear how Welsh Government proposes to take forward the process of ‘learning’, but it should be noted that specific feedback on the shape, design or funding of future advice and guidance requirements relating to the scheme has not been sought within the consultation document. We, therefore, believe that the Senedd Committee Inquiry is both pertinent and timely.
7. From our perspective the provision of advice and guidance is required to address a number of needs. Firstly, there are the advice and guidance requirements associated with the operational aspects of the SFS, recognising the very significant change farmers are facing with the transition away from CAP support schemes including the Basic Payment Scheme (BPS). Secondly, there is the advice and guidance provision including knowledge transfer relating to the development of farm businesses. In the context of the Agriculture (Wales) Act 2023 this will presumably be in line with the SLM objectives.

## Advice and guidance to support SFS operational delivery

8. By this, we mean the advice, guidance and support required to enable farmers to apply for and meet all the obligations of the scheme, including those farmers that are digitally excluded.
9. Firstly, NFU Cymru very much welcomes Welsh Government’s proposal to use Rural Payments Wales (RPW) online as the operating model for SFS, building on the previous success of RPW Online and the annual Single Application Form (SAF) process. We believe this approach most closely aligns with the key NFU Cymru principle for future agricultural policy which emphasises the need for a scheme that is simple to administer and apply for. We have long argued that the scheme should be designed so that any farmer, at the Universal Action layer, should be able to apply, comply and complete all the Actions without the need for advisers and consultants. We believe advice and guidance provision should be prioritised for the development of the Optional and Collaborative Actions Layers which we expect to be delivered via more complex, bespoke contracts.
10. It is important to recognise that, traditionally, Farming Connect has not fulfilled the role of providing advice and facilitating access to support schemes such as BPS. Advice on the specific requirements of Welsh Government schemes has been provided via the Farm Liaison Service (FLS) which has provided an invaluable service to farmers on the various schemes and regulations over many years. Our members very much appreciate the trusted relationships they have developed with the FLS team across Wales. We are disappointed that Welsh Government continues to downplay the role of FLS in the implementation of future Schemes given that it is undoubtedly the most valued and cost-effective approach to delivering high quality scheme related information. It is our strong recommendation that the FLS should be retained and build on their strong track record of delivery to provide support to farmers accessing the Sustainable Farming Scheme via the RPW online portal.
11. It is also important to highlight that thousands of farmers in Wales are supported on an annual basis with the completion of their SAF by agents such as NFU Cymru County Advisers and

<sup>3</sup> [Sustainable Farming Scheme Outline Proposals: co-design response | GOV.WALES](#)

Group Secretaries who also fulfil an invaluable role sharing scheme related information and appealing scheme related penalties etc. These representatives have developed trusted relationships with farmers over many years and are likely to continue to be the 'first port of call' for many farmers on matters relating to future support.

12. NFU Cymru has concerns that, in addition to the annual declaration process, Welsh Government is currently proposing significant reporting requirements in relation to Universal Actions that are likely to increase the burden on farmers and those who support them currently, also increasing the risk of scheme breaches as a result of overlooked reporting deadlines etc. As a result, we believe, Welsh Government must do more in the scheme design phase to ensure the burden of reporting outside of the annual SAF process is more proportionate. This will be necessary to avoid the capacity issues that are likely to arise.
13. NFU Cymru would have concerns if Welsh Government proposed to provide additional investment in the Farming Connect programme that duplicated the current offer provided by the FLS and private agents. There is not market failure and we would highlight that Farming Connect has limited operational experience in this field. The current Farming Connect structure based around 'ad hoc' interventions of advice and general awareness raising arguably does not lend itself to the type of service required which is more iterative in nature. There is also the issue of liability over where responsibility and accountability would lie in the event that the advice / support provided was inaccurate leading to an adverse impact on the farm business.
14. In the context of limited funding, NFU Cymru does not believe that investment in advice and guidance provision to remedy an overly complex scheme design represents good value for money.
15. That is not to say that NFU Cymru is not supportive of Farming Connect assistance to farmers for the delivery of specific requirements of the scheme. NFU Cymru would highlight, however, that there is ambiguity within the current SFS proposals in relation to a number of Universal Actions (UA) and scheme requirements and whether it is proposed to support their delivery via the Farming Connect programme.
16. For example, UA2 Continuous Professional Development, it is proposed, will comprise online learning modules complemented by other learning activity such as discussion groups or demonstration farms. What is not clear is whether this will be delivered via the Farming Connect mechanism. NFU Cymru believes Welsh Government must properly evaluate and undertake a lesson's learned exercise of the online training offer currently provided by the service before investing significant sums in the future programme.
17. UA3 on Soil Health Planning which includes soil testing and nutrient planning. Nutrient Management Planning, including soil sampling, has long been subsidised via the Farming Connect one-to-one or group advice mechanism. It is not clear whether the proposed detailed guidance, advice and support referred to in the consultation will be subsidised through the Farming Connect mechanism. The capacity of Farming Connect to deal with what could be a significant uplift in the number of farmers requiring this type of support also merits consideration.
18. Similarly, the SFS will require all farmers to complete a carbon assessment within the first year of joining the Scheme using a carbon calculator. The Universal Baseline Payment, it is proposed, will cover the farmers time to complete. What is not clear is whether Welsh Government proposes that farmers will be able to access Farming Connect subsidised advice to support them with the completion of this requirement, noting that this would be funded via the service currently and some farmers are likely to need support to deliver this action.

### Advice and guidance provision relating to the development of farm businesses

19. NFU Cymru has long been clear in its vision for future agricultural policy, based around a single, integrated, flexible framework of three cornerstones – productivity and environment underpinned by measures to provide stability and address volatility.
20. NFU Cymru believes the latest scientific research, development of innovative tools, technologies and practices and knowledge exchange are all critical to solving the productivity and resource efficiency challenges that Welsh farmers face. In this context, NFU Cymru is supportive of targeted and integrated knowledge exchange, advice and incentives across a range of themes to drive forward productivity and deliver measurable improvements in economic and environmental performance. Examples of key themes include climate change mitigation measures, animal health and welfare, environmental management and enhancement, grassland management, soil and nutrient management and health and safety. Skills and training in key areas such as machinery and equipment are also very important, particularly for new entrants and young farmers.
21. Wales should be proud of its track record of delivery in this area which has seen sustained investment in programmes such as Farming Connect spanning over two decades and we recognise the important role that Farming Connect has to play in contributing to productivity improvements going forward alongside supporting the industry to deliver environmental outcomes.
22. We are disappointed, however, that in the latest SFS proposals Welsh Government ‘s commitment to a stability measure appears to be time limited with phasing out over the period to 2029. Furthermore, Welsh Government’s proposed payment methodology is based on costs incurred, income forgone calculations which means that the Universal Baseline Payment for the delivery of Universal Actions will not provide the meaningful new income stream promised to farmers.
23. At this stage, we are highly concerned at the lack of commitment from Welsh Government to a long-term stability measure to underpin food production and farm business viability – which we are clear will be vital to provide the platform from which important goods and services (environmental, socio-economic and cultural) can be delivered.
24. In this context, NFU Cymru is clear that the potential performance improvements secured through the delivery of the proposed Universal Actions will be insufficient to mitigate for the loss of direct support. We also believe that the potential contribution of advice and guidance from Farming Connect, or indeed other providers, is overstated by Welsh Government who appear to possess an exaggerated perception of the likely contribution that advice and guidance can make to farm business viability in the absence of the direct support or stability measures.
25. We believe this perception is highly misguided. Despite the significant and increasing investment of public funds over twenty years, evidencing impact and value for money of the Farming Connect programme remains challenging. Independent evaluation<sup>4</sup> concluded that programme had *“performed well, is trusted and well respected. Farming Connect plays an important role in creating the foundations for change leading to **small scale incremental changes**<sup>5</sup> that are, on aggregate, having a positive contribution to the agriculture sector”*. It is important to recognise that this evaluation of the programme took place during a period when farmers were being supported through the BPS.

<sup>4</sup> [Evaluation of the knowledge transfer, innovation and advisory services programme: final report | GOV.WALES](#)



26. Overall NFU Cymru is clear that investment in advice and guidance provision is not the 'silver bullet' and will be insufficient to make up for the loss of a stability mechanism that underpins farm business viability and supports farmers to address volatility associated with factors beyond their control. The need for a long-term commitment to a stability mechanism cannot be overstated. Increased levels of investment in advice and guidance measures above current levels without a clear business case would also be highly concerning to us.
27. NFU Cymru would also take this opportunity to highlight that advice and guidance on technical and farm business development matters is available to farmers from a range of sources. We have long highlighted the need for better co-operation and collaboration to avoid duplication, repetition and event saturation. This includes the unions, AHDB, HCC, agriculture suppliers, banks, accountants, solicitors etc. In the context of the funding constraints experienced by Welsh Government we identify a fuller analysis of market failure in this sphere would be helpful. A full evaluation to understand impact and modelling to demonstrate the likely cost benefit of increased investment in such interventions is also needed.
28. The Farming Connect evaluation identifies that the small scale, incremental changes over a long period of time reflects the fact that many businesses are "*capacity and resource constrained*". NFU Cymru believes this underscores the need for investment support, alongside advice and guidance, to drive improved productivity on Welsh farms.
29. The SFS must include grant support to facilitate the development of farm businesses with funding made available to support investment in modern on-farm infrastructure, the latest technology and innovation aimed at delivering production and resource efficiencies which in turn would also have positive environmental impacts. Investment support needs to be easy to apply for and well-resourced.
30. Welsh Government must also recognise that businesses need the confidence to invest in productivity measures and that this confidence is undermined by uncertainty and volatility in the market which up until now has been, in part, mitigated through the provision of direct support. Regulatory and planning requirements are also identified by many of our members as a key barrier to the development of sustainable farm businesses for the future.
31. Finally, through successive Welsh Government consultations, Welsh Government have conveyed a perception that farming in Wales is low skilled. Whilst we recognise the positive role that advice and guidance can play in supporting the development of farm businesses, we do not agree that farmers have underinvested in professional development and observe many of our members are educated to degree level and above and undertake CPD from a range of providers. We recognise that CPD is an important component of farm business development, however, Welsh Government must recognise that many farmers are well qualified and certainly, in many instances, better qualified and experienced than the advisers sent out by government programmes to advise them. A process by which this prior learning can be recognised is, therefore, going to be vital.
32. To conclude, NFU Cymru welcomes the opportunity to submit written evidence to the Senedd ETRA Committee ahead of its inquiry on Farming Connect and its preparedness and capacity to deliver the future services required under the Sustainable Farming Scheme (SFS) from 2025. We identify that there remains some ambiguity around the precise role Farming Connect will play as we transition to new schemes. We are clear that, moving forward, advice and guidance should not be used as a means to make up for an overly complex scheme design and any future role for Farming Connect should be designed to dovetail rather than



duplicate the wider advisory and support network that already exists to support farmers in Wales.

33. We trust that this contribution addresses the questions raised by the Committee and we look forward to giving oral evidence to the inquiry next month.

**\*\*End\*\***

## Economy, Trade and Rural Affairs Committee Inquiry: Farming Connect

### Background

Lantra as existing contract provider for Accredited Training and Lifelong Learning (Lot 2) and Farming Connect Horticulture (Lot 7) of the current Farming Connect Programme was asked to submit written evidence for the Committee to consider. Our evidence will focus on the following requests set out in Chair's letter of 23<sup>rd</sup> January 2024;

“How Farming Connect will support the implementation of the Sustainable Farming Scheme”

And

“your views and experience around the current operation of Farming Connect, especially your interactions with farmers, anything that hinders your work and anything you would like to see changed in the next round of tendering.”

### 1. How Farming Connect will support the implementation of SFS

#### Accredited Training

Farming Connect currently delivers 104 accredited course consisting of 35 Business topics, 17 Land topics, 19 Machinery and Equipment topics and 23 Livestock topics delivered through a Quality Assured Training Providers Network consisting of 7 Land based Colleges and 34 Private Training Providers. All these courses support sustainable business practices, aid economic growth and promote safe working practices. The following table summarises numbers of individuals trained across the three training category areas of Business, Land and Livestock.

Accredited Training	Completions			
	Business	Land	Livestock	Total
2015-2023	1983	3825	2170	7978
Since April 2023*	33	47	52	132
<b>Total</b>	<b>2016</b>	<b>3872</b>	<b>2222</b>	<b>8110</b>

\*completed and claimed totals only, does not included approvals or those currently being trained

To support industry with the transition to SFS, more focus has been put on sustainable land management training with new offers within this programme on peatland restoration, soil and water management, maintenance of ponds and wetlands, conservation grazing, planting and woodland management, creating and maintaining wildflower meadows, all courses underpinning the Universal Actions of SFS.

#### Animal Health and Welfare Workshops

To prepare for the SFS, 3 new Animal Health and Welfare Workshop titles have been prepared in collaboration with the Office of the Chief Veterinary Officer (OCVO) to cover SFS Universal Action titles around Animal Health Improvement Cycle, Good Animal Welfare and Good Farm Biosecurity (UA15,16 &17).

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## Professionalising the industry through Personal Development Plans and Continuous Professional Development

Since 2015, Lantra has worked with the Business Wales team to develop and enhance the existing BOSS website to include a dedicated platform for Farming Connect users. There are currently 19,043 FC clients with a registered BOSS account who can access:

- **Personal Development Plan** – The starting point of the client journey, which allows users to record long and short term goals, identify skills gaps and record development needs. 7,565 individual clients have created a PDP, of which 428 were created since April 2023.
- The BOSS platform is where clients can access the application form to apply for funding to complete over 100 training courses and to register and attend webinars.
- **Storfa Sgiliau** – A comprehensive on-line continuous professional development (CPD) record that **automatically** stores **all** Farming Connect completed activity on behalf of clients, including all accredited training certificates. The system also allows clients to upload learner records achieved outside of the FC programme, providing a one stop shop for all CPD recording. Lantra feel strongly that this tool will be critical for evidencing the completion of Universal Action 2 (UA2) and will be an essential support mechanism for all farmers entering SFS. Individuals can access and review their own CPD record and use as evidence of training undertaken and capability.
- **E-Learning** - fully funded modules specifically designed to upskill and retain knowledge of individuals across business, land and livestock themes. Since April 2023 there has been more focus on Sustainable Farming Scheme (SFS) related topics with 42 specific modules either already live or in development, all of which will be available from Year 1 of SFS. All modules are aligned to the 5 Sustainable Land Management Characteristics previously noted through WG consultation
  - How to become more resilient and productive
  - How to reduce, reuse and recycle inputs, nutrients and waste
  - How to reduce farm emissions and maximise carbon sequestration
  - How to protect and enhance the farm ecosystem
  - How to benefit people, animals and place
  - Please see Appendix 1 for more detail on e-learning development. A total of 7323 modules have been completed by Farming Connect clients, 548 completed since April 2023.

The development of e-learning modules is a very cost effective way of delivering training, WG key messages and measuring learning outcomes. On average it costs £2,550 to develop one e-learning module which can be completed multiple times by thousands of users. Therefore, Lantra feel that the current support for developing modules should continue in a future contract and more support should be made available for clients to undertake ICT training to ensure clients have the right skills and confidence to access and complete online training. We also need to be aware of the different learning styles favoured by individuals.

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## Forestry/Woodland Management

We recognise that the 10% tree cover ambition outlined in the SFS Consultation is likely to create additional interest in training and development in these topic areas and are confident the necessary offers will be available to potential learners.

## Horticulture

Farming Connect Horticulture was a new delivery priority for the current contract. Our data indicates that there are around 550 commercial horticultural businesses in Wales. Since April 2023, 155 horticultural businesses have registered with Farming Connect. These horticultural registrations have accounted for 20% of **new Farming Connect registrations during the same period** (Dairy/beef/sheep/cereals being used as defining categories). 352 individuals have accessed either Horticulture Business Support or attended a webinar, training day or study visit. 31 Training days/study tour events have been put on to both ornamental and edible commercial horticulture businesses. The Industry Voice workstream has allowed businesses and organisations to collaborate and share thoughts on wide ranging themes including Plant Health, Peat Free, Horticulture Grants, surveys and data. Grower engagement continues to rise and feedback evidence gained from beneficiaries shows they value the learning and experiences they gain from attending Farming Connect horticulture events.

We will continue to support commercial horticultural businesses to access Farming Connect services and prepare for the SFS. We are pleased to have made such significant progress in mainstreaming the Farming Connect Horticulture Programme since April 2023.

## 2. Current and future requirements for Farming Connect

### Interactions with farmers/growers/foresters and woodland managers

Farming Connect Lot 2 (Training) and Lot 7 (Horticulture) continue to engage with farmers through the Farming Connect Marketing contractors, Menter a Busnes. We have built in additional planning and co-ordination meeting with delivery managers to support the Client Journey and to drive up “cross-selling” between Lots. We actively engage with farmers and delivery Stakeholders like Colleges and Training Providers to support with new technology and scheme changes as well as seeking ideas around future learning and skills needs. Our Horticulture team is heavily engaged with the revamped Royal Welsh Agricultural Society Horticulture Village 2024.

### Anything that hinders our work and like to see changed.

Budgetary uncertainty is a concern. A reduced budget for 2024/25 of 15% means re-planning and review of anticipated commitments for the year ahead. We are currently reviewing the likely impacts of these cuts which we will be able to share with the committee once this work is complete.

All Farming Connect clients require a BOSS Registration to access e-learning, apply for training and to attend webinars. It is positive that over 19,000 BOSS accounts have been created for clients, however, not all accounts are actively used. Lantra would like to see more focus on supporting clients with the BOSS system in a future contract. Lantra would

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like to explore the opportunity of enhancing the sign in features of BOSS, to also include a PIN being sent via text message and for the system to remember clients for 7 days, similar to RPW and other Government platforms. We appreciate that any IT developments have a cost and timescale implications.

Students studying Land-based subjects are currently not eligible to apply for Farming Connect training. With the industry needing to recruit young people into the agriculture, horticultural and forestry sectors we see this as an opportunity lost to give targeted support to young people and encourage new entrants. In future contracts, Lantra would like to see more support for young entrants and for FE students from a non-farming background who are currently ineligible for FC support.

A future contract should focus more on careers work within the sector, to raise the profile of the industry and to gain recognition that agriculture, horticulture and forestry can offer a rewarding and a professional career of choice. Lantra would like to explore the opportunity of emulating within Wales the current careers work being delivered by Lantra for Scottish Government. This work allows direct engagement with Schools through a network of Ambassadors backed up with significant audio visual and hard copy collateral to target young people and their parents regarding careers opportunities in the Land-based sector. This work should be done in collaboration with Careers Wales.

Not all work needs to be funded through the Rural Affairs budget, we would encourage reviewing how collaborative cross departmental working with DfES could identify ways of addressing common work areas like Net Zero Skills, Apprenticeships, Personal Learning Accounts, Labour Market Intelligence as examples.

The **impact** of completing training courses is hard to measure quantifiably, as baseline recording does not currently take place at the start of the client journey. However, there is significant qualitative evidence through evaluation feedback forms and case studies which records the positive impact that undertaking training has on developing competencies, personal development, social wellbeing, health and safety, animal health and welfare and wider environmental benefits.

Any gaps in provision between contracts will result in delayed take up and momentum loss at a critical time for the agriculture and forestry industry.

We welcome the opportunity to submit evidence to the Committee and would be more than happy to support the ongoing work of the Committee with further written or verbal updates.

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Appendix 1

**E-learning Provision Mapped to Universal Actions**

	<b>Universal Action</b>	<b>E-learning Provision</b>	<b>In Development/Complete</b>
1	Benchmarking	<ul style="list-style-type: none"> <li>Suite 2, Module 1 – Benchmarking &amp; Business Planning</li> <li>Farm Benchmarking</li> </ul>	<ul style="list-style-type: none"> <li>In Development</li> <li>Complete</li> </ul>
2	Continuous Personal Development	<ul style="list-style-type: none"> <li>All e-learning modules link to CPD</li> </ul>	
3	Soil Health Planning	<ul style="list-style-type: none"> <li>Improving Soil Health</li> <li>Climate Change and Land Management</li> <li>Farm Nutrient Management</li> <li>Weed Control</li> <li>Suite 3, module 2 - Building fertility (slurry/muck, crop rotation, green manures)</li> <li>Suite 5, module 1 – Soil Health</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>In development</li> <li>In development</li> </ul>
4	Multispecies cover crop	<ul style="list-style-type: none"> <li>Grassland Species</li> <li>Grazing Livestock on Fodder Beet</li> <li>Suite 3, module 6 - Grassland management (including multi-species swards and mixed grazing)</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>In development</li> </ul>
5	Integrated Pest Management	<ul style="list-style-type: none"> <li>Suite 3, Module 4 – Integrated Pest Management</li> </ul>	<ul style="list-style-type: none"> <li>In Development</li> </ul>
6	Managing heavily modified peatland habitat	<ul style="list-style-type: none"> <li>Suite 4, module 4 - Managing and restoring peatland</li> </ul>	<ul style="list-style-type: none"> <li>In Development</li> </ul>
7	Habitat Maintenance	<ul style="list-style-type: none"> <li>Suite 5, module 4 - Managing and creating in-field and semi-natural habitats</li> </ul>	<ul style="list-style-type: none"> <li>In Development</li> </ul>
8	Create temporary habitat on improved land	<ul style="list-style-type: none"> <li>Suite 5, module 4 - Managing and creating in-</li> </ul>	<ul style="list-style-type: none"> <li>In Development</li> </ul>

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		field and semi-natural habitats	
9	Designated Site Management Plans	<ul style="list-style-type: none"> <li>Suite 6, module 1 – Farming in protected landscapes</li> <li>Suite 6, module 2 – Protecting and enhancing the historic environment</li> </ul>	<ul style="list-style-type: none"> <li>In development</li> <li>In development</li> </ul>
10	Ponds and scrapes	<ul style="list-style-type: none"> <li>Suite 5, module 5 - Lowering the risk of diffuse pollution (water quality)</li> <li>Suite 5, module 6 – Efficient water use (including harvesting and storing)</li> <li>Suite 5, module 7 – natural flood management</li> </ul>	<ul style="list-style-type: none"> <li>In development</li> <li>In development</li> <li>In development</li> </ul>
11	Hedgerow Management	<ul style="list-style-type: none"> <li>Suite 4, Module 7 – Hedgerow Management Cycle</li> </ul>	<ul style="list-style-type: none"> <li>In development</li> </ul>
12	Woodland Management	<ul style="list-style-type: none"> <li>Suite 4, Module 5 – Woodland Management</li> <li>Tree health – tree pests and diseases</li> <li>Tree identification</li> <li>Continuous cover forestry</li> </ul>	<ul style="list-style-type: none"> <li>In development</li> <li>Complete</li> <li>Complete</li> <li>Complete</li> </ul>
13	Create new woodland and Agroforestry	<ul style="list-style-type: none"> <li>Agroforestry</li> <li>Benefit of trees on upland farms</li> <li>Natural Capital and Net Zero</li> <li>Suite 4, Module 5 – Incorporating Trees (including agroforestry)</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Complete</li> <li>In development</li> </ul>
14	Historic Environment – maintenance and enhancement	<ul style="list-style-type: none"> <li>Suite 6, module 2 – Protecting and enhancing the historic environment</li> </ul>	<ul style="list-style-type: none"> <li>In development</li> </ul>
15	The Animal Health Improvement Cycle	<ul style="list-style-type: none"> <li>Suite 4, Module 2 – Animal Health Improvement Cycle</li> </ul>	<ul style="list-style-type: none"> <li>In development</li> </ul>

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16	Good Animal Welfare	<ul style="list-style-type: none"> <li>• Various modules already available on good animal welfare/disease identification and control under Livestock including Body Condition Scoring (cattle &amp; sheep), Sheep Lameness, Cattle Lameness, Lambing Survival etc</li> <li>• Suite 6, Module 4 – Animal Welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Lots available on BOSS</li> <li>• In development</li> </ul>
17	Good Farm Biosecurity	<ul style="list-style-type: none"> <li>• Biosecurity &amp; quarantine</li> <li>• Biosecurity for Pig Smallholders</li> <li>• Suite 2, Module 6 - Biosecurity (livestock and arable)</li> </ul>	<ul style="list-style-type: none"> <li>• Complete</li> <li>• Complete</li> <li>• In development</li> </ul>

Other e-learning modules also in development:

- Energy efficiency on dairy/arable/poultry/beef & sheep farms
- Renewable energy – heat
- Renewable energy - electricity
- Breeding for worm resistance
- Succession – it's not just about tax
- Beef nutrition – Suckler cow
- Dairy nutrition – dairy cow
- Identifying habitats
- Biodiversity - bracken
- Automatic monitoring systems for biodiversity
- Suite of 6 modules from NFU Energy:
  1. Energy Basics:
    - a. An overview of the UK energy grid.
    - b. Understanding your MPAN and your energy bill.
    - c. Different types of energy contracts – imports and exports. Incl. online contracts.
    - d. Understanding industry charges (MOP, Data collection, Grid capacity, LLF, etc).
    - e. Problem solving – Ombudsman role.
    - f. Monitoring and measuring

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Modules in development for Horticulture:

- On site composting for your horticultural enterprise
- How to recognise some of the most common pests, diseases and weeds in horticultural crops
- An introduction to the principles of Integrated Pest Management (IPM) in horticulture
- A guide to the main types of propagation of Hardy Nursery Stock

## Appendix 2

### Farming Connect Accredited Short Course Programme 2015 - 2023

Information below taken from 1298 evaluation forms

Question	Yes	In % Terms	No	Undecided or left blank
Did the training course meet your training needs?	1280	99%	6	12
Will you be able to apply in your job role what you have learnt during the course?	1270	98%	7	21
Will completing the training make you more productive and efficient in your work/business?	1275	98%	2	21

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# Economy, Trade & Rural Affairs

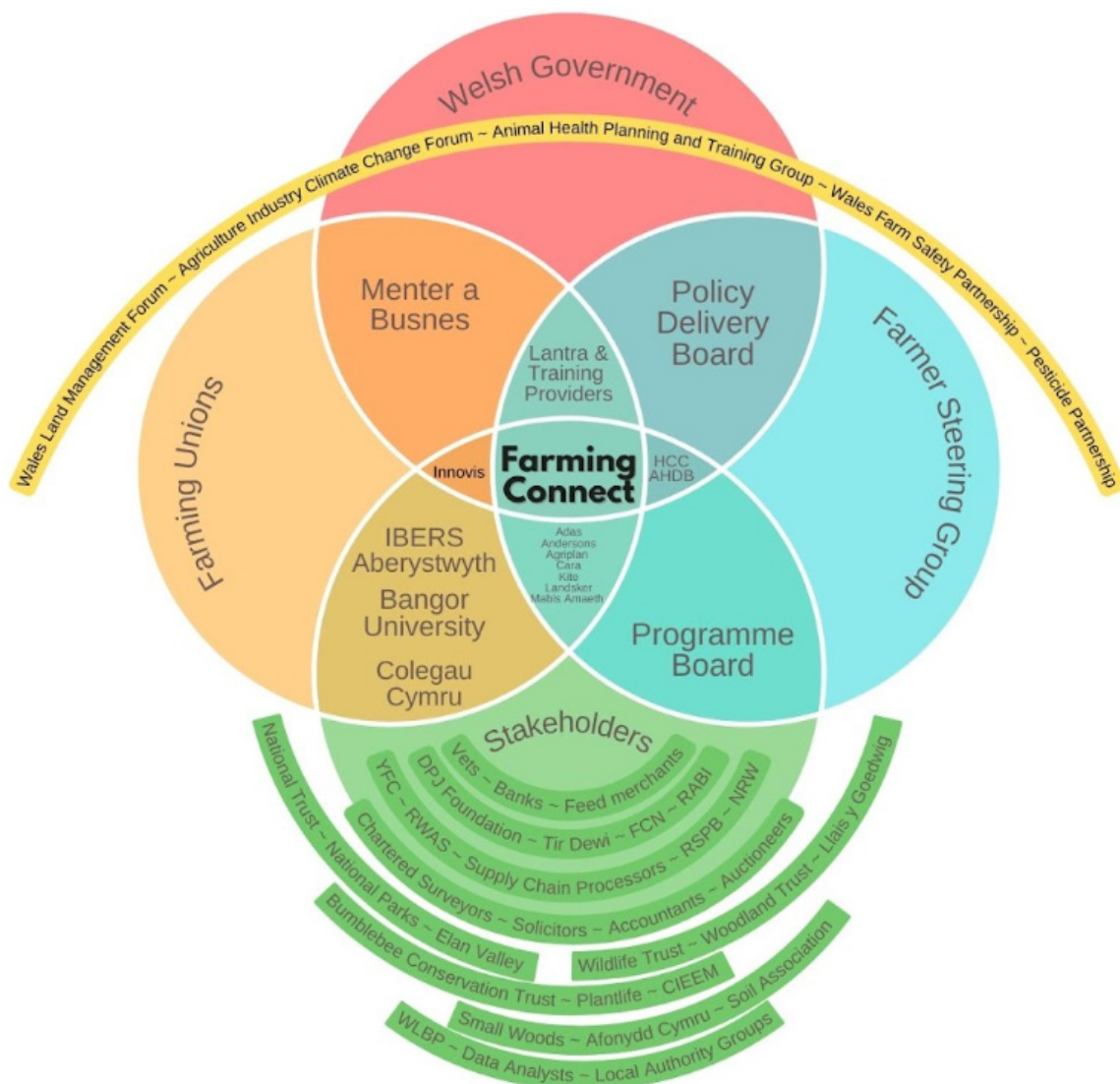
## Committee Inquiry on Farming Connect

Menter a Busnes, a not-for-profit company, has been involved in the delivery of Farming Connect since its inception in 2001. In the current Farming Connect Programme, we are responsible for the delivery of 5 out of the 7 procured Lots and a sub-contractor to Lantra Wales in the delivery of the other 2 Lots. Through on-going delivery of Farming Connect over the last 23 years, we have extensive experience of on the ground delivery across Wales, and pride ourselves in developing innovative ways of engaging with farmers. As deliverers of the programme it is crucial that we work with a wide range of organisations in the agricultural and environmental sectors. Our collaboration with the supply chain, businesses and individuals across Wales helps us deliver an integrated, high quality Knowledge Transfer programme.

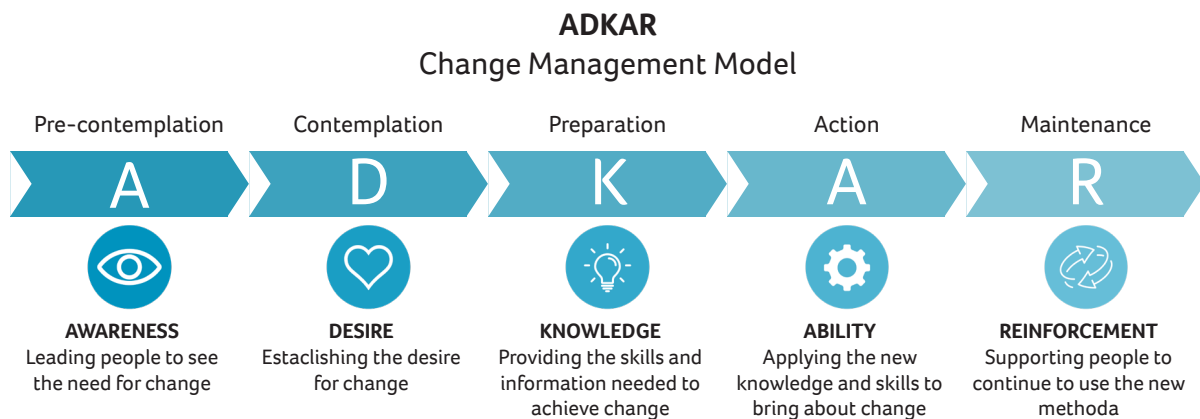
**Our views and experience around the current Farming Connect programme can be summarised as follows:**

1. Farming Connect is a recognised, well-trusted brand which provides an independent and quality assured one stop shop for support and guidance for Welsh farmers. Maintaining this support in an integrated manner is of paramount importance. Such an approach adds value and avoids duplication of provision. It also helps ensure that consistent messages are shared with the sector, especially as we look to move the industry forward in an ever changing world.
2. Farming Connect is a flagship programme which is the envy of the other devolved countries in the UK, and further afield, as far as New Zealand. Dr Norman Weatherup from the Knowledge Transfer and Innovation Policy Branch at CAFRE, Northern Ireland, recently said, **“We in CAFRE (College of Agriculture, Food and Rural Enterprise) Northern Ireland are very impressed by many aspects of Farming Connect. The wide range of services offered from webinars, discussion groups, benchmarking, skills workshops, podcasts, mentoring, knowledge exchange hub, try it out fund, EIP projects, and much more is excellent. The extensive library of material that can be accessed via the easily-navigated website is very helpful. There is something for everyone at all levels in the Farming Connect suite of products.”**
3. As Farming Connect is delivered by an independent, not for profit company, farmers can be assured that the advice and guidance they receive is trusted, unbiased and not influenced by commercial interests. Whilst we appreciate that advice and guidance on technical and farm business development matters is available to farmers from a range of sources, access to independent advice and information is vital.

4. The programme governance structure includes a Programme Board which provides overarching guidance and strategic direction. The Programme Board has an independent chair and a wide range of members representing various stakeholders, including NFU, FUW, HCC, AHDB, Colegau Cymru, Chair of the Animal Health and Welfare Group, Chair of the Agriculture Industry Climate Change Forum (AICCF), YFC, RWAS etc. This model works well and the last independent evaluation commissioned by Welsh Government and published in 2021 states that the **“Programme management was found to have worked well throughout the evaluation, with a highly experienced and knowledgeable team in place. A strong emphasis on feedback and continuous improvement maximised the effectiveness of Farming Connect in real time, and the programme was actively managed in response to changing needs and conditions (as illustrated in the response to COVID-19)”**. In addition to the Programme Board the governance structure also includes an internal Welsh Government Policy Group. Group. In an effort to provide feedback on the services to ensure optimal delivery and reach, Menter a Busnes also established a Farmer Steering Group as part of the current programme.
5. To deliver the Farming Connect Programme, Menter a Busnes, work in partnership with a wide range of stakeholders, companies and organisations. This has been key to the success of the delivery to date and it also facilitates discussion to eliminate service duplication. Some of these are listed below:

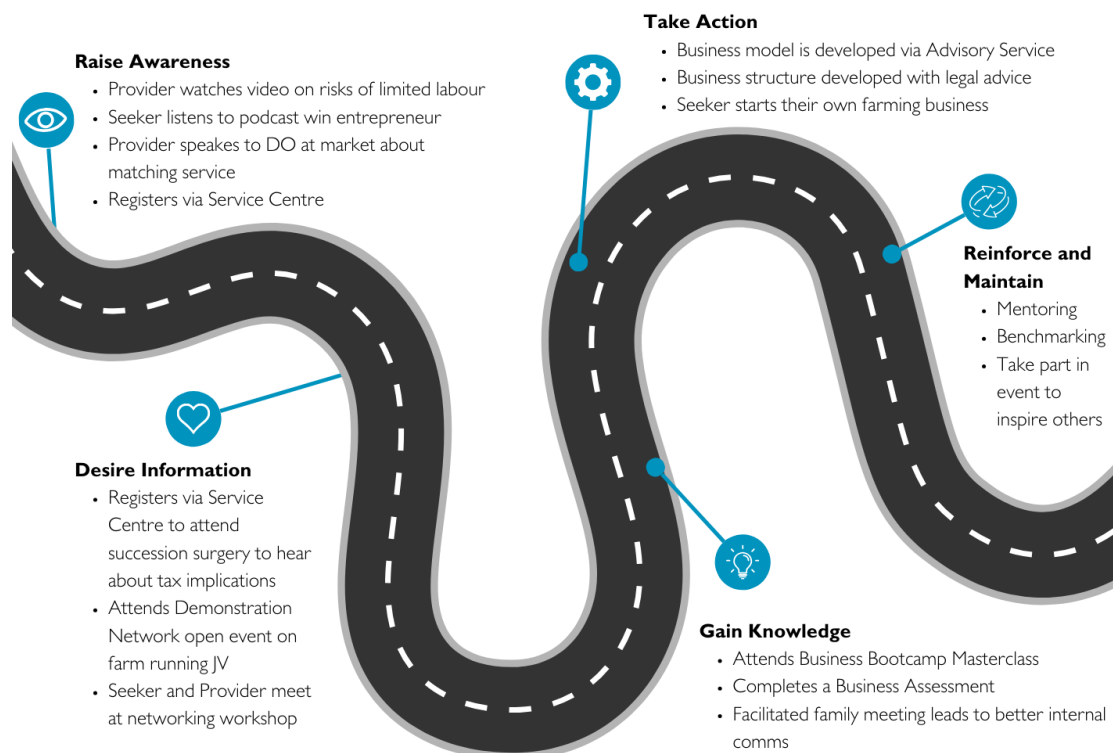


6. Menter a Busnes have based the knowledge transfer methodology of the Farming Connect programme on the ADKAR change management model, which has resulted in providing a cyclical offer which enables regular and iterative engagement with the programme. Known operationally as the ‘client journey approach’ it empowers individuals to make manageable, sustainable and incremental changes on farm, from raising awareness of a particular subject to providing knowledge, instigating action and maintaining or reinforcing the action.



The diagram below shows how the ADKAR model is put into practice.

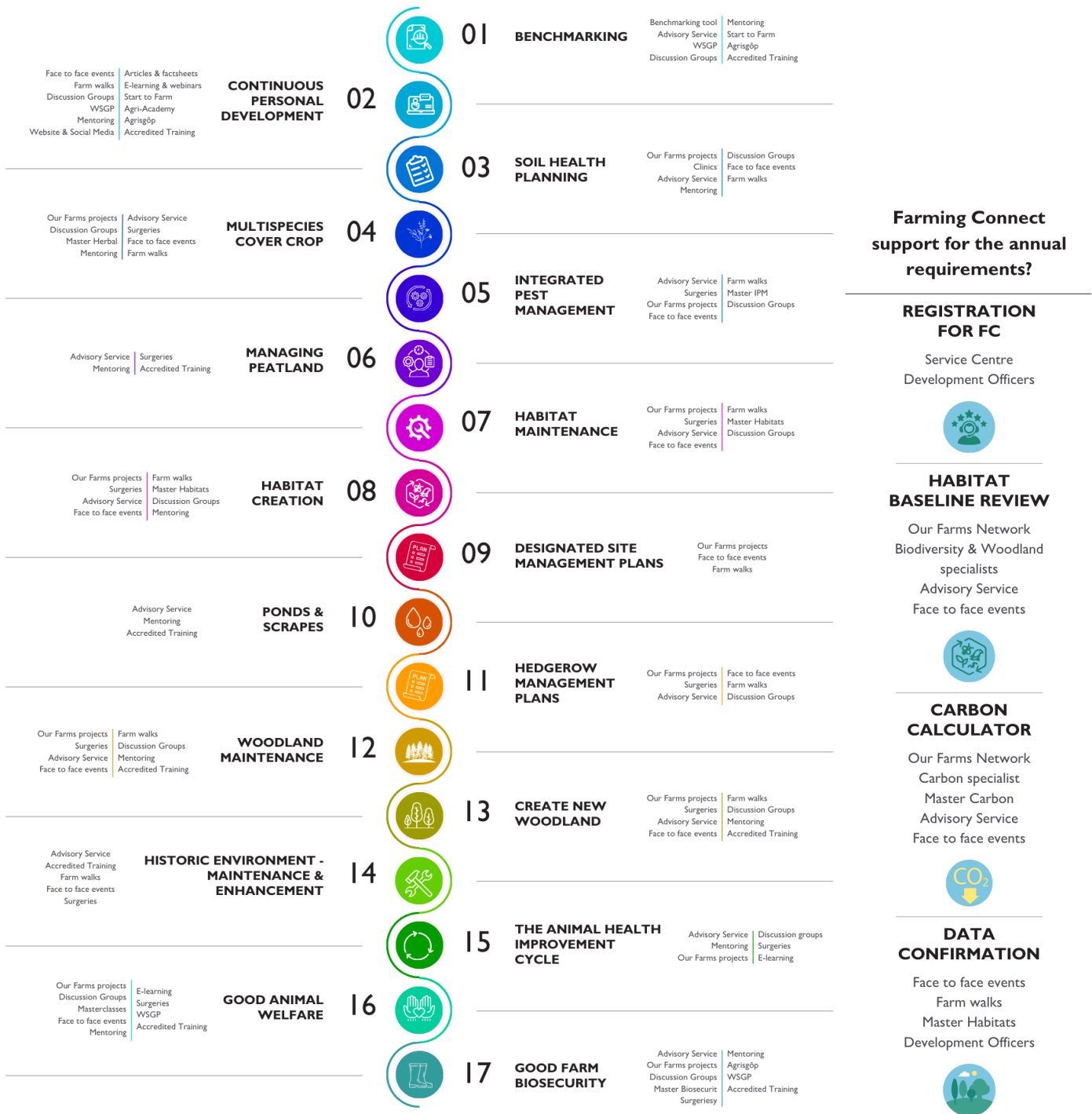
## Business



7. Analysis of return on investment has been undertaken with some elements of the programme. One such element is the Prosper from Pasture programme, aimed at developing knowledge, skills and confidence in grassland management. An economic analysis undertaken by ARAD, an independent research company, has found that for every £1 invested in the programme creates a return on investment of £17.36.

8. The current Farming Connect programme delivery is in alignment with Sustainable Land Management (SLM) objectives which will help farmers transition and implement to proposed SFS characteristics currently in consultation. This has been mapped out in a comprehensive operational document, the Programme Overview document. The universal actions and scheme rules within the SFS and details of the Farming Connect well-known and easily accessible services to help this transition are summarised in the diagram below:

### Farming Connect current delivery supporting the transitioning to the Sustainable Farming Scheme

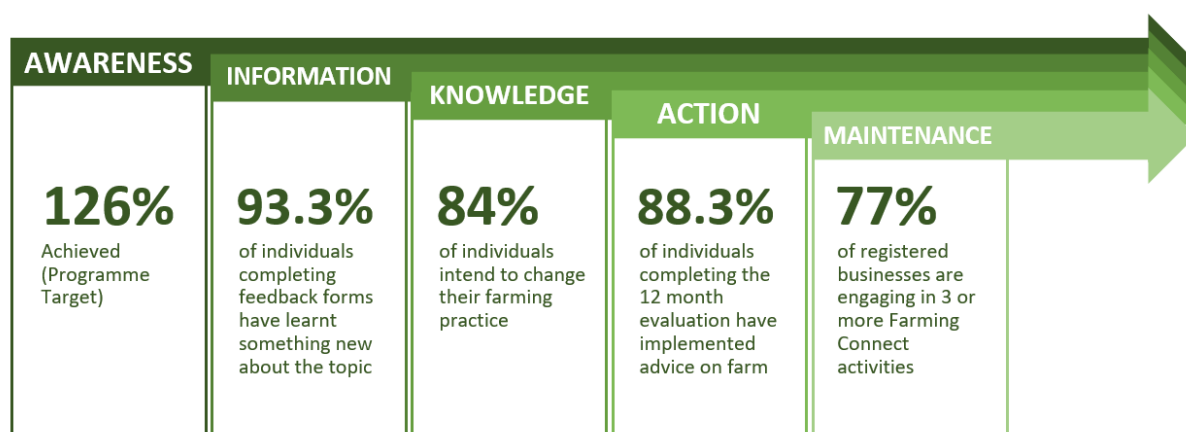


- The programme's primary mission is to develop a more professional industry through its support for Continuous Professional Development, not only for farmers but also for all personnel and subcontractors delivering on behalf of the Programme e.g. farm advisers, training providers, vets, legal and financial advisers etc. The objective is to ensure high quality service and consistent messages that align with Welsh Government policies being shared across the industry. The development to date in the CPD offering via Farming Connect puts the programme in a strong position to be able to support farmers from the start with the Universal Action in the SFS.

## Interaction with farmers

To date a total of 27,799 individuals have registered with Farming Connect, representing 13,085 businesses.

The ADKAR model mentioned above was used to measure the success of the Farming Connect programme between 2015 - 2022 as is illustrated in the diagram below (Measuring Success Report, 2022):

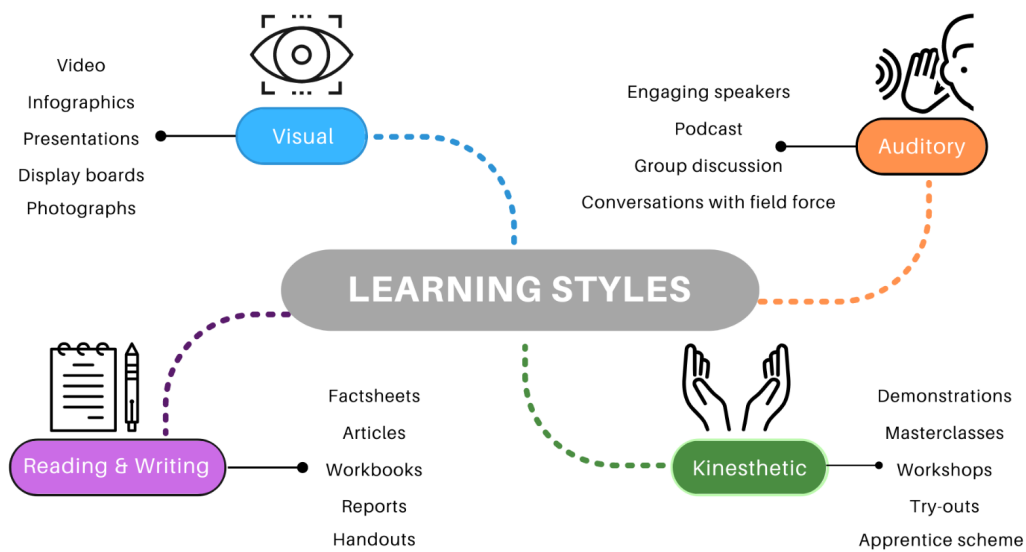


In addition to the 77% of registered businesses engaging in 3 or more Farming Connect activities, 33% have engaged in 10 or more Farming Connect activities as of August 2022. This not only shows the wide reach of the programme but also that the services are meeting the needs of farmers. It shows that the customer journey approach developed into the delivery of the programme is working and iterative customer relationships have been formed.

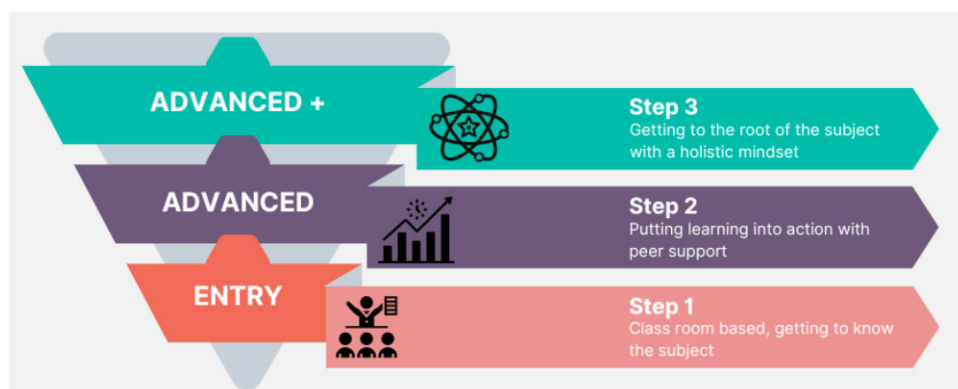
The success of Farming Connect's interaction with farmers can be attributed to the following:

- A team of local, trusted front line staff who understand farmers and who are able to communicate with farmers in their preferred language and transfer complex information in a straightforward and clear manner. They are trusted by farmers and work closely with Farm Liaison Officers (FLS) and other stakeholder officers in their areas.
- The Service Centre which provides a bilingual service to all farmers across Wales
- The variety of services available is a key to the engagement success. We recognise that farmers learn in different ways as illustrated below. A move to solely online delivery would significantly stifle development and hinder learning especially due to the challenges of internet access in rural parts of Wales. This is particularly true in times of change when peer to peer support is crucial to implement new ways of working and for mental health within the industry.





4. Strong facilitation skills and the long-established use of action learning approaches have worked well to engage with farmers and have had transformational effects on attitudes and behaviours. This has been highlighted in the Farming Connect evaluation - “Features that have worked well include self-help and action learning approaches, encouraging beneficiaries to self-define goals ‘bottom up’ to ensure a close fit with their needs and buy-in to the process, practical, farm-based learning and peer-to-peer support”.
4. The ability of the delivery company to be flexible and respond to changes in government priorities and industry demands has also been instrumental in the success of the delivery. This was noted in the evaluation report - “flexibility to adapt the focus of an activity in response to changing conditions and to suit the working patterns of those involved”. The ability to adapt programme scope after its commencement should be ensured.
4. Flexibility within the contract and the delivery company’s creative approach to developing innovative new formats for engaging and communicating key messages has been fundamental to the success of the project. Some examples include:
  - Development and rollout of the Prosper from Pasture model provides an opportunity for participants to share best practice, view innovative management practices and learn from their peers with the aim of implementing management changes to improve profitability and improve environmental performance. The Prosper from Pasture model has been developed to enable progression, through the modular learning approach, delivering three different levels of knowledge and learning from entry, advance and advance+ levels for Discussion Group delivery as explained below:



- Development and delivery of large multi-station events
- The ability to rapidly adapt delivery methods at the start of the pandemic with the rollout of digital delivery of services such as Surgeries, Webinars and the Zoom Around the World concept, ensuring greater value for money.
- Addressing key industry challenges such as succession with ground-breaking approaches, namely the Start to Farm matching service and family kitchen table succession meetings.
- Development and expansion of on-farm project work under the Demonstration Network to ensure more Welsh farmers can access support for project work, which in turn will accelerate the bridge between scientific knowledge, innovation and on-farm practices. These developments include:
  - Roll out of four Pan-Wales Projects across the Demonstration Network to provide an opportunity for application of projects on multiple sites with various geographical, climatic and management conditions which results in a strong data set to support findings under conditions many Welsh farmers can relate to and learn from.
  - Roll out of discussion group projects focusing on a practical aspect that is of interest and benefit to individual groups benchmarking under one of the three key themes.
  - Roll out of the Try Out Fund to encourage farmers to apply either individually or within a small group for funding to run one-off farm try-out projects on their own farm/s.
- Development and delivery of different areas of work within Welsh agriculture including the Welsh Sheep Genetics Programme and Horticulture, which demonstrates the versatility of Menter a Busnes to deliver in new areas of focus as and when required.

### **What hinders our work and what we would like to change**

1. Over complicated eligibility and limitations on some of the services e.g. Advisory Service and Accredited Training
2. BOSS platform, complex accessibility to crucial online Knowledge Transfer events.
3. There have been missed opportunities to capture robust return on investment evidence due to fragmented, ad-hoc independent evaluation contracts. An evaluator should be appointed at the commencement and for the duration of the programme.
4. The ability to deliver new initiatives within a contract, due to the specification leaving minimal room for innovation and flexibility.
5. The revised eligibility criteria is limiting our ability to support and inspire the next generation of farmers and growers due to students not being eligible for the current programme. 662 students were supported between 2015 - 2023.



## What could hinder the delivery of Farming Connect in the future

1. A gap in delivery would:
  - a. abandon farmers in times of considerable change and it is integral for the continuation of the well-known and accessible Farming Connect services such as Habitat & Biodiversity mapping, Carbon Audits, Nutrient Management Plans, Health Plans and Benchmarking as farmers transition to the SFS.
  - a. a loss of expertise within the knowledge transfer and advisory programme team as highly experienced and respected personnel would seek employment elsewhere.
2. The Farming Connect contract between 2015 - 2022 was split into 3 Lots. The new programme which commenced in 2023 was divided into 7 Lots. Dividing the contract into too many small-scale contracts poses a greater risk to the integrated and coordinated approach to the delivery and adds to the management costs and increases risks of duplication within the programme. One example is in the current programme between Lot 3 Advisory Service and Lot 7 Horticulture also offering advisory service separately to growers in Wales. Multiple contracts could increase the risk of duplication of services to the industry. There is a risk of a programme that could appear disjointed to the farmer with numerous contract holders
3. Short term contracts also produce the same challenges. For example short term contracts stifles the implementation of on-farm projects which require time to develop proposals and which require at least 2 full farming calendar years in order to show any kind of impact.
4. Reasonable lead in time of at least 3 months needs to be built in between the contract award and the commencement of a new programme to ensure staff retention and continuous delivery for farmers in a crucial period of upcoming change.
5. Financial security is needed to allow contracts to be awarded for a minimum of 3 years and preferably for 5 years as project activity needs to be planned in advance.

To conclude, having a trusted and independent knowledge transfer programme and advisory service to support the industry in times of unprecedented change is of paramount importance for the Welsh rural economy as well as ensuring that Welsh agriculture can be a global leader in terms of technological and scientific development related to sustainable land management and food production.

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# Agenda Item 4

## NFFN Cymru evidence on the role of Farming Connect to support the transition to, and the delivery of the SFS from 2025.

NFFN Cymru very much welcomes the Welsh Government's commitment to continue providing advice, guidance and training to farmers. Farming Connect can play an important role in helping farmers transition to and deliver the Sustainable Farming Scheme (SFS).

### Benefits of Advice

- Advice can help farmers better understand schemes, increase participation and help change farmer's attitudes towards nature friendly farming, developing trust between the industry and Government.
- High quality advice can help farmers and land managers to follow best practice and to ascertain why management has or has not led to the desired outcome, thus improving the standard of schemes. When farmers understand *why* they are undertaking a certain action, they are more likely to take ownership of outcomes.
- Expert advice can help facilitate, coordinate and develop a better understanding of targeted and more complex landscape scale schemes.
- It can help incorporate and develop a greater understanding of how nature friendly farming can improve the farm business and productivity.

### How should advice be given?

- Advice can be provided in a variety of different ways, tailored to the complexity of the management/ action/activity. Examples include;
  - Online resources/ handbooks/ guidance notes
  - One to one advice (advisor and farmer)
  - Group advice (advisor and many farmers e.g. for landscape scale working)
  - Peer to peer learning groups/ workshop
  - Farm demonstration events

### What advice should be given?

- Advice should be available in relation to all the Sustainable Land Management (SLM) outcomes. As such it's imperative that farmers don't receive conflicting/ siloed advice, particularly in relation to economic and environmental outcomes. Advice should identify *win-win* scenarios where farm business economics and the environment benefits overlap.

For example, soil testing analysis is usually accompanied by recommendations to apply inputs in the form of artificial fertilizers or lime to improve soil health. This very much follows the mantra that the *solution is in a bag or in a bottle*. However these inputs are becoming increasingly expensive and are now unaffordable to many farmers. Rather than continue with this approach, we would urge Farming Connect to concentrate more on providing more holistic, nature-based solutions that deliver multiple benefits. Using soil health as an example, this might include increasing sward species diversity, effective grazing management or agroforestry.

- We believe that Farming Connect must increase the farm biodiversity advice currently on offer, particularly as the WG propose the introduction of a headline [nature positive target](#):

*‘Reverse the decline in biodiversity with an improvement in the status of species and ecosystems by 2030 and their clear recovery by 2050’*

To meet this target we must ramp up the provision of nature-friendly farming advice.

- Farming Connect can play a big role in helping to both understand and deliver the two SFS scheme rules. In relation to the requirement for 10% tree cover on farms, Farming Connect can demonstrate how to [effectively integrate trees on farms](#) in a way that delivers multiple benefits for biodiversity, climate, water management, efficiency and productivity gains, as well as creating [economic opportunities](#). This can help counter the narrative that pits agriculture against trees and the belief that we must choose between producing food or planting trees.
- In the same vein, Farming Connect can help demonstrate how nature-friendly farming and meeting the 10% habitat requirement can help [improve financial resilience](#) whilst also meeting our environmental obligations. This can help debunk the notion that creating or managing land for habitat means sacrificing food production, but rather forms an essential component of it.

#### Who should provide advice?

- We call for advisors to be independent and separate from the function of regulator. Advisors should not have a dual role, for example representing financially interested stakeholders, unless this does not conflict with the advice given.
- To avoid conflicting advice and unnecessary trade-offs between SLM outcomes, advisors should understand all aspects of agricultural sustainability.
- Farmer to farmer knowledge exchange is important as it looks beyond the theory and offers insight into the practicalities and challenges of land management interventions. We would encourage more farmer mentors that specialize in regenerative, nature-friendly farming systems. There are numerous farmers producing good quality nutritious food while working with nature and these need to be utilised more than the current status quo. Using professional advisors and consultants doesn't necessarily have to be the default approach.
- For the SFS collaborative element, a local, independent facilitator should be employed to facilitate collaborative working. Employment of appropriate individuals, sensitive to the needs of farmers is vital to assist in the delivery of collaborative schemes. This is an essential ingredient to the success of [results based agri-environment schemes in Ireland](#).
- We are concerned about the shortage of advisers and lack of knowledge in regard to offering ecological and biodiversity advice.

#### Demonstrating by doing

- We would encourage farming connect to develop demonstration farms that highlight how farms are meeting SLM objectives and outcomes i.e. being both profitable and nature friendly. This could be done by calculating the farm's [Maximum Sustainable Output](#). We also believe that Farming Connect should increase the amount of demonstration farms that meet the two scheme

rules hand in hand with food production. This can develop a greater understanding of how nature friendly farming can improve the farm business and productivity.

#### **Attendance**

- Some of our members have highlighted the low attendance for some Farming Connect events, particularly at discussion groups where attendance has been lower than 25% in some instances. It should be noted that this had nothing to do with the standard of the delivery organisations/facilitators. More work could be done to reach those farmers who are unaware of or disinterested in the Farming Connect programme.

#### **Budget Concerns**

- Whilst the SFS's ambition is commendable, the scheme needs to be adequately funded if we are to deliver on its objectives. The overall costs of meeting environmental priorities through land management in Wales are estimated at over £500m per annum. The Welsh Government's entire Rural Affairs budget for 2023-24 was around £480 million (which represents about 2% of the total budget). However the 2024-2025 Rural Affairs budget has seen a cut of £62m - a reduction of 13% from the previous financial year. The SFS is clearly under-budgeted. The level of funding, including for advice and guidance, must match the SFS's ambition.



## **An inquiry on Farming Connect on 22 February 2024 by The Economy, Trade and Rural Affairs Committee**

Confor welcomes the opportunity to submit written evidence for the committee on how Farming Connect specifically supports Forestry Businesses. Confor ([www.confor.org.uk](http://www.confor.org.uk)) is the not-for-profit organisation for the UK's sustainable forestry and wood-using businesses. It has 1,500 member companies, representing the whole forestry and wood supply chain from seed to structure in the UK.

The Farming Connect platform has the capacity to host the Continuous Personal Development (CPD) programme for the Sustainable Farming Scheme (SFS) and we, Confor, believe we could add significant value to the writing group. Forestry and woodland management are applicable to farm profitability, by supporting improvements to soil, habitats, water and air quality, as well as potentially improving animal welfare with shelter and shade carbon storage, the economic return of harvested wood products and the contribution to security of future wood supplies. To realise these improvements, it is anticipated that farm business owners will need training and understanding, this is when the expertise from the forestry sector can support the farming sector.

To support the SFS, multiple woodland themed learning units need to be considered. Initially, the first module should include a high-level overview of information on the rules and regulations in forestry including felling licences, grants, potential routes to harvesting timber, deer and pest management. Once completed, other modules such as those listed below will be able to support the farming business in the direction they want to take. Due to the length of time woodland operations can take, it is strongly suggested that the initial woodland module is mandatory in the first year, and potentially each year afterwards. This prevents the farming business to 'do and forget' the valuable information learned.

Ideas for other woodland modules:

- Benefits of trees on farms
- Marketing Timber
- Creating new woodland
- Managing existing new woodland
- Agro-forestry options for farms
- Silvicultural systems explained
- Deer management and venison

After completing these modules no landowner will become an expert in woodland management but will have enough information to make informed decisions and have the opportunities to be signposted towards further information along with industry experts for further help and advice as needed. Signposting should include the Institute

of Chartered Foresters and other professional bodies and/or a register of consultants/agents who can help support landowners.

We are concerned that if only a single CPD module on woodland is created and made available, it will not give farmers sufficient information and could even create further problems. Woodland management is a long-term commitment, it takes years to manage and to complete a cycle, this can be seen as very different to the normal yearly agricultural cycle, hence why suitable support is needed.

The role of trees on farms has long been under-estimated, hence the inclusion of the Benefits of Trees on Farms module. This would seek to change attitudes and potentially increase the uptake of woodland creation schemes. It is important the landowners see the increased benefits they achieve with tree and woodland management, so they proactively want to engage rather than being forced to comply.

The units listed above would be custom written for Farming Connect, as although the information exists, it does not exist in 1 hour e-learning blocks. As mentioned above, the forestry industry and specifically Confor should be involved at the writing stage to ensure the modules are suitable for both sectors.

In conclusion, farming and farm woodlands need to be better aligned. The forestry sector can help support this process, with its wide range of knowledge and experience. Farming Connect has a key role and can help bring the two sectors together.

## Farming Connect: WEL evidence to ETRA Committee

February 2024

### Introduction

We are pleased to see a role for Farming Connect in providing advice for the Sustainable Farming Scheme (SFS). The advisory service has a pivotal role to play in the successful uptake of the scheme. Advice should be seen as an investment in the capacity of farmers rather than an onerous cost to government, so it is a concern that this year's Rural Affairs budget to prepare the sector ahead of the launch of the SFS has been cut.

It is essential that advisers have relevant expertise in the issues on which they provide advice. We would welcome a new Farming Connect service that is designed around the Sustainable Land Management (SLM) objectives and scheme characteristics, fills key skills gaps and allows it to provide integrated advice that would support catchment and nature-based solutions. It also strikes us that filling these skills gaps presents opportunities for important rural and green jobs creation in Wales, which would merit investment.

We suggest that collaborative engagement with eNGOs and nature friendly farming groups is required to help Farming Connect access the skills, knowledge and experience required to design and deliver the quality and quantity of advice that will be required to help farmers undertake SFS actions for the farm ecosystem, particularly for habitat creation and management.

### Service Design

WEL members would like to see the Knowledge Transfer, Innovation and Advisory Services Programme re-designed around SLM objectives and SFS actions. The 2021 [Evaluation of the Knowledge Transfer, Innovation and Advisory Services Programme](#) recommended a need “to clarify and focus Farming Connect’s strategic priorities” and that “more could be done to package, integrate and communicate the offer



more effectively". As part of the 2021 evaluation, a review of 26 farm advice programmes (UK, Europe and international) found that almost half of these programmes were designed to address the need to work towards environmental regulations and sustainable farming practices. Empirical comparison with Farming Connect is not available, but the overarching objective of Farming Connect is to increase the emphasis on business-focused behaviour and efficiency improvements, and therefore improve the profitability, competitiveness, resilience and sustainability of farm, forestry and food businesses and, by extension, promote the economic growth and development of rural areas. The 2021 evaluation recommended that Farming Connect should consider strengthening and promoting its offer towards environmental public goods.

We suggest that Farming Connect demo farms could help facilitate best practice for the successful delivery of the SFS, with opportunities for peer-to-peer learning. Efficiencies could also be achieved through delivering advice to clusters of farmers within a locality, which could be delivered as hybrid sessions. This could helpfully lay the ground for and facilitate uptake of collaborative actions that could be supported through the Scheme.

### **Skills and Expertise Gaps**

WEL members are concerned that there are some key gaps in expertise within Farming Connect. Our discussions with them have also highlighted that they are aware of this, and that there is a shortage of advisers that meet their eligibility requirements to provide advice. We suggest that Farming Connect undertake a skills and knowledge audit as part of the next tender round for the Farming Connect programme, assessing against SLM objectives and SFS actions to identify applicant skills gaps and identify where there are gaps in expert advice provision.

The 2021 Evaluation of the Knowledge Transfer, Innovation and Advisory Services Programme indicated that the programme would focus its efforts on farmers who want to change, rather than seeking a wider reach for the programme. If the SLM objectives are to be delivered, particularly for environmental goals, a gap in the provision of advice must be filled, with in-person advice reaching those farmers who are unaware of or disinterested in the Farming Connect programme.

WEL members are particularly concerned that there is a gap in relation to ecological advice. One example our members have given us is from working with farmers and independent consultants that have been trying to develop hedgerow management plans through Farming Connect. Consultants shared their views with the Woodland Trust citing issues with long delays in Farming Connect producing plans, not producing plans that have been promised and producing plans in a format that is not fit for purpose in terms of implementation on the ground. With the increasing need for bespoke advice on hedgerow and tree management through the SFS, this skill/capacity needs to be urgently addressed.

For many years Farming Connect, and many others, have been able to rely on Coed Cymru for farm woodland management advice. This is no longer an option as they now only provide woodland creation advice. This leaves a big gap in the provision of advice on the management of existing farm woodlands, especially for non-commercial outcomes, which conservation charities are trying to cover, with some difficulty. The Woodland Trust has reported receiving more enquires on the management of small farm woodlands recently.

There is concern that if farmers are expected to pay for future woodland management advice from receipts from felling and selling timber, this risks over-felling, with site and soil damage and marginalisation of the many other non-income generating outcomes that farm woodlands can provide – including livestock welfare, wildlife, water management and public access.

The Chartered Institute of Ecology and Environmental Management (CIEEM) has also told us that they have been in contact with the National Hedgelaying Society, who report a high demand for advice and labour in relation to hedgelaying. However, there is currently a UK-wide shortage of accredited hedgelayers. Good hedge management will be an important part of the Sustainable Farming Scheme. Gaps in specific advice, such as on woodland and hedges, are also applicable to other areas of species and habitat management, such as species-rich grassland management.

Farming Connect also needs the expertise and flexibility to provide integrated advice to farms to enable catchment and nature-based solutions to support activities like flood management, peatland restoration, species-rich grassland management and to

connect habitat and create wildlife corridors.<sup>1</sup> We recommend Farming Connect works closely with knowledgeable third parties (including environmental NGOs) to develop the capacity to deliver high quality advice and guidance in the most effective ways. One way to do this is to engage with the [Farm Wildlife](#) partnership to access the range of advice that they provide.

Following a WEL meeting with Farming Connect last year, The Chartered Institute of Ecology and Environmental Management (CIEEM) has tried to support them to increase the number of ecologists that they can access to provide advice. Farming Connect invited CIEEM members to apply to be on their framework of practising ecologists, particularly if they had specialisms in habitat and species restoration relevant to a farmed landscape. Whilst this approach was welcome, the Sell2Wales headline descriptor was “Farming Connect Framework: Expertise, Software Development, Analysis, Marketing/ Communication, Events and Admin Support”. This does not immediately stand out as relevant to ecologists and may have generated only modest interest from key professional environmental sectors.

CIEEM also received feedback that the application was not easy to complete; questions were obscure and did not appear to have direct relevance to the work of ecological consultants. CIEEM would be happy to work with Farming Connect on more suitable wording in any future frameworks.

Farming Connect needs to bring proposals for development and/or delivery support from third-party trainers and bodies to fill identified skills gaps. They should also produce training and advice standards for the SFS and expand the list of third-party trainers and bodies approved to deliver them, including setting out how they will work with third sector organisations that could help them fill gaps in expertise and advice. It is also crucial for the integrity of the service that Farming Connect advice is independent and there is transparency over where advice comes from. Advice must be impartial and based on science and current best sustainable farming practice that will ensure long term benefits for the environment in Wales.

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<sup>1</sup> <https://www.biodiversity.ox.ac.uk/publications/nbsi-wwf-rspb-report-on-nature-based-solutions-in-uk-climate-adaptation-policy/>

### **Supporting Research and Best Practice**

We suggest there is a role for Farming Connect in supporting farmer-led collaborative research, as these opportunities are no longer available through EU-funded programmes in Wales. It's also critical that Farming Connect advice keeps up with the latest research, best practice, and scientific evidence. Many other European countries are now researching how agriculture can transition to take up agroecological farming systems to address the climate emergency, biodiversity loss and improve public health. This approach is currently neglected by mainstream UK research organisations. This contrasts with the significant resources put into the research and development of technological approaches to improving productivity under a model of sustainable intensification.

Wales Environment Link (WEL) is a network of environmental, countryside and heritage Non-Governmental Organisations in Wales. WEL is a respected intermediary body connecting the government and the environmental NGO sector. Our vision is a thriving Welsh environment for future generations.

This paper represents the consensus view of a group of WEL members working in this specialist area. Members may also produce information individually in order to raise more detailed issues that are important to their particular organisation.



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# Agenda Item 5

**Senedd Cymru**

**Pwyllgor yr Economi, Masnach a Materion Gwledig**

**Ymchwiliad i Fanc Datblygu Cymru**

**DBW03**

**Ymateb gan: Ffederasiwn y Busnesau Bach – Cymru**

-

**Welsh Parliament**

**Economy, Trade, and Rural Affairs Committee**

**Development Bank of Wales inquiry**

**DBW03**

**Evidence from: Federation of Small Businesses – Wales**



# Development Bank of Wales Inquiry

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## Economy, Trade, and Rural Affairs Committee

### FSB Wales

January 2023

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### About FSB

FSB Wales is the authoritative voice of businesses in Wales. It campaigns for a better social, political, and economic environment in which to work and do business. With a strong grassroots structure, a Wales Policy Unit, and dedicated Welsh staff to deal with Welsh institutions, media and politicians, FSB Wales makes its members' voices heard at the heart of the decision-making process.

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### The overall performance of the Development Bank of Wales since it was established in 2017, including areas of success as well as any areas of under-performance?

The majority of enterprises in Wales are small and medium-sized, constituting 99.3% of all active businesses. Specifically, micro-enterprises, those with fewer than 10 employees, make up 94.7% of total enterprises. In terms of employment and turnover, SMEs contribute significantly, accounting for 62.9% and 42.5%, respectively, in Wales<sup>1</sup>. Consequently, supporting and financing small businesses is integral to the overall health of the Welsh economy and the Development Bank of Wales plays a pivotal role in shaping this funding and finance landscape in Wales.

In a 2022 survey conducted by FSB Wales, respondents were asked about seeking business support from various organisations. Results showed that 11% accessed support from the Development Bank, while 22% sought assistance from Business Wales, and 3% from the British Business Bank<sup>2</sup>.

The primary reasons cited for seeking support from the Development Bank were 'to grow their businesses' and 'to recover from the impact of

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<sup>1</sup><https://www.gov.wales/sites/default/files/statistics-and-research/2023-06/size-analysis-businesses-2022-655.pdf>

<sup>2</sup><https://www.fsb.org.uk/resource-report/building-business.html>

Covid-19'. Notably, over half (53%) of respondents who accessed support from the Development Bank emphasized that it played a crucial role in helping them survive, underscoring the institution's significance not only in fostering innovation and growth but also in providing vital crisis funding.

With Wales no longer receiving EU funds and facing uncertainties regarding the Shared Prosperity Fund and the Levelling Up Fund, the accessibility, reliability, and appropriateness of funding from the Development Bank of Wales become increasingly crucial for the Wales' economic stability.

The Development Bank does well in terms of recognition. In FSB Wales research from 2022, 65% of respondents were familiar with the Development Bank of Wales. Additionally, 60% of those who hadn't utilised its services were still aware of its existence. This shows growing awareness - an FSB Wales 2018 survey, where only 41% of respondents were aware of it, though it's important to note that this survey was conducted shortly after the bank's establishment.

Among those who had accessed support, 52% expressed satisfaction. Our data suggests that the Development Bank of Wales (as well as Business Wales) is firmly established and integral to the support system for SMEs in Wales. Those who have interacted with these institutions generally hold a positive view of them. Our data indicates that the Development Bank of Wales (and Business Wales) are well established and part of the furniture for SMEs in Wales and are generally viewed favourably by those who use them. Given the difficulty in Wales to provide publicity for Welsh institutions, this is an important part of the business support capacity for networks and engagement, as well as nudges and incentives toward economic policy goals.

SME Comments from FSB Wales' Building Business report (2022):

*"I have found there has been great business support in Wales."*

*"The support for start-ups is great."*

*"Without government assistance my business would not have survived. I am looking at expanding into online retail."*

While the Development Bank of Wales enjoys notable recognition, and users, on the whole, express satisfaction, our survey revealed that 36% of those who accessed support were dissatisfied. Numerous respondents expressed reservations regarding the delivery of business support. It is imperative that intervention and support strategies are grounded in thorough market analysis and collaborative efforts with the private sector, addressing instances of market failure.



The Bank's objectives and operational methods should align with a comprehensive strategy that envisions an economic framework centered on sustainable business growth, encompassing funding, regulation, and finance, to institutionalize a 'think small first' mindset within government policy. Our 'missing middle' strategy serves as a compelling illustration of this concept. In consideration of how its policies impact businesses and economic growth, Welsh Government should consider instituting SME Regulatory Impact Assessments as takes place in each of the other nations in the UK, and utilise expertise from institutions such as the Development Bank of Wales as appropriate in assessing policy impact on SMEs. Perhaps looking towards the work of the 'New Deal for Business Group' instituted by Scottish Government as an example of a new partnership approach on the economy.<sup>3</sup>

FSB considers therefore that there is a need to put the Development Bank on a legislative footing which would embed the Bank into longer-term thinking on the growth of the Welsh economy and clarify the role of the Bank within that conversation. In general, any conversation about institutions such as DBW needs to be part of a wider assessment of the future of the business support landscape in Wales and how that can be shaped to support business growth. Whatever the future shape of funding, it is vital that the core business support infrastructure, including Business Wales and Development Bank of Wales, is protected and developed and placed on a statutory footing with core multiyear funding set out, and viewed as a key competitive advantage to Wales's economic and business development.

The breakdown on data by gender is interesting. A slightly higher percentage of women have accessed Business Wales than men (79% to 75%) but there is a significantly lower percentage of women (51%) who are aware of Development Bank of Wales as compared to men (70%). This finding fits with wider evidence that women have less knowledge of and access to finance than male business owners. It is also reflected by the fact that in our survey a lower proportion of women (26%) say they are like to access finance than men (37%).

Welsh Government should commit to a substantial external consultation with partners as to the future design of business support in Wales engaging the voice of recipients of business support and those businesses which have no previously sought support to understand need and barriers.

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<sup>3</sup> <https://www.gov.scot/publications/new-deal-business-group-progress-report-recommendations/documents/>

Furthermore, all Welsh Government-supported enterprise development programmes undertaken by the Development Bank of Wales should be equality impact assessed, to review the impact on protected characteristics at the budgeting, design, implementation, monitoring and evaluation stages.

The Development Bank of Wales should assess the availability of finance for women entrepreneurs and ensure there are no unnecessary restrictions to the awarding of finance. This should include access to its own funding and financing mechanisms, but also assessment of the gender gaps in the wider funding environment (including the big banks).

SME Comments from FSB Wales' Building Business report (2022):

*"On the whole I think business support in Wales is good, however I think that recently support services have been overwhelmed and more funding is required to ensure a complete service. It seems follow ups and additional support are suffering. There also needs to be much more support and funding available to small sustainable companies selling or manufacturing green and eco friendly products if we intend to make a difference. It is these companies that need to be rewarded which in turn will encourage others to follow suit."*

*"Large, meaningful grants for businesses that could make environmental improvements would be very welcome."*

*"In my opinion there is too much talk and not enough action from WG and Westminster level on the Green Economy and increasing investment in sustainability...this is not filtering down so SMEs are still not able to afford to become more sustainable as the costs are prohibitive. We need real change and real funding and support brought in for SMEs who want to expand sustainably and environmentally, so it costs them less to adapt to take a more environmental approach."*

*"It's (business support) fragmented between local authorities, Business Wales, DBW, and Welsh/UK Governments."*

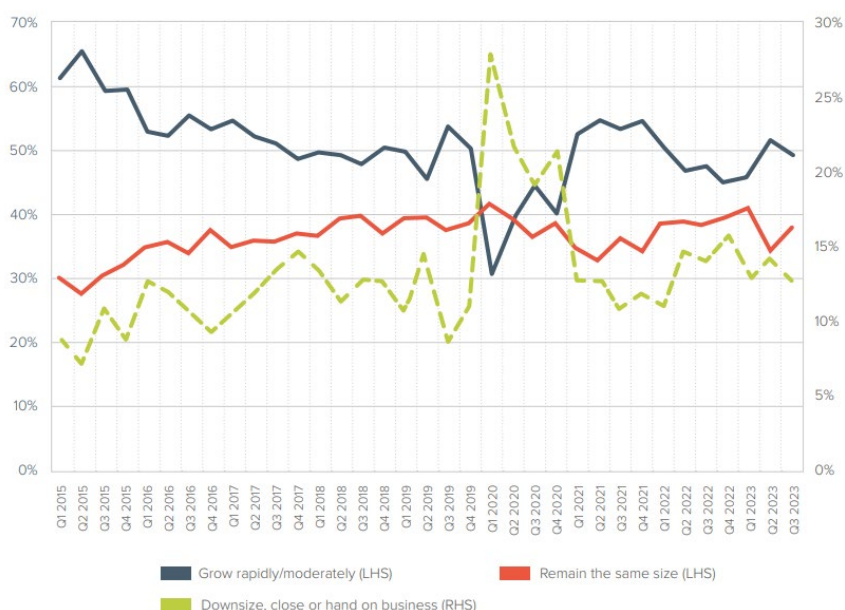
*"There is much talk of the foundational economy and supporting small business in Wales to grow, to innovate and to improve. The talk does not seem to translate into effective or useful action from the perspective of a small business. Support is poorly targeted, there is little evidence of value of money in the way funds are allocated. The metrics used to measure the success of individual projects are often deeply flawed."*

*"It's very difficult to access – we feel we only find out what's available by chance not by design"*

## The extent to which the Development Bank of Wales has met the specific objectives as set out in 'The Development Bank of Wales - A Strategic Asset for a more Prosperous Wales'<sup>4</sup> and in the 'Term of Government Remit Letter' for the Development Bank<sup>5</sup>?

From FSB Wales' research and interaction with our members, regarding the first specific objective of '**Economic Recovery and Future Growth**', shows that a lot of our members currently and over the past few years

**Figure 12:** Growth aspirations for next twelve months  
Source: FSB - Verve 'Voice of Small Business' Panel Survey



and in a state of 'firefighting'. The Development Bank of Wales needs to ensure that it's more short-term, crisis, and small pot funding is still available to give businesses the headroom they need to plan for growth. This will further help recovery and create an economic landscape where SMEs can grow. Smaller firms are more likely to be focused on the short-term goals, on business survival and 'getting the job done'.

This is not to say that having larger pots, innovation-targeted, or start-up funding is not crucial also. We have also found from our research on the 'Missing Middle' that support and funding for scale up is imperfect. In a Welsh economy where 99.3% of businesses are small businesses, and provide 63% of private sector employment, the part of the economy that has the most potential to grow is the small business economy and further encouragement of this is imperative.

<sup>4</sup><https://developmentbank.wales/sites/default/files/2017-10/DBW%20Strategic%20Outline%20Brochure%20digital.pdf>

<sup>5</sup><https://senedd.wales/media/qn0doyki/dp-1985-21-26.pdf>

Regarding the second objective of **'Net Zero'**, as will be discussed later in member experiences we have not heard much on the Development Bank of Wales' Green Loans. We welcomed the Green Loans provided by the Development Bank as these provide assistance and incentives to smaller businesses to decarbonise and become more efficient in areas where they otherwise may have struggled. Perhaps there is more room to provide support for Carbon Auditing? We would be keen to see ongoing data on the demographics of take up of these loans. We also have concerns about duplication of work within the Shared Prosperity Fund and Local Authorities, and even perhaps Welsh Government's new 'Future Proofing' Fund as announced in the recent draft budget. The Development Bank of Wales has gained good name recognition and has become an accessible and efficient way for small businesses to access funding options – to lose this or have it dispersed would have a negative effect on smaller businesses, who are time and resource poor, and the wider Welsh economy.

On the fourth specific objective of **'Value, Efficiency, and Customer Service'**, it is our understanding that generally the Development Bank of Wales is perceived well and is a valued institution in the financial landscape for SMEs, as outlined earlier in the document.

Finally, having worked alongside the Development Bank of Wales on our Small Business Breakfast Briefings, FSB Wales believe that the sixth specific objective regarding **'Intelligence and Research'** is being met well. We appreciate the collaborative intelligence work which only improves the depth and scope of both organisation's research and better informs decision makers.

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## Summary

The Development Bank is an effective, well known and useful tool in the armoury of Welsh Government, and one that has been quickly accepted as a good part of the business environment by smaller businesses. Its remit to ensure better access for SMEs is a vital part to steer the Welsh economy toward SME-led growth, and to develop its 'missing middle' agenda, as well as provide the access to finance needed for building SMEs' capacity and capabilities to deal with the challenges of a difficult economic environment and transition to net-zero.

It is a tool that does well in serving the wider economic strategy and mission. As such, many of its limitations, and the criticisms from members that we encounter are often due to its needing to work within the economic strategy and economic mission developed centrally by Welsh Government, which now needs to be developed toward SME led growth

and with the ongoing economic squeeze, now needs to provide more on the detail and delivery towards long term aspirations, including how finance and funding can gear us toward growing our SME economy and supporting our communities' resilience and future prospects accordingly.

The Development Bank for Wales is a key part of the architecture and a competitive advantage for Wales and is a tool that can be part of delivering on and effective SME-led economic growth strategy for any future Welsh Government. The Development Bank for Wales is a key part of the architecture and a competitive advantage for Wales and is a tool that can be part of delivering on and effective SME-led economic growth strategy for any future Welsh Government. As such, FSB Wales would support its role being protected for the long-term and any future prospective First Minister to take steps toward that statutory underpinning.

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