

Agenda – Climate Change, Environment and Rural Affairs Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 18 September 2019

Meeting time: 09.15

For further information contact:

Marc Wyn Jones

Committee Clerk

0300 200 6363

SeneddCCERA@assembly.wales

1 Pre-meeting – PRIVATE

(09.15–09.30)

PUBLIC (09.30)

2 Introductions, apologies, substitutions and declarations of interest

3 Wild Animals and Circuses (Wales) Bill – evidence session 1

(09.30–11.00)

(Pages 1 – 25)

Prof Ron Beadle, Professor of Organisation and Business Ethics –
Northumbria University

Dr Rebekah Humphreys, Lecturer in Philosophy – University of Wales Trinity
St David

Michael Radford, Reader in Animal Welfare Law and Public Law – University of
Aberdeen

Attached Documents:

Research brief



4 Paper(s) to note

(11.00–11.10)

4.1 Welsh Government response to the Committee's Report on Rethinking Food in Wales: Food Branding and Processing

(Pages 26 – 40)

Attached Documents:

Letter and response

4.2 Welsh Government response to the Committee's Report on policies and proposals relating to plastic pollution and packaging waste

(Pages 41 – 48)

Attached Documents:

Letter and response

4.3 Welsh Government response to the Committee's Reports on the Legislative Consent Memorandum and Supplementary Legislative Consent Memorandum UK Agriculture Bill

(Pages 49 – 61)

Attached Documents:

Letter and Response

4.4 Correspondence from the Minister for Environment, Energy and Rural Affairs to the Llywydd – Wild Animals and Circuses (Wales) Bill

(Pages 62 – 64)

Attached Documents:

Letter from the Minister for Environment, Energy and Rural Affairs

4.5 Correspondence from the Minister for Environment, Energy and Rural Affairs to the Chair – environmental principles and governance

(Pages 65 – 67)

Attached Documents:

Letter from the Minister for Environment, Energy and Rural Affairs

4.6 Correspondence between the Chair and the Minister for Energy, Environment and Rural Affairs; the Minister for Economy and Transport, and the Minister for Housing and Local Government – Common UK Policy Frameworks

(Pages 68 – 80)

Attached Documents:

Letter to the Minister for Environment, Energy and Rural Affairs

Letter from the Minister for Environment, Energy and Rural Affairs

Letter to the Minister for Housing and Local Government

Letter from the Minister for Housing and Local Government

Letter to the Minister for Economy and Transport

5 Motion under Standing Order 17.42 (vi) to resolve to exclude the public from items 6,7,8,9 and 10 of today's meeting

PRIVATE (11.10–12.00)

6 Consideration of evidence received under item 2

7 Consideration of the Committee's draft Report on Environmental Principles and Governance post-Brexit

(Pages 81 – 122)

Attached Documents:

DRAFT Report

8 Consideration of Forward Work Programme

(Pages 123 – 128)

Attached Documents:

Paper

9 Planning for pre-appointment hearing – new Chair, Natural Resources Wales

(Pages 129 – 134)

Attached Documents:

Paper

10 Consideration of the Committee's draft Report on Public Goods scheme: restoring biodiversity

(Pages 135 – 152)

Attached Documents:

DRAFT Report

Document is Restricted



Llywodraeth Cymru
Welsh Government

Mike Hedges AM
Chair of Climate Change, Rural Affairs and Environment Committee,
National Assembly for Wales,
Cardiff
CF99 1NA

17 July 2019

Dear Mike,

Rethinking Food in Wales: Food Branding and Processing – Response to recommendations made by the Climate Change, Rural Affairs and Environment Committee

I would like to thank you and the Committee for the detailed report published on 18 June regarding Rethinking Food in Wales: Food Branding and Processing. I acknowledge the recommendations and conclusions made within the report and enclose a detailed response to these.

I will be happy to discuss the responses to your report further if necessary.

Regards,

Lesley Griffiths AC/AM
Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

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.

Written Response by the Welsh Government to the report of the Climate Change, Environment & Rural Affairs Committee entitled Rethinking Food in Wales: Food Branding and Processing

Background to Current Position

The Welsh Government currently supports the food industry in Wales through the actions described in the current action plan 'Towards Sustainable Growth - An Action Plan for the Food & Drink Industry 2014-2020'. The Plan supports the delivery for the long term Strategy, 'Food for Wales, Food from Wales 2010-2020'. The Plan and Strategy expire on 31 December 2019.

The Welsh Government's 'Prosperity for All: Economic Action Plan', published in December 2017, identifies the Food & Drink industry as a foundation sector for support. 'Prosperity for All' includes a commitment to build on existing work to strengthen the sector and to develop 'cross-government enabling plans to maximise impact.

Prior to the receipt of this report I had agreed that the Welsh Government would launch the consultation for the successor to the current strategy and action plan at the Royal Welsh Show on 23 July 2019. Consultation responses will help set the future direction into the next decade and determine what support is needed to build on success to date as the United Kingdom continues to negotiate its future relationship with the European Union. As such, I welcome the timing of this report which provides further evidence for consideration in the preparation of the successor documents.

Detailed Responses to the report's recommendations are set out below:

Recommendation 1

The Welsh Government must report back to this Committee on each of this report's conclusions no later than 12 weeks after its publication. Where the Welsh Government disagrees with one of the Committee's conclusions, it should specify its reasons for doing so.

Response: Accept. A full response to each conclusion is provided below.

Financial Implications: None: There have been no additional costs incurred in the preparation of the responses to the Committee's conclusions.

Conclusion 1

The Committee welcomes the Welsh Government's intention to introduce a new food and drink strategy. We reiterate that the new strategy should:

- reflect a whole system approach which makes connections between different policy areas, such as health, wellbeing and sustainability, alongside economic growth,
- be underpinned by the objectives and goals of the Well-being of Future Generations (Wales) Act 2015, and
- be accompanied by an action plan, including measures and targets.

Extensive engagement has been underway since June 2018 to contribute to the development of the successor to the current Strategy and Action Plan. The consultation I launched in collaboration with the Food and Drink Wales Industry Board on 23 July at the Royal Welsh Show provides the opportunity to consider a full range of stakeholder inputs and wider policy connections which will then form the robust evidence base for the successor Strategic Plan.

Consideration of the Well-being of Future Generations (Wales) Act 2015 has underpinned the design of the proposals outlined in the consultation paper to ensure that they benefit both the economy of Wales and its people. The consultation paper proposes a series of targets and measures that provides a clear vision of what success looks like.

Conclusion 2

The Committee called for a new overarching post-Brexit food strategy a year ago. While progress has been made by the Welsh Government in developing a strategy, the continuing uncertainty around Brexit has delayed its introduction. The timing of the new strategy remains unclear. The Welsh Government should clarify the timescale for the new food and drink strategy and action plan.

The Welsh Government and the Food and Drink Wales Industry Board published a consultation on the 23 July. This proposes a new and ambitious strategic plan to provide a clear direction for the industry beyond 2020. The consultation will close on the 15 October.

We will use the results of this consultation to publish the new strategic plan by early 2020.

Conclusion 3

Following Brexit, the UK will be entering a separate set of negotiations over its future trading relationship with the EU and the rest of the world. The Welsh Government should have an equal voice at the negotiating table. It is imperative that the Welsh Government has a clear, strategic vision for the Welsh food sector underpinned by a commitment to maintaining, if not improving, our high environmental, food hygiene and animal welfare standards. This strategic vision should be reflected in UK's negotiating position.

The Welsh Government has a clear, strategic vision for the Welsh food and drink sector as set out in our current action plan and also within the proposals outlined in the consultation for the successor strategic plan.

The UK Government Environment, Food and Rural Affairs Committee takes account of the very strong national promotional events and plans around food and drink in Wales in its *Brand Britain: Promoting and Marketing British food and drink* report published on 27 June. We will continue to be robust about our strategic vision to maintain our high food production standards in our ongoing negotiations alongside UK Government.

Conclusion 4

The new food and drink strategy must be flexible enough to respond to pressures and opportunities arising from Brexit, including those associated with changes in the trading environment

Despite continued uncertainty around Brexit, we continue to recognise the long term challenges within the food and drink industry that need to be faced and addressed. Raising productivity, upskilling, growing our scale, sustainable business practice, stimulating resilience throughout the supply chain, adding value to our produce, promoting strong routes to world markets, and raising our profile are issues irrespective of Brexit.

The successor plan will include a coherent and integrated set of goals and actions which will evidence our commitment to living our values and creating well-being for the whole of Wales.

Conclusion 5

The growth of the food and drink industry in Wales has been supported, at least in part, by EU funding. This funding will no longer be available once the UK leaves the EU. The Welsh Government must ensure that a sufficient level of funding is available for the delivery of the new strategy and action plan. The Welsh Government should provide details of any assessment undertaken of the impact of Brexit on funding for the food and drink industry. It should also provide details of any discussions it has had with the UK Government on how any funding short-fall will be addressed, including the outcome of those discussions.

Brexit means change to how support for Wales' food and drink sector may be funded and how much money is available. Historically, the Rural Development Programme for Wales funded by the EU's Common Agricultural Policy has been our main mechanism to support our food businesses, whether through direct investment grants or support-in-kind services, providing knowledge transfer and advice or supporting events.

The Welsh Government continues to engage with the UK Government on funding arrangements for all programmes after the UK has left the European

Union. In doing so, the Welsh Government is clear that leaving the EU should not mean any reduction in the funding available to Wales.

However, the future financial settlement for Wales remains uncertain, and the UK Government's approach to austerity means the Welsh Government's budget must meet many growing demands with tighter resources. Against this complex backdrop we must recognise the current support and funding landscape may change and that this could affect future funding priorities, including the food and drink industry.

Conclusion 6

The Committee welcomes the priority afforded to the food and drink industry in the Welsh Government's Economic Action Plan. We heard from stakeholders that the new Foundation Sector status of food provides a significant opportunity to strengthen the industry. However, it is unclear what this new status will mean for the industry in practice. The Welsh Government should clarify this. It should also explain how the new strategy aligns with the Economic Action Plan, and how the forthcoming cross-government enabling plan for the Foundation Sectors will support the delivery of the new strategy.

The development of the new Strategic Plan provides an opportunity to consider how we develop the sector in ways which are sustainable both environmentally and economically, enhance Wales' well-being, and create strong networks which help make our food system more resilient. The food and drink sector remains central to Welsh Government planning for furthering developments in public health, waste and carbon reduction, sustainable use of resources, embedding fair work and employment across our communities, the economy and raising the international profile of Wales the country.

The proposals for the Strategic Plan have been developed to align with the principles of [Prosperity for All: Economic Action Plan](#) whereby the production of food and the production of public goods are recognised as mutually reinforcing, not mutually exclusive, and continue to contribute to our nation's well-being.

Conclusion 7

The "Welsh identity" has an important role in the promotion and marketing of Welsh food and drink products on a domestic and international level. It can be used to sell the story of Wales, and enables producers to differentiate their products from those of their competitors. The Welsh identity must, therefore, form a central plank in the Welsh Government's approach to promoting Wales as a food nation.

The development of Welsh identity is important, in conjunction with high standards, recognised accreditation and traceability. These factors, along with great taste and an attractive back story, will sell Welsh food both domestically and internationally.

Welsh Government support for Welsh brands will be underpinned through the supply chain by the promotion of certain Sustainable Brand Values, in line with the Wales Nation brand – Cymru / Wales which Visit Wales has developed successfully over recent years. The Sustainable Brand Values programme is being developed in collaboration with the food & drink industry and will deliver a robust product traceability and provenance system built on firm economic, environmental and societal foundations. Whilst the focus is on the food and drink sector, the standards and actions will be readily and broadly applicable to other sectors such as agriculture.

Conclusion 8

The Welsh Government must develop a clearer “Welsh identity” based on strong values that resonate across multiple markets. It must reflect the variety of produce coming out of Wales, including seafood. It must be based on a sound understanding of the needs of customers within existing and new markets, and be developed in collaboration with representatives across all sectors of the food and drink industry.

The Welsh Government agrees that a clear Welsh identity based on strong values is important to market Welsh produce both domestically and internationally. Welsh Government is working closely with businesses to research, understand and develop routes to these markets with events such as Blas Cymru providing a showcase for our products and businesses.

The development of the Sustainable Brand Values programme referred to in Conclusion 7 is significantly influenced by market research and will underpin this work.

Conclusion 9

There is significant untapped potential in some international export markets, as evidenced in the Agriculture and Horticulture Development Board’s [\(AHDB\) report, *International Consumer Buying Behaviour*](#). The Welsh Government must work with the industry, and, where appropriate, with relevant UK Government Departments, to take full advantage of this potential after Brexit.

We are working in partnership with the Food and Drink Wales Industry Wales Board (FDWIB) to drive ambitious growth in the industry, as set out in Towards Sustainable Growth, including increasing Welsh food and drink exports.

A comprehensive programme of support is in place to develop Welsh food and drink exports, including a dedicated Export Club to build capacity and capability on exporting in the sector. In addition, bespoke one-to-one support for developing export strategies, market selection and identifying in-market opportunities from our network of in-market representatives in an extensive range of global markets is provided. We also support companies to visit and exhibit in key UK and international trade events, to increase both exports and inward investment.

Our support is making a real difference as the value of food & drink exports in Wales has increased by 32% since 2014.

In March 2019 we welcomed, for the second time, the global food and drinks industry to Wales, including export buyers from across Europe, North America and the Middle East for our signature BlasCymru/TasteWales event, raising the profile of our sector internationally. The first event in March 2017 has generated £17m in new sales to date. All our work to develop Welsh exports is supported by the Welsh Government overseas office network, which has expanded in recent years to include markets such as Germany, France, Canada and Qatar.

We continue to work closely with the Department for International Trade (DIT), Foreign and Commonwealth Office (FCO) and Defra officials in activities to secure increased market access for the Welsh food and drinks sector. The recent visit of the Vice Premier of China, who visited two Welsh farms and ZERO2FIVE Food Industry Centre at Cardiff Metropolitan University, is an example of such activity.

We are also working closely with other organisations, including Hybu Cig Cymru (HCC) to deliver a three year Enhanced Export Development Programme, to support the Welsh red meat industry to maintain key markets in Europe, as well as developing market access further afield. This includes working closely with the UK Export Certification Partnership (UKECP) to secure access to new export markets.

Since the start of the programme announcements have been made on the successful removal of restrictions on exporting UK beef and lamb to Japan and lamb to India and Saudi Arabia. Work is underway to ensure the Welsh red meat industry takes full advantage of the increased profile the Rugby World Cup will provide this autumn. More recently, export restrictions for British beef to China have also been lifted, paving the way for Welsh beef exports to begin at the end of this year. This is estimated to be worth £25m a year to the Welsh red meat industry and is a further step forward in increasing exports of our quality products from Wales.

Conclusion 10

The Welsh Government should explore ways of encouraging the people of Wales to purchase local produce. There are examples internationally of interventions that would indirectly result in an increase in consumption of local produce. For example, in Italy, frozen food that it served in restaurants must be explicitly displayed as such on menus.

The UK market has particular characteristics and we will continue to work within that context. A report published in 2017 on the [‘Value of Welshness’](#) determined that consumers perceive a value added from food being specifically identified as made or produced in Wales. Shoppers across Great Britain associate Wales with natural food and drink. With health and freshness being macro trends in food and drink, the positive association between Welsh and naturalness is a valuable attribute of Welsh produce.

The stocking of Welsh products in supermarkets has delivered substantial incremental growth and the new Strategic Plan will also continue to develop our food industry in conjunction with the tourist industry to ensure that local produce forms a key part of restaurant menus.

A grant scheme in support of food festivals and farmers markets provided financial support to 26 events in 2018/19.

Conclusion 11

The UK identity can be a means of gaining access to global markets. It could be used where appropriate and where there are clear advantages for Welsh producers.

It is recognised that there are significant advantages for Welsh producers through the promotion of the Welsh brand alongside the UK identity in certain markets. The Welsh Government collaborates with the UK Government Department for International Trade on major Food and Drink Events overseas, including ANUGA (biennially in Cologne) SIAL (biennially in Paris) and Gulfood (annually in Dubai).

A close relationship is also maintained between Wales and UK Government Departments for the organisation of Trade Development Visits, in-market representation and to ensure that full use is made of UK residences and the Consul General or Ambassador is invited to meet Welsh delegates.

Additionally, Welsh companies are supported through the Overseas Business Development Visit fund to attend trade missions organised by the Welsh Government, Department for International Trade or to visit a market which is not currently being targeted by the Welsh Government.

Conclusion 12

The Welsh Government's new food and drink strategy must make clear links with its strategy for tourism in Wales. The Welsh Government must identify opportunities to ensure that quality Welsh produce, in particular GIs, can be used to promote Wales as a food destination.

Welsh Government under the current action plan has successfully grown the basket of [protected food and drink products](#) under the EU's Geographic Indicator schemes. We will continue to promote the scheme in Wales and encourage and support businesses to put forward new applications. There are strong opportunities through tourism and we seek to build on the current [Food Tourism Action Plan](#) to improve the food and drink offer to visitors at key destinations and events and impart a sense of Wales as a food nation.

Many consumers see protected food and drink products as a mark of quality, a product that is authentic, attractive and iconic and we see opportunities to develop more in the successor food and drink strategy.

Conclusion 13

The Welsh Government should commission and publish an independent analysis of the effectiveness of its Food and Tourism Action Plan. This work should be completed within the next 12 months and should be used to inform any successor plan.

The success of the Food and Tourism Action Plan and consideration for a successor Food Tourism Action Plan will be progressed following the launch of the new Food and Drink Action Plan and the Tourism Action Plan later this year. Extensive stakeholder engagement will be undertaken with public, private and voluntary sectors within the industry, in order to identify and consider all requirements for the development of a new strategy.

A full consultation and impact assessment will be undertaken on any proposals, in line with Welsh Government policy.

Conclusion 14

There are many benefits arising from GIs, including their economic value and as a marketing tool. Given this, the future of UK GIs following Brexit is, understandably, a concern for producers and industry representatives. While the proposals for the new UK GI schemes have gone some way in addressing this concern, the status these schemes will have on the international stage is still in doubt. Whether the new schemes will be as attractive for both producers and consumers as the existing EU scheme is yet to be seen.

We fully recognise the economic value of PFN/GI for Welsh producers and we are committed to ensuring products with an existing status can continue to be protected after we leave Europe. Welsh Government will be working with producers to help them transition into the new UKGI scheme as soon as the UK Government has a clear direction on how we will be leaving Europe, with or without a deal.

Conclusion 15

The Welsh Government must ensure that the interests of food producers in Wales are represented in discussions with the UK Government as the new UK GI schemes are developed. We expect the Welsh Government to play a meaningful role not only in the administration of the new schemes, but in their development. This includes the design of the new UK GI logo.

Welsh Government are proactively engaged with the UK Government on the issue of EUPFN/GIs and is fully involved in working groups which are feeding into the development of the new UKGI. Welsh Government is a full member of the UKGI logo working group, we have also ensured that UK Government

have sought feedback directly from businesses with current PFN status and Anglesey Sea Salt is a nominated Welsh representative on a UK wide producer group working with the UK Government appointed design agency developing the new UKGI logo. The Welsh Government has been assertive in detailing certain requirements of the new UKGI logo and will be working closely with UK Government to ensure any logo is acceptable for Wales.

Conclusion 16

Establishing brand recognition under the new UK GI schemes will be challenging. It will take time and require investment. An effective communications strategy for the launch of the new UK GI schemes will be essential to promote awareness among producers and consumers on a domestic and international level. The Welsh Government must explain what role it will play in the development and delivery of this strategy.

The new arrangements for the UKGI involve a cross UK government working group or panel and these matters will be considered once the group is in operation.

The Welsh Government is the only devolved administration that has a bespoke programme of support for PFN producers. This covers promotional activities, PR and also technical assistance. No other devolved administration currently offers this level of support. We will be developing this and have made a commitment to fund the programme in the current financial year.

The Welsh Government is also engaging with the other devolved administrations about how we can collaborate further to raise the awareness to the consumer of the new UKGI logos once they are decided.

Conclusion 17

There is a lack of clarity about whether UK GI products will continue to be protected in the EU post-Brexit. The Committee is concerned about the impact on producers, and on the industry more broadly, if protection is not maintained. The Welsh Government should:

- provide details of any work undertaken to assess the impact on producers if protection within the EU is not maintained, and the steps it is taking to mitigate this, and
- make representations to the UK Government with a view to ensuring that UK GI products continue to be protected in the EU post-Brexit.

Countries outside of the EU (third countries) can access the EUPFN scheme for example Columbian Coffee is protected in the EU market as a GI. There is no reason why Welsh PFN products could not seek protection as a third country after we leave if a deal is not reached. The main issue will be other trade related issues such as tariffs and other non-tariff barriers which could make the export of Welsh protected products challenging. Stakeholder

engagement and regular dialogue with the UK Government at an official and Ministerial level is ongoing. Trade Marks also provide similar protection in the market from fraud and imitation and we are aware that our main exporting products have also sought trade mark status in significant export markets to reinforce the protection available to them in the market.

Conclusion 18

The Welsh Government has been instrumental in increasing the number of GIs in Wales in recent years. It should continue to build on this success. In light of the establishment of the new UK GI schemes, the Welsh Government should set out its position on, and approach to, increasing the number of GIs in Wales post-Brexit. In doing so, it should clarify what support will be made available to producers who wish to register with the new UK schemes and with the EU scheme.

Welsh Government has grown the GI family of products significantly in recent years and will continue to support our producers as we fully appreciate the intrinsic value that Welsh GIs have to the Welsh economy, culture, heritage and wider global recognition for Wales.

Conclusion 19

The UK Government will be seeking to negotiate trade arrangements with the US after Brexit. Given the US's historic antipathy towards GIs, the Welsh Government should seek a commitment from the UK Government that the protection of GIs will be a priority in any such negotiations.

Trade negotiation is a reserved competence of UK Government. The Welsh Government will be fully expressing the point about protection for our products both in the US market and also from fraud and misuse by US companies in our market. The Welsh Government preference is to ensure GIs are recognised and will be challenging the UK Government to ensure this is considered. Support for businesses to seek trade mark or other IP protections in the market may be considered where necessary.

Conclusion 20

The Welsh Government must do more to strengthen and develop infrastructure in the food system. The Welsh Government should undertake a mapping exercise to assess current processing capacity in Wales with a view to identifying gaps. The outcome of this work should inform the strategic development of processing facilities across Wales, with a focus on value-added activities. Support should be prioritised to address gaps in capacity.

The Welsh Government regularly undertakes research to help inform the strategic development of processing facilities within Wales.

In the recent past we have completed research into poultry and egg production which has increased confidence of further opportunities and market growth for these products.

We also undertook a feasibility study to investigate the options and challenges associated with developing the dairy processing sector in Wales. Additional studies have recently looked at options for import substitution and highlighted real opportunities for Wales to add value in certain areas, such as chip processing and Welsh poultry.

We provide grant assistance to food manufacturing businesses to invest in plant and processing facilities.

Further studies and work through our Cluster initiative is also helping producers collaborate to add value to Welsh primary produce, such as with vineyards in Wales to establish a Welsh based winery.

Conclusion 21

The Welsh Government should establish an industry-led group to consider possible policy interventions with a view to increasing processing capacity in Wales, with a focus on value-added activities. This group should assess, in particular, opportunities and risks arising from Brexit, including the potential to increase processing capacity in the fishing and aquaculture industries.

The Food and Drink Wales Industry Board, assembled in 2014/15 following a main recommendation in the Food and Drink Action Plan, has a majority membership of food industry representatives.

Many of the actions are in support of business growth and trade development towards a £7bn turnover target, partly enabled by increasing processing capacity. The Food Business Investment Scheme provides grant support to enable this and the Board is actively involved in the development and monitoring of the scheme. The Board also provides leadership and support for continued growth of business networks and clusters and are developing investor ready opportunities for food and drink businesses to increase processing. They will be hosting a conference before we leave the European Union to promote this area further.

Conclusion 22

The Welsh Government should review the appropriateness of current support available to new and existing food processing businesses. This should include an assessment of the extent that current support addresses the specific challenges faced by businesses in rural areas seeking to expand.

Work is ongoing to rationalise and update current funding programmes when they expire, to provide adaptable and targeted grant support on the merits of how the business case helps Wales' well-being. Future investment will offer flexible financial support, to benefit businesses of all sizes, in all locations, on their growth journey. However, as the future financial settlement for Wales

remains uncertain, we are unable to confirm future levels of support until clarity is received from UK Government. That said, our planning for future food processing business support will be robust enough to be flexible and responsive to changing financial circumstances. The Food Business Investment Scheme has recently been reviewed <https://gov.wales/food-business-investment-scheme-review>

Conclusion 23

The Committee heard that access to labour is a key challenge for the food and drink industry, and the tourism and hospitality industry. These are all heavily reliant on EU migrant workers. Changes to immigration policy post-Brexit will see a much more restrictive system for low skilled EU migrant workers and could lead to a significant shortage of workers within these industries. Certain sectors, for example, the red meat processing sector, may be particularly vulnerable, given the specific difficulties they encounter in attracting UK workers.

The Welsh Government is working closely with UK Government on the issues that will affect Wales and the UK as a whole when we leave the EU, including the availability of low-skilled migrant workers. We will continue to do so to ensure that businesses in Wales are not disadvantaged in any way.

The Home Office has recently included veterinarians to the Shortage Occupation List which will support the red meat processing sector in Wales.

Welsh Government Food Division provided a Skills Zone at RWAS this year to raise awareness of food industry careers and to attract young people and those considering a career change to consider food manufacturing.

Conclusion 24

The Welsh Government should set out its position on the UK Government's proposed new single immigration system. In particular, the proposed minimum salary threshold of £30,000 for medium and high skilled workers. In doing so, the Welsh Government should explain the impact it expects these proposals to have on the food and drink industry, and the tourism and hospitality industry in Wales.

A 12 month engagement programme has been set up involving senior officials from the Welsh Government, Scotland, Northern Ireland and the UK Government to consider issues such as the salary threshold.

The Welsh Government is clear about the need for a flexible, managed approach to immigration that will not damage our prosperity and are calling for a salary of £20,000 threshold for Tier 2 visas. We continue to advocate for this with the UK Government and encourage changes at an early opportunity to allow employers to be able to adopt a structured approach to recruitment.

Conclusion 25

The Welsh Government's on-going programme of work to address skills shortages within the workforce in Wales, including its strategy, Transforming Skills in the Welsh Food and Drink Industry, may go some way in improving labour availability in the food and drink industry, and the tourism and hospitality industry, in the longer term. However, it is unclear how the Welsh Government intends to mitigate the impact of restrictions on access to EU migrant workers on these industries in the immediate post-Brexit period and the shorter term. The Welsh Government must clarify this issue as a matter of urgency.

The issue of skills and labour availability in the food & drink industry is a key issue for Welsh Government. We continue to challenge the Home Office on the £30,000 salary threshold for Tier 2 visas and call for a future migration policy based on supporting the economy, allowing us to attract workers into the right areas. Lowering the threshold to £20,000 would reduce the impact on the Welsh economy somewhat as many of the less skilled workers in the food and drink sector earn close to this level. This is supported by evidence we commissioned from the Welsh Centre for Public Policy and has broad support from business.

The Welsh Government is working with The National Skills Academy for Food and Drink, Job Centre Plus and the Department for Work and Pensions on a pilot scheme which brings together local food and drink companies and prospective employees. Successful delivery has commenced through the Employability Skills Programme resulting in increased employability skills and permanent employment for some. The flexibility of the Programme allows us to respond to local and regional labour market developments and Welsh Government are now exploring how the pilot scheme can be delivered to other food and drink companies across Wales.

Lesley Griffiths AM

Minister for Environment, Energy, and Rural Affairs

Lesley Griffiths AC/AM
Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs

Hannah Blythyn AC/AM
Y Dirprwy Weinidog Tai a Llywodraeth Leol
Deputy Minister for Housing and Local Government

MA - P/LG/2876/19

Mike Hedges AM
Chair
Climate Change, Environment and Rural Affairs Committee
National Assembly for Wales

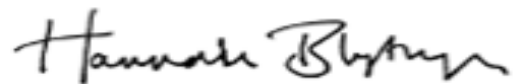
12 August 2019

Dear Mike,

Thank you for the Committee's report following its inquiry into policies and proposals relating to plastic pollution and packaging waste.

The recommendations fall across both our portfolios, please find attached responses to each.

Regards,



Lesley Griffiths AC/AM
Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs

Hannah Blythyn AC/AM
Y Dirprwy Weinidog Tai a
Llywodraeth Leol
Deputy Minister for Housing and
Local Government

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

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.

Recommendation 1. More research is needed to address knowledge gaps in relation to nano and microplastics in Welsh waters. The Welsh Government should explore how such research can be supported, so that its policy interventions are informed by the latest knowledge.

Accept

Marine litter is a global challenge, which needs to be tackled in partnership and at a global scale. The presence of microplastics in water sometimes result from the breakdown of products and waste materials, including litter left on our beaches and on land. We are therefore continuing to take action to reduce the amount of plastic and waste in Welsh waters. In 2017, the Welsh Government established the Clean Seas Partnership to develop and implement the first Marine Litter Action Plan for Wales. The Action Plan has been designed with prevention, collaboration and long-term solutions as its core principles. In relation to knowledge gaps, we commissioned Keep Wales Tidy to deliver a research project aimed at enhancing our marine litter evidence base. This research will support delivery of the Marine Litter Action Plan.

The draft Marine Evidence Strategy for Wales identifies marine litter as one of many evidence priorities for the marine environment. The strategy, once published, will seek to encourage and gather evidence to improve our understanding of the sources and spread of marine litter in Welsh waters to inform future measures and policies. In support of this work, through the delivery of the UK Marine Strategy, the Welsh Government is working with the other UK administrations and OSPAR to develop a new indicator to monitor micro-plastics in marine sediment. This new indicator will improve our understanding of the potential harm micro-plastics may be having on the marine environment and could inform future measures to address the issue.

We recognise that more research is however needed to determine the effect of nano and microplastic pollution in Welsh waters.

Financial Implications – the financial implications of accepting this recommendation can only be determined once the likely components of a proposed new research project are clearer.

Recommendation 2. The Welsh Government should explore how an EPR approach can be applied to the clothing industry, with the specific aim of reducing levels of microfibre release through washing. It should undertake this exploratory work and report back to this Committee within the next 6 months, setting out its initial views on this proposal.

Accept

We will work with the the UK Government and Devolved Administrations to explore the ways in which levels of microfibre release from clothing during the washing process can be reduced. An Extended Producer Responsibility (EPR) approach to textiles may have the potential to stimulate a more circular approach to the clothing industry in terms of reuse and recycling and encourage innovation, such as new solutions to reduce microfibre release. As outlined in the recent response to the consultation on EPR for packaging, such an approach is best delivered at a UK level to provide consistency and clarity for business and consumers.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Recommendation 3. The Welsh Government should explore whether legislation can be introduced to restrict access to certain products that contribute to microplastics pollution through the waste water treatment pathways, such as non-biodegradable wet wipes. It should undertake this exploratory work and report back to this Committee within the next 6 months, setting out its initial views on this proposal.

Accept

We are working with the UK Government and other Devolved Administrations to help fulfil the requirements under the European Union's Single Use Plastic Directive, which includes an Extended Producer Responsibility scheme for certain single use plastic items, including wet-wipes. Other items included for action under the Single Use Plastic Directive are listed under Recommendation 8 below.

We are also supporting the 21st century drainage programme that is being led by Dŵr Cymru - Welsh Water (DCWW) on behalf of the UK water sector. The 21st century drainage programme includes encouraging customers not to flush products which contain plastics such as wet wipes, as these block sewers, and is campaigning to get wet wipes to be clearly labelled as non-flushable to help users understand these are not to be flushed. We also support DCWW's 'stop the block' campaign which informs customers of the costs and pollution caused by flushing wet wipes and other products which contain plastics down the toilet.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Recommendation 4. We were concerned to hear about the issues relating to the use of tyre infill on sport pitches and play areas. The Welsh Government should commission further research in this area and should explore how it can assist local authorities to address the negative impacts of the use of tyre infill.

Accept

In moving to a circular economy, ensuring that products can be used for as long as possible and finding ways to encourage re-use once they have reached the end of their life are vital. We therefore welcome the Committee's consideration of the issues around the pollution caused by tyre use and the end-of life waste management of tyres.

In terms of the use of tyre infill in sports pitches, there is a Quality Protocol on the use of Tyre Derived Rubber Materials. Where tyre-derived rubber materials are to be used in unbound loose applications in close proximity to aquatic receptors (including rivers, streams, lakes, ponds and groundwater), then the guidance stipulated in Appendix D to the Quality Protocol should be adhered to. Should it be the case that tyre infill on sports pitches and play areas are potentially polluting a watercourse, the Environmental Permitting (England and Wales) Regulations 2010 provide that any person who causes or knowingly permits a water discharge activity or groundwater activity can be prosecuted. Water discharge activities include discharging poisonous, noxious or polluting matter or solid waste matter into inland freshwater, coastal waters and relevant territorial waters. Any instances where it is suspected that these regulations have been breached should be reported to Natural Resources Wales.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Recommendation 5. The Welsh Government should explore approaches to reduce the amount of fishing gear discarded in the sea and encourage the retrieval of lost fishing gear, including awareness raising measures and the use of geotagging and sonar technology for tracking gear. The Welsh Government should also explore the potential inclusion of fishing gear in a future extended producer responsibility scheme.

Accept

The Welsh Government recognises that if fishing gear is lost at sea it has the potential to cause impacts on the marine environment. Due to the open nature of our oceans and seas and natural hydrodynamic conditions (currents), lost gear is recognised as a global issue and we need to build our evidence base to understand the source of lost gear. The Welsh Government is committed to working with the fishing industry to address the issue.

In addition to working with the fishing industry, in May 2019, a Single Use Plastics Directive came into force. This Directive includes a number of requirements, including the need to introduce an EPR scheme. This scheme is aimed at producers and fishing gear containing plastics will be a consideration for this scheme. The Welsh Government is working with the other UK administrations to implement the Directive and the EPR scheme and to explore solutions for dealing with end of life fishing gear.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Recommendation 6. The Welsh Government should prepare and publish a 10 year, comprehensive and ambitious strategy aimed at reducing plastic pollution. The strategy should be developed with stakeholders and include targets and milestones. It must make clear linkages with other policy areas, such as waste management and “green” procurement.

Accept

Our aim is to move to a circular economy in Wales, where plastic pollution together with all other forms of waste is avoided and resources are kept in use as long as possible. This is a key part of the action needed on climate change and also brings considerable economic opportunities as part of the transition to a low carbon economy.

As a Government, we agree that the challenge of plastic pollution is a crucial part of our efforts and a comprehensive and ambitious approach will be needed. However, the issues associated with plastic pollution also apply to other materials, as fundamentally using an item only once or not disposing of materials correctly cause environmental pollution and waste valuable resources. A strategic approach therefore needs to not only address this issue for plastic, but also for other materials, recognising that the single-use nature of our consumption is a core part of the problem.

In revising our Zero Waste Strategy, our aim is therefore to not only address the issue of plastic pollution but also look at other waste streams. In doing so, we agree that there must be clear linkages with policy areas across government, including procurement.

The strategy will build on the measures we have already introduced to tackle plastic waste, such as the improvements in recycling that include the collection of plastics from households and encouraging alternatives that avoid plastic consumption like refill nation and incorporate action like the proposed ban on certain single use plastic products.

We are also developing a programme of work which will allow for a more holistic approach to tackle littering across Wales, regardless of the material, through a new Welsh Litter Prevention Plan. To help develop and deliver this, a new Advisory Group, drawing upon the expertise and knowledge of a wide range of stakeholders, has also been established. The Deputy Minister for Housing and Local Government will be publishing a statement outlining the overarching aims and aspirations of the Litter Prevention Plan by the end of 2019.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Recommendation 7. The proposed strategy must ensure that policies to reduce plastic pollution prioritise reduction, then reuse, with recycling as a last resort if these cannot be achieved.

Accept

The waste hierarchy already underpins our current '*Toward Zero Waste Strategy*' which was published in 2010, and will continue to be central to our aims in moving to a circular economy in Wales. The Welsh Government has a legal duty under the EU Waste Framework Directive (Directive 2008/98/EC) to apply the waste hierarchy. In the transition to a low carbon, zero waste society it is however essential that we are dealing with any single-use non-recyclable waste as efficiently as possible, whilst also acting to reduce its use.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Recommendation 8. The Welsh Government should explore the potential for introducing Welsh legislation to reduce plastic waste and pollution, based on the model for emissions reduction in the Environment (Wales) Act 2016. The Welsh Government should report back to this Committee on within 6 months of the publication of this report.

Accept

The Welsh Government is committed to implementing a range of legislative measures to help reduce, ban or restrict the sale of a number of commonly littered single use plastic items including cotton buds, cups for beverages and plastic straws. Additionally we are working with the UK Government and other Devolved Administrations to help fulfil the requirements of the European Union's Single Use Plastic Directive, including:

- Introducing an Extended Producer Responsibility scheme for certain single use plastic food containers, packets and wrappers, beverage containers, lightweight plastic carrier bags, wet-wipes, balloons and tobacco products with filters;
- Ensuring single use plastic beverage containers with a capacity of up to three litres are designed so that their lids and caps remain attached to the container; and

- For the packaging of feminine hygiene products, wet wipes, tobacco filters and cups for beverages to include information on the presence of plastics and appropriate waste management options.

For the greenhouse gas emissions associated with plastic, the Environment (Wales) Act 2016 sets emissions reduction framework requirements for all emissions generated in Wales including those associated with the manufacture, use and disposal of plastic and the issue of fossil-fuel derived plastic. The Act also requires Welsh Ministers to report on the emissions that may reasonably be attributed to the consumption and use of goods and services in Wales.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Recommendation 9. Whatever the outcomes of the joint consultation with DEFRA and any subsequent decisions by the UK Government, the Welsh Government should introduce a comprehensive extended producer responsibility (EPR) scheme in Wales. The Welsh Government should use, as a starting point, the report it commissioned from Eunomia.

Accept in principle

The consultation that we recently undertook jointly with the other governments within the UK on the introduction of EPR received widespread support. As a Government we remain fully committed to the approach, following on from the research we commissioned from Eunomia in 2017. EPR will help to incentivise a reduction in the use of packaging materials and the better use of resources, both of which are key steps in our transition towards a more circular economy and important to our action on climate change.

The current packaging producer responsibility system operates UK-wide and the responses to the consultation demonstrated widespread support for this to continue as this would be clearer and more consistent for both consumers and business. We are therefore working with the other UK administrations to that end. However, should the current policy intentions of the individual nations change prior to implementation, we will consider the action that can be taken in Wales.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Recommendation 10. The Welsh Government should introduce a DRS that applies to the broadest variety of containers, so that no restrictions are placed on the size of containers eligible for the scheme. If the UK Government decides to introduce a scheme with a narrower scope, the Welsh Government should consult on a specific scheme for Wales, with a DRS with the broadest scope as its preferred and recommended option.

Accept in principle

The outcome from our recent joint consultation on proposals for a Deposit Return Scheme (DRS) for drinks containers indicated widespread support for the introduction of a scheme. In taking this forward, we will be working to ensure that the final approach is right for Wales,

recognising that we are starting from a different baseline, so that the DRS will build on the significant progress that we have made on recycling to date.

It would not be appropriate to commit to the final scope of a DRS before more detailed analysis is undertaken to support the development of the scheme, but we note the Committee's preference. In relation to the successful development of a DRS in Wales, we are keen to ensure that it complements our existing collections and recycling infrastructure, which has seen Wales become a world leader when it comes to household recycling.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Recommendation 11. We welcome the funding that has been made available for the Circular Economy Fund. The Welsh Government should clarify how the fund will be monitored; how it will assess the fund's impact and effectiveness; and how it will assess whether the fund has provided value for money.

Accept

The Fund is being managed and monitored by the Waste and Resources Action Programme in Wales (WRAP Cymru), which has considerable experience in the delivery of such schemes across the UK. The fund's management includes the provision of a full time grants officer, regular panel meetings and financial assessment of applicants. To ensure due diligence and meet requirements under State Aid Block Exemptions, external contractors have been procured in order to provide independent technical, environmental and financial assessment and project monitoring services. Applications are considered against assessment criteria by a panel, including a Welsh Government representative and an independent assessor with a financial and industrial background.

Projects will be compared against each other (and against a national legacy of similar projects), to ensure support is directed to the most cost-effective, robust, and deliverable capital investments. A competitive process is being used to assess all applicants and award funding. The following evaluation criteria are being applied:

- Value for money in terms of the tonnage of additional waste reused or recycled as a direct result of the grant assistance requested;
- Financial robustness of the proposal;
- Quality of arrangements for marketing & use of the facility outputs;
- Quality and design of the facility;
- Quality of arrangements for sourcing the input material;
- Financial viability of the project/need for grant funding clearly demonstrated;
- Applicant's ability to deliver the project;
- Corporate environmental commitment & overall environmental impact of the new facility;
- Corporate commitment to Health & Safety.

Furthermore, all applicants are required to demonstrate that (additional) waste and CO₂ equivalent emissions will be reduced or avoided as a result of the intervention, and to provide estimates for job creation and increased turnover.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Recommendation 12. The Welsh Government should set out the steps it is taking to raise public awareness in relation to plastic pollution. Measures to raise public awareness should form a central part of any future strategy to reduce plastic pollution.

Accept

Awareness raising and behaviour change have been core to Wales' success in achieving high recycling rates to date. In addition, through programmes such as Eco Schools, there is a great deal of activity across Wales aimed at raising awareness and tackling the problems associated with plastic pollution. Going forward, we are developing options to support behaviour change through, for example, highlighting the presence of plastic in certain products, the availability of reusable alternatives and, the impact of littering and other inappropriate waste disposal. This includes supporting wider litter campaigns and programmes being undertaken by Local Authorities and Third Sector organisations such as Keep Wales Tidy. Messages around prevention and encouraging positive behavioural change will be central to this work.

Financial Implications – The costs of undertaking this work will be met from existing budgets.

Lesley Griffiths AC/AM
Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs



Llywodraeth Cymru
Welsh Government

Our ref: LG/0284/19

Mike Hedges AM
Climate Change, Environment and Rural Affairs Committee
National Assembly for Wales

Mike.Hedges@assembly.wales

25 July 2019

Dear Mike

Climate Change, Environment and Rural Affairs Committee reports on the Legislative Consent Memorandum on the UK Agriculture Bill

Thank you for the Committee's consideration and reports on the Legislative Consent Memorandum (LCM) and Supplementary Legislative Consent Memorandum (SLCM) in relation to the UK Agriculture Bill.

I have carefully considered the Committee's recommendations and officials are working with UKG and other administrations on a package to address concerns. You will appreciate this involves complex discussions but I am pleased with progress made. I am providing the information that I am able to currently in the annex to this letter. My officials would like to provide a technical briefing on the issues still subject to discussion if you would find that helpful. As you know the Bill is currently delayed in Parliament and I will provide a full response once the Bill continues its passage. In addition I intend to update the Explanatory Notes to the Bill and lay before the Assembly an Explanatory Statement to supplement the LCMs. The Explanatory Statement will provide additional information on the Bill including proposals on how the regulation making powers will be used, justification of procedures, and mechanisms for ensuring transparency and involvement of the National Assembly.

I would like to highlight certain parts of the package to demonstrate my commitment to transparency, my respect for the Assembly's role in scrutinising legislation and that I have listened and taken account of Assembly views.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

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.

Wales Agriculture Bill

I confirm it is still my intention to take the powers in Schedule 3 to the UK Bill. These powers are needed so we can begin to move to new systems of support when ready to do so.

I remain committed to bringing forward a Wales Agriculture Bill and the First Minister has provided an update on our plans as part of his statement on the Government's Legislative Programme on 16th July. A Welsh Agriculture Bill will be most effective if it is introduced in the next Assembly. It is important to legislate once and to legislate well. This is an opportunity to be ambitious and wide-ranging, going further than a simple farm support scheme and consider issues such as the rights of tenant farmers. I launched Sustainable Farming and our Land on 9th July which sets out ambitious proposals for the future, including paying farmers for the actions they take to respond to the climate emergency, reducing emissions and capturing carbon. Using the results of this consultation, we will bring forward a White Paper before the end of this Assembly to pave the way for legislation.

I want to give the legislative reassurance sought to underpin the express commitments Ministers have already made on this. I have, therefore, instructed officials to progress a "sunset" clause so that relevant provisions in the UK Agriculture Bill expire from the end of 31 December 2024.

WTO Agreement on Agriculture

I am happy to provide the further assurances requested about the Bilateral Agreement between the UK and Welsh Governments on the WTO powers.

The WTO clause raises important and complex constitutional, legal and policy considerations. It engages both devolved and reserved areas. Policy relating to international relations and the regulation of international trade is reserved, whilst that relating to agriculture and the observation and implementation of international obligations, is devolved and within legislative competence. As I have said previously, the Welsh Government and UK Government disagree on the status of the WTO provisions. I am not prepared to concede the Welsh Government position on this point, especially given the broader constitutional implications. However, I have agreed a way forward with the Secretary of State which is without prejudice to the matter.

What matters most to me is ensuring there are no constraints on Welsh Government competence. My negotiations have, therefore, focussed on strengthening the governance mechanism underpinning the use of the WTO clause to aim to achieve this.

I have discussed this issue with the Secretary of State several times and was very clear that the consultation commitment initially proposed was unacceptable and meant that the provisions could be used to constrain Wales' competence to make agricultural policy. Equally, we recognised that a unilateral veto over the power to make WTO regulations would be difficult for the UK Government to concede, since it has the responsibility for representing the nations of the United Kingdom at the WTO. We agreed our officials should develop a range of legislative and non-legislative options to address my concerns and that these options should be developed around the precedent of the discussions with UK Government on the European Union (Withdrawal) Act 2018 which led to the Inter-Governmental Agreement ("IGA"). Overall, my negotiating objective was to secure the strongest possible role for the Welsh Ministers in the use of the powers.

This is what we have achieved. Through the agreement, I have secured a very strong role for Wales in both the initial making of the regulations under the clause and the ongoing use of those regulations. This is much stronger than the initial consultation commitment and includes an explicit commitment on the Secretary of State to proceed by consensus, underpinned by a clear and transparent mechanism. While this is not an absolute protection, it sets the bar extremely high. I recognise there may be situations where consensus is more difficult to find and Welsh Government officials proposed the mechanism for resolving differences which forms part of the Agreement. This is a robust and transparent mechanism ensuring Ministers' views are properly taken into account and, crucially, including recourse to an independent panel or to Parliament in the most serious cases. If, for example, the Welsh Government does not agree proposed regulations and the UKG decides to proceed, the Secretary of State must provide Parliament with written statements from UK and Welsh Governments. Whilst not an absolute veto, both Houses of Parliament would have to deliberately agree to approve the regulations and thus override devolved Ministers' objections on the basis of full information. If helpful, officials can consider whether the Assembly could be notified and have the opportunity to comment on subordinate legislation as it is prepared. I will review the effectiveness of the process in due course and consider whether any adjustments are needed to strengthen it.

Red Meat Levy

At my request a new clause resolving the long standing issue of repatriation of red meat levy has been laid by the UK Government and now forms part of the Bill. The new clause confers powers on Ministers, acting jointly, to establish a scheme that requires agricultural boards within Great Britain to redistribute levy between themselves. Officials will now continue to develop a scheme in parallel to the legislation progressing through Parliament to ensure a fair system is in place as soon as possible.

Inter Institutional Relations and working

I am considering a range of potential amendments and commitments to place additional duties on Welsh Government and ensure a clear role for the Assembly in scrutinising secondary legislation.

Brexit and our Land Update and next steps

On 9 July I launched the Sustainable Farming and our Land consultation which seeks views on our revised policy proposals for supporting Welsh farmers. The consultation will run until 30 October 2019. We will also be commencing a co-design programme later in the year. This will allow us to explore some of the practical aspects of the proposed scheme in a collaborative approach, which would not be fully possible using only a written consultation process. I will provide the indicative timeline for development of proposed new systems requested once I have further clarity about future funding and have analysed responses to the consultation. I would like to reiterate that no decisions will be made on future schemes until consultation responses have been reviewed, that the Basic Payment Scheme (BPS) will remain unchanged up to and including 2020, and that existing schemes will not be removed before any new schemes are ready.

Regards



Lesley Griffiths AC/AM

Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs

Welsh Government Response to the Climate Change, Environment and Rural Affairs Committee Report (published 12 February 2019): The Welsh Governments Legislative Consent Memorandum in relation to the UK Agriculture Bill.

CCERA recommendation/ conclusion	Welsh Government response
Committee recommendation	
<p>We recommend to the Assembly that it gives consent to the provisions in the UK Agriculture Bill, subject to the following conditions –</p> <ul style="list-style-type: none"> • The Welsh Government should seek amendments to the UK Bill to give effect to conclusions 3, 4, 15, 19 and 21; and • The Welsh Government should give commitments to the Assembly, or clarification where appropriate, in relation to the issues raised in conclusions 1, 8,9, 10, 11 and 18. 	<p>Noted</p> <p>I take the Committee’s concerns seriously and have responded below to each conclusion where I am in a position to do so. Officials continue to work on a package to address the Committee’s concerns and I will provide further information in due course.</p>
Committee conclusions	
The need for legislation and the approach taken	
<p>Conclusion 1</p> <p>We believe that the most appropriate way to legislate on a subject as significant as the long term future of agriculture in Wales is through an Assembly Bill. We believe that the Welsh Government should give a commitment that time will be made available in the legislative programme for a Wales Agriculture Bill to be brought forward and to be passed before the end of this Assembly term.</p>	<p>Accept</p> <p>I confirm I remain committed to a Wales Agriculture Bill.</p> <p>The First Minister provided an update on this in his statement on the Government’s Legislative Programme. A Welsh Agriculture Bill will be most effective if it is introduced in the next Assembly. It is important to legislate once and to legislate well. This is an opportunity to be ambitious and wide-ranging, going further than a simple farm support schemes to look at issues such as the rights of tenant farmers. I launched Sustainable Farming and our Land on 9th July. Using the results of this consultation, we will bring forward a White Paper before the end of this Assembly to pave the way for legislation.</p>
<p>Conclusion 2</p> <p>We recognise that legislation is necessary in the short term, to continue to provide financial support to the agriculture sector immediately after Brexit. Given the time available, the UK Bill is an appropriate vehicle for this purpose. But, the provisions in the UK Bill go far beyond ensuring the immediate continuity of financial support. They enable the Welsh Ministers to establish a completely new approach to support for agriculture.</p>	<p>Noted</p> <p>I note the Committee’s concerns. Brexit has created unprecedented uncertainty and it is vital to ensure legislation is in place in good time so we can begin to move to new systems of support as the UK leaves the Common Agricultural Policy. As well as taking continuity powers, I have therefore decided to take powers to allow the amendment of retained EU law and to enable transition to new schemes, subject to consultation, so that Welsh farmers are not disadvantaged.</p> <p>I made a Written Statement on 21 March, published my Spring Statement on 7 June and launched the Sustainable Farming and our Land</p>

	<p>consultation on 9th July seeking views on our revised policy proposals for supporting Welsh farmers. The consultation will run until 30 October 2019. We will also be commencing a co-design programme later in the year. This will allow us to explore some of the practical aspects of the proposed scheme in a collaborative approach, which would not be fully possible using only a written consultation process. The responses to both the consultation document and the co-design programme will be carefully considered and we will then determine and set out next steps once we have been able to fully consider all consultation responses and in the light of Brexit developments over the coming months. I have been clear that:</p> <ul style="list-style-type: none"> • No decisions will be made on future schemes until consultation responses have been reviewed and all other relevant considerations have been taken into account; • No changes will be made to the existing Basic Payment Scheme until consultation responses have been considered. To reflect this, I have already announced the Basic Payment Scheme (BPS) will remain unchanged up to and including 2020, and some Glastir contract holders have been offered contract renewals until 2021. Therefore a transition to any new schemes I introduce will not begin until at least 2021. • Existing schemes will not be removed before any new schemes are ready. <p>I have instructed officials to progress a “sunset” clause so that relevant provisions in the Bill expire from the end of 31 December 2024. I hope that this will provide further reassurance to the Committee that powers are being taken through the UK Bill on a temporary basis.</p>
<p>Conclusion 3</p> <p>We believe that the Welsh provisions in the UK Bill are unbalanced. They confer considerable powers on the Welsh Ministers and place no duties on them. The effect of the provisions will be to severely limit the Assembly’s ability to scrutinise the Welsh Government’s support for agriculture, at a time when effective scrutiny will be vital to the success of the new policies. This is not an acceptable approach and should be a matter of serious concern for the Assembly. We believe that Schedule 3 should be amended to include additional safeguards to ensure that the executive powers are exercised proportionately.</p>	<p>Accept in part</p> <p>I note the Committee’s concerns on this. I am committed to the principle of transparency and the legitimate role of the National Assembly in scrutinising policy. Officials are considering if further reassurances can be provided to enhance scrutiny. This could be through amendment to the Bill or by publishing a clear commitment to report to or consult the Assembly on draft regulations or schemes. My officials can provide a private briefing on this if you would find that helpful.</p>

<p>and appropriately. This could include a requirement on Welsh Ministers to consult before bringing forward regulations.</p>	
<p>Conclusion 4</p> <p>The Cabinet Secretary promised in <i>Brexit and our land</i> that the provisions in the UK Bill constitute transitional arrangements and will be “time limited”. There are no such limitations included in the UK Bill, as drafted. We believe the Welsh Government should seek an amendment to the UK Bill to introduce a “sunset clause” in relation to the Welsh provisions.</p>	<p>Accept</p> <p>I confirm that I remain committed to bringing forward a Wales Agriculture Bill and the First Minister gave an update on this as part of part of his annual statement on the Legislative Programme on 16 July. I have listened carefully to the concerns of the Assembly Committees regarding the absence of a “sunset” clause. I have instructed officials to progress a “sunset” clause so that relevant provisions in the Bill expire from the end of 31 December 2024. Officials are working with Parliamentary Counsel and UK Government to prepare a suitable provision that gives the legislative reassurance sought by the Committees in addition to the express commitment already given that the Welsh Government will bring forward a Wales Agriculture Bill.</p> <p>I intend for this provision to be brought forward as a Government amendment.</p>
<p>Conclusion 5</p> <p>In light of recent events in Westminster, the Welsh Government should consider the need for appropriate contingency measures to ensure that financial support can be given to the agricultural sector immediately after Brexit.</p>	<p>Accept</p> <p>The Welsh Government has undertaken extensive work to make sure that legislation is in place. Many of the legislative building blocks are in place and legislation is in place to allow for payments to farmers to continue if the UK leaves the EU without an agreement in place.</p>
<p>Leaving the Common Agricultural Policy</p>	
<p>Conclusion 6</p> <p>This is a period of considerable uncertainty for the agricultural sector in Wales. We recognise why the sector has responded with concern to the proposals to phase out direct payments. Given the time available, we support the inclusion of provisions in the UK Bill to continue direct payments immediately after Brexit. We believe this will give certainty to the sector.</p>	<p>Accept in principle</p> <p>I have announced the Basic Payment Scheme (BPS) will remain unchanged up to and including 2020. I launched the Sustainable Farming and our Land consultation on 9th July seeking views on our revised policy proposals for supporting Welsh farmers. The consultation will run until 30 October 2019. Further information is provided in my response to conclusion 2.</p>
<p>Conclusion 7</p> <p>The Cabinet Secretary has said that no policy decisions will be taken until the outcomes of the <i>Brexit and our land</i> consultation are known. The Cabinet Secretary has also said she intends to phase out direct payments. These two positions are not compatible.</p>	<p>Reject</p> <p>I note the Committee’s concerns but do not agree my stated position to be incompatible. When the UK leaves the European Union (EU), the Common Agricultural Policy (CAP) – including the Basic Payment Scheme (BPS) – will come to an end in Wales. We need to decide how to support farmers after Brexit. Further information is provided in my response to conclusion 2.</p>

<p>Conclusion 8</p> <p>The Welsh Government has not undertaken an assessment of the impact of phasing out direct payments. We believe the Welsh Government should give a commitment not to start phasing out direct payments until such time as it has completed and published a detailed, sector wide impact assessment.</p>	<p>Accept</p> <p>In my Spring Statement of 7 June, I committed to carrying out the necessary modelling and impact assessments before finalising proposals. I published the evidence pack, 'Agriculture in Wales' as the first step in this task. It sets out information relevant to the BPS to allow for the impact of new policy to be assessed relative to the current position. I intend to construct a series of representative farm models to estimate the range of financial and economic impacts of our proposals on farms of different types, sizes and locations in Wales. This work will contribute to a broader range of impact assessments which will be undertaken in due course.</p>
<p>Conclusion 9</p> <p>The Welsh Government has asked for the inclusion of other executive powers under Part 2 of Schedule 3. For example, the provisions relating to delinked payments. The Welsh Government has not provided information to the Assembly about how it intends to use these powers, should the Assembly give consent. The Welsh Government should clarify how it intends to use these powers.</p>	<p>Accept</p> <p>I have reviewed all powers and procedures. Welsh Government and Defra are working together to address concerns across the Bill. This work is ongoing and I will provide the Assembly with the information requested as soon as I am in a position to do so. My officials can provide a private briefing on this if you would find that helpful.</p>
<p>Transitioning to a new system of support</p>	
<p>Conclusion 10</p> <p>The Welsh Government has not provided the Assembly with clarity about the starting point or the timescale for transition from current arrangements to future schemes. In <i>Brexit and our land</i>, the Welsh Government said its ambition was for transition to begin in 2020 and be completed by 2025. More recently, the Cabinet Secretary said that direct payments would be made, unchanged, for the 2020 CAP payment year.</p> <p>We believe the Welsh Government must clarify its intentions in relation to when transition will begin and what it will mean for the sector in practice.</p>	<p>Reject</p> <p>The latest position regarding transition is set out in Chapter 8 of <i>Sustainable Farming and our Land</i>. <i>Brexit and our Land</i> consulted on an ambitious timetable to move from current to new schemes by 2025. In December 2018, I announced BPS would remain in place for 2020. Since then, the scale of uncertainty surrounding Brexit has only increased. This hampers our ability to design future farm support in Wales.</p> <p>I continue to propose a multi-year transition period. However, given the continuing uncertainty surrounding Brexit, I am unable to consult on a specific time period. When more is known, I will make a further statement. Until uncertainty recedes, I will focus discussion on how best to design transition.</p> <p>I have kept the Assembly fully informed of my plans. Since publishing <i>Brexit and our Land</i> I have carried out an extensive programme of engagement. I have listened and responded to feedback to develop policy and have updated the Assembly as decisions are made.</p>
<p>Conclusion 11</p>	<p>Accept</p>

<p>Whether it wishes to begin transition in 2020, 2021 or, indeed, later, the Welsh Government faces considerable challenges, given that detailed modelling, impact assessments and the establishment of pilot schemes will first need to be undertaken to inform the development and implementation of the new schemes.</p> <p>We believe the Welsh Government should give a commitment that the process of transition to new schemes will not begin until this work has been completed.</p>	<p>Further information is provided in my response to conclusion 2.</p> <p>I remain committed to undertaking the necessary modelling and impact assessments before making final decisions. This work involves a number of steps, some of which have already been completed and some which require development. This work is set out in Annex A (Analytical Approach) to <i>Sustainable Farming and our Land</i>.</p> <p>I will continue to consider the role of pilot projects. It is important to note we are not starting from a blank page, as we have over 20 years of agri-environment delivery to learn from. Given this existing evidence base, it may be most appropriate to target piloting on the practical aspects of scheme delivery. The co-design programme is an important first step.</p>
<p>A new system of financial support</p>	
<p>Conclusion 12</p> <p>The Cabinet Secretary has said that no decision will be taken on the detail of the new system of financial support until the outcome of the <i>Brexit and our land</i> consultation is known. The Welsh Government is not in a position, therefore, to explain to the Assembly in detail the purposes for which these powers will be used.</p>	<p>Accept in principle</p> <p>I note the Committee's concerns but Brexit has created unprecedented uncertainty. I want to ensure legislation is in place in good time so that as the UK leaves the Common Agricultural Policy we can begin to move to new systems of support once further consultation, modelling and all impact assessments have taken place and decisions taken.</p> <p>I will provide this information in due course.</p>
<p>Conclusion 13</p> <p>The Cabinet Secretary has indicated that if, as a result of piloting and modelling, the Welsh Government determines that the schemes proposed in <i>Brexit and Our Land</i> are not appropriate, other approaches will be considered and taken forward. This means that, in effect, the provisions may be used for currently unknown purposes.</p>	<p>This is correct and is covered by my response to conclusion 12.</p>
<p>Conclusion 14</p> <p>The UK Bill will enable the Welsh Ministers to bring forward a new system of financial support for agriculture, after 40 years of the CAP. The provisions, as drafted, include no oversight or monitoring role for the Assembly in the establishment or implementation of the new system of financial support. We do not believe this is appropriate in a key area of devolved responsibility. This will be the first time, since devolution, that Wales has had an opportunity to shape its own, distinct, policy in this area and it is right that the Assembly plays a full role in this.</p>	<p>Accept in part</p> <p>This is covered in my response to conclusion 3. My officials can provide a private briefing on the issues still subject to discussion if you would find that helpful.</p>

<p>Conclusion 15</p> <p>The Welsh Government should seek amendments to the UK Bill to require: that financial assistance under Part 1 can only be given through schemes established by Regulations; that these Regulations should be subject to the affirmative procedure; and that the Welsh Government must report to the Assembly on an annual basis on the effectiveness of any schemes that are established.</p>	<p>Accept in part</p> <p>I have considered this carefully but continue to believe a framework Bill is a more suitable legislative vehicle to underpin future agricultural policy. We want to move away from the bureaucracy and complexity of EU regulations which have restricted us in the past. I intend to continue to co-design a future land management programme. This will allow us to explore some of the practical aspects of the proposed scheme outcomes in a collaborative approach which would not be fully possible using only a written consultation process.</p> <p>Officials are considering if further reassurances can be provided to enhance scrutiny. This could be through amendment to the Bill or by publishing a clear commitment to report or consult the Assembly. My officials can provide a private briefing on this if you would find that helpful.</p>
<p>Conclusion 16</p> <p>There has been no assessment of the financial impact of the decision to widen access to future schemes. The Welsh Government is not, therefore, in a position to explain to the Assembly what impact this decision will have on farmers. As referred to in previous conclusions, we believe the Welsh Government should not begin transition to the new schemes until it has undertaken an assessment of the impact of widening access to financial support and published the results.</p>	<p>Accept</p> <p>I have set out the plan for future impact assessments in my response to conclusion 8.</p>
<p>Future funding for agriculture policy</p>	
<p>Conclusion 17</p> <p>The constituent nations of the UK are yet to reach an agreement on funding arrangements for agriculture in the UK for 2020-2022. Moreover, there is no clarity for longer-term funding arrangements. A new inter-Governmental mechanism must be established to secure a sustainable, long term agreement for funding of agriculture and land management in the UK.</p>	<p>Accept</p> <p>Ministers have been clear we should not receive a penny less when we leave the EU and that we should have full flexibility over how money is spent. This is in line with the manifesto commitment in 2017 to maintain farm funding at current levels. We continue to seek tangible commitment from the UK Government to develop all future funding arrangements after we leave the EU in partnership, not only the arrangements for future agriculture funding.</p>
<p>Conclusion 18</p> <p>The Welsh Government has provided no financial information to the Assembly in relation to the costs of introducing new schemes, other than to say that there will be “no direct financial implications”. The UK Government has said that corresponding powers for the Secretary of State</p>	<p>Accept</p> <p>I have set out the plan for future impact assessments in my response to conclusion 8.</p>

<p>are likely to give rise to “significant expenditure”. The Welsh Government should commit to publishing, before establishing any new schemes, a full regulatory impact assessment of the proposals, which should include, but should not be limited to, a detailed assessment of costs and an assessment against the wellbeing goals.</p>	
<p>WTO agreement of agriculture</p>	
<p>Conclusion 19</p> <p>We share stakeholders’ concerns about the potential implications of the provisions in clause 26 in relation to the WTO, and their potential to restrict the Welsh Government in devolved areas. We believe this must be addressed either by an amendment to the UK Bill or, at the very least, a formal, published agreement between the UK and Welsh Governments.</p>	<p>Accept</p> <p>This conclusion has been overtaken by conclusion 2 of the Committee’s report on the SLCM and a response is provided separately.</p>
<p>Conclusion 20</p> <p>There is a pressing need to introduce an inter-governmental, formal mechanism at Ministerial level, to resolve matters of dispute that may arise in relation to the future operation of agriculture policy in the UK. This should be a model of shared governance based on parity of esteem.</p>	<p>Accept in principle</p> <p>I made a Written Statement on 21 March which included details of the Bilateral Agreement with the UK Government on WTO provisions in the Bill. I consider this to be a robust and transparent mechanism for involving the Welsh Ministers in decision making as well as a mechanism for dispute resolution. The Bi-lateral agreement states there will normally be a role for independent advice should the governments disagree on the appropriate classification of schemes or other relevant matters. The Secretary of State should have regard to this advice before making any decision and will share with the Devolved Administrations the advice, the decision and reason for decision. The clear intent is on seeking agreement. However, where this is not feasible there are strong mechanisms for Welsh Ministers to exert their views.</p> <p>These arrangements will be codified in a Memorandum of Understanding, and the UK Government’s Secretary of State for Environment, Fisheries and Rural Affairs will put this on record in a statement on the floor of the House of Commons.</p>
<p>Other provisions for which consent is sought</p>	
<p>Conclusion 21</p> <p>We agree with the provisions outlined in this section of the report in principle. However, we believe the Welsh Government has not provided information to explain in detail the purposes for which it will use the provisions. These are extensive executive powers and the Welsh Government should clarify their intended</p>	<p>Noted</p> <p>I fully agree the Welsh Government should provide further information on the intended purpose and effect of the powers. I intend to provide examples of how the provisions could be used alongside other information requested. This work is ongoing and I will provide the</p>

<p>purpose and effect. We reiterate our comments about the need for safeguards to be included in Schedule 3 to ensure these powers are exercised appropriately and proportionately.</p>	<p>Assembly with the information requested as soon as I am in a position to do so.</p>
<p>Conclusion 22</p> <p>We agree that there will be a need for co-operation and agreement between the constituent nations of the UK when exercising these powers. This is particularly important in relation to animal health standards and market intervention. This must be addressed by an inter-governmental, formal mechanism, as set out earlier in this report.</p>	<p>Accept</p> <p>I welcome the review of intergovernmental relations. This is being overseen by a project board of senior officials from the Welsh and Scottish Governments, the Northern Ireland Executive, and the Cabinet Office. The review has five work-streams - principles; governance of common frameworks; dispute resolution; international engagement; and machinery.</p> <p>Good progress is being made in developing the Common Frameworks which will embed the new forms of intergovernmental cooperation. I intend to provide further details presently.</p>

Welsh Government response to the Climate Change, Environment and Rural Affairs Committee Report (published June 2019) on the Welsh Government’s Supplementary Legislative Consent Memorandum on the Agriculture Bill

<p>Recommendation 1</p> <p>We welcome the inclusion of the red meat levy provisions (new clause 29) in the Bill. The Welsh Government must give a commitment that it will not use the increase in receipts arising from the repatriation of the levy to replace existing Welsh Government funding for Hybu Cig Cymru.</p>	<p>Noted</p> <p>I do not intend to use the reform of the Red Meat Levy system to change the way in which Hybu Cig Cymru’s operations are funded by Welsh Government. At present, levy receipts are used for the objectives set out in the Red Meat Industry (Wales) Measure 2010 and the proposed reforms to the levy system do not alter these objectives. Welsh Government funding for Hybu Cig Cymru, is used for the provision of services exceeding the core levy responsibilities as set out in the Red Meat Industry (Wales) Measure 2010. My current intention is that this funding will continue.</p>
<p>Recommendation 2</p> <p>The Welsh Government should seek the UKG’s agreement to amend the Bill to address the Committee’s concerns in relation to clause 28.</p>	<p>Reject</p> <p>I made a Written Statement on 21 March which included details of the Bilateral Agreement with the UK Government. I consider this to be a robust and transparent mechanism for involving the Welsh Ministers in decision making as well as a mechanism for dispute resolution. The Secretary of State for Environment, Fisheries and Rural Affairs will put this on record in a statement on the floor of the House of Commons. I do not agree it is necessary to amend the Bill.</p> <p>I note the Committee’s further concerns made in the report on the SLCM. I continue to believe, however, this represents a good result which</p>

	should not constrain Wales' competence to make agricultural policy and legislation.
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Llywodraeth Cymru
Welsh Government

Elin Jones, AM
Llywydd
National Assembly for Wales
Cardiff Bay
CF99 1NA

12 August 2019

Annwyl Elin,

WILD ANIMALS AND CIRCUSES (WALES) BILL

I introduced the Wild Animals and Circuses (Wales) Bill to the Assembly on 8 July 2019.

The First Minister wrote to you on 7 June, enclosing for your consideration the Wild Animals and Circuses (Wales) Bill to determine whether it was within the competence of the National Assembly. The First Minister advised there is a provision within the Bill which requires the consent of the Secretary of State under Schedule 7B to the Government of Wales Act 2006. This relates to section 10 of the Bill – Crown land: powers of entry. The 2006 Act provides that a provision of an Act of the Assembly cannot confer or impose a new function on a reserved authority without consent of the Secretary of State. Section 10 provides that the power of entry conferred by the Schedule to the Bill may be exercised in relation to Crown land only with the consent of the relevant Crown authority (which includes the Crown Estate Commissioners, other government department or HM Treasury). These Crown authorities are reserved authorities under the 2006 Act.

At the time of the First Minister's letter, consent was pending and you recognised this in your response (ref: PO676/EJ/EW), where you noted not all of the provisions in the Bill were within the legislative competence of the Assembly.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

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 can confirm consent has now been received and a letter from the Secretary of State giving consent is attached.

A copy of this letter and the attached also goes to the Chair of the Climate Change, Environment and Rural Affairs Committee, and the Chair of the Constitutional and Legislative Affairs Committee.

Yn Gywir,

A handwritten signature in cursive script that reads "Lesley". The signature is written in a light grey or blue ink.

Lesley Griffiths AC/AM

Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs

Lesley Griffiths AM
Minister for Environment, Energy and Rural Affairs
Welsh Government
Cardiff Bay
Cardiff
CF99 1NA

28 July 2019

Lesley

Thank you for your letter of the 7th May in respect of the Wild Animals and Circuses (Wales) Bill in which you sought consent from the UK Government for a provision in the Bill in relation to power of entry in Crown land but only with consent of the relevant Crown authority.

My officials have confirmed with relevant UK Government departments that we are content for consent to be given for this provision. As you acknowledge it is highly unlikely that an inspector would need to use this power. Furthermore, with a similar Westminster Bill having recently gained Royal Assent the goal of outlawing wild animals being used in circuses throughout Great Britain will be achieved once your Bill is on the statute book.

Therefore, I am content for consent to be given for the provision relating to Crown Land in the Wild Animals and Circuses (Wales) Bill.

Yours sincerely,



Rt Hon Alun Cairns MP

Secretary of State for Wales
Ysgrifennydd Gwladol Cymru



Our ref: MA - P/LG/2923/19

Mike Hedges AM
Chair
Climate Change, Environment, and Rural Affairs Committee
National Assembly for Wales

21 August 2019

Dear Mike,

Thank you for your letter of 19 July regarding environmental principles and governance post EU Exit.

1. Transitional Arrangements

In my letter of 14 March, I stated first and foremost our priority was to ensure there will be no gap in relation to the EU environmental legislation, which is currently in place. Substantial work has been undertaken to ensure the continuation of existing protections and in a no deal situation will mean existing environmental standards continue to apply from exit day.

I have also stated Wales is not in the same position as other parts of the UK due to our existing legislation, which places sustainable development and environment at the heart of decision making in Wales. Our 5-ways of working in the Well-being of Future Generations (Wales) Act and the principles provided in the Environment (Wales) Act mean we already have some of the principles contained within the EU Treaties. Both pieces of legislation will continue to apply on exit day.

In our consultation on *Environmental Principles and Governance post European Union Exit*, I further committed to continuing to apply the four European Union principles in a no deal scenario.

I appreciate stakeholders' concerns about the implications of a 'no deal' scenario on governance. However, as I have previously stated, this does not mean there will be no governance arrangements in Wales, as our domestic mechanisms will continue to operate and the National Assembly for Wales will continue to be the body responsible for holding the Welsh Government to account. As such, our citizens are not without recourse. However, I do want to consider what appropriate and proportionate mechanisms may be available if we have to deal with the consequences of a no deal situation and the implications over the short and long term.

We have assessed the arrangements proposed for transitional arrangements in England and considered if they provided a model which is suitable for Wales. My view is they represent a costly approach which, in practice, will allow for significantly less oversight than the systems I have outlined above which will continue to apply in Wales. My understanding of the arrangements proposed for England, in so far as they would be relevant in Wales, is they will allow for complaints to be received, determination if they are valid and a recording process. Parliamentary oversight will be limited to receiving an annual report on volume and theme of complaints received and there will be no investigation of complaints. Complaints will be transferred to the proposed Office for Environmental Protection, when established, so to describe this approach as a shadow body is not reflective of the outcomes it will be able to achieve.

In July, I convened a stakeholder task group. The group has been challenged to consider carefully what good governance looks like to ensure we build a system, which fits with our wider legislative approach and will be sustainable for the future. The group will also discuss transitional arrangements. I will expect any proposals, which come forward to have a clear line of sight to the longer term approach we wish to take.

I share your concern about the impact of a no deal Brexit. The National Assembly for Wales, together with the Scottish Parliament, has sent a clear message to the UK Government not to pursue this damaging course of action, which we consider will have a disastrous impact on the Welsh economy.

The continued uncertainty is putting considerable pressure on resources within the Welsh Government. The continuing lack of any clarity over the future relationship between the UK and EU creates significant further complications to this work. Despite these pressures, contrary to your statement, progress has been made in this area. We have chosen to take a considered and collaborative approach to how we address these gaps in a way, which transcends immediate needs.

In his legislative statement on 17 July and in the subsequent debate, the First Minister reaffirmed his commitment to legislate on environmental principles and governance but did not state a specific date for introduction during the current Assembly term. This acknowledges the complexity of developing a coherent system, which complements our existing structures in Wales. It also recognises the continuing uncertainty about the future relationship between the UK and the EU resulting in additional demands on the legislation programme.

2. UK Wide Approach

As I have stated on a number of occasions, I have always been willing to discuss a potential UK wide response to the application of principles. I have long recognised there will be matters, which may benefit from a UK wide approach. I have continued to pursue such an approach with my counterparts in the rest of the UK in the Inter-ministerial Group.

I must reiterate the UK Bill reflects the specific gaps as they apply in England and meets the specific needs of the UK Government, I have consistently made the point the approach in the UK Bill is not appropriate for Wales.

However, there are a number of ways to achieve a UK-wide approach than merely by the development of a UK-wide body. Work continues between all administrations to develop appropriate approaches to address any UK-wide governance gaps and collaborative approaches, which respect the devolution settlements and the different systems and gaps in each of the administrations. Whilst the on-going discussions are influenced by the timeframe of the UK Bill, the introduction date of the UK Bill is of course a matter for the UK Government.

We have already agreed with the UK Government to have a common set of environmental principles and work is on-going on proposals, which where appropriate enable collaborative governance approaches.

3. Monitoring and Reporting

I recognise the benefit the membership of the European Environment Agency provides and the importance to Wales of continuing to be able to access expertise and benchmark against the wider international committee. Any future relationship with the EEA will be via the UK, as a nation state, on matters of continued participation with EU institutions. I will of course continue to feed into these discussions.

I look forward to the publication of the Committee's report in the Autumn.

Regards,



Lesley Griffiths AC/AM

Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs

Lesley Griffiths AM
Minister for Environment, Energy and Rural Affairs

19 July 2019

Dear Lesley

Common UK Policy Frameworks

Assembly Committee Chairs met on 3 July and discussed the development of UK-wide common policy frameworks emerging from the Brexit process. Chairs agreed to write to Welsh Government Ministers to seek further information to assist with scrutiny of these matters as they relate to each Committee's remit.

I would therefore be grateful if you could provide the Committee with details of:

- the steps that have been taken to develop frameworks on matters that relate to the Committee's remit, and at what stage of development those frameworks are;
- the evidence base to support decisions on frameworks;
- intergovernmental structures that have been or are being established, e.g. Ministerial forums etc;
- what end output(s) are anticipated from the frameworks, both legislative and non-legislative;
- how the frameworks link with existing or proposed Welsh Government action, both legislative and non-legislative (including where frameworks cross-over with other portfolios); and



- how each framework area will be managed in the event of the UK leaving the EU without a deal.

In order to assist the Committee with planning its scrutiny work early in the autumn term it would be helpful to receive your response by 1 September.

Yours sincerely,

A handwritten signature in black ink that reads "Mike Hedges". The signature is written in a cursive style with a large initial 'M'.

Mike Hedges AM

Chair of Climate Change, Environment and Rural Affairs Committee



Lesley Griffiths AC/AM
Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs



Llywodraeth Cymru
Welsh Government

Our ref: MA - P/LG/2813/19

Mike Hedges AM
Chair of Climate Change, Environment and Rural Affairs Committee

30 August 2019

Dear Mike

Thank you for your letter of 19 July regarding Common UK Policy Frameworks and the Committee's request for further information to assist with its planning of scrutiny work in the autumn term. I have provided further information on the areas highlighted by the Committee in the attached annex.

Regards

Lesley Griffiths AC/AM
Gweinidog yr Amgylchedd, Ynni a Materion Gwledig
Minister for Environment, Energy and Rural Affairs

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

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.

Annex 1

The steps that have been taken to develop frameworks on matters that relate to the Committee's remit, and at what stage of development those frameworks are.

Policy officials have been engaged with their counterparts from the UK Government, Scottish Government and Northern Irish Civil Service on this issue since November 2017.

To date this work has focussed on establishing where Common Frameworks will be required and developing an initial position on the type of Common Framework needed. The progress of this work was most recently reflected in the UK Government's Revised Framework Analysis published in April 2019.

A number of policy areas have been identified as potentially requiring legislation to underpin the Framework and have therefore been identified as needing priority consideration.

This is a complex process and policy teams continue to crystallise the scope for each potential Common Framework. This includes whether a legislative or non-legislative approach is required, identifying relevant operational detail and looking at proposed governance arrangements. The outcome of this work is being captured in Framework Outline Agreements.

The evidence base to support decisions on frameworks

Decisions on whether a Common Framework would be necessary in a particular policy area were taken on the basis of discussions between policy officials. These discussions took into account:

- the impact and likelihood of divergence in the area;
- the volume of work which the Framework would consider; and
- the benefits derived from formalised cooperation.

The development of Frameworks is an iterative process and therefore none of these decisions are final. In some instances, as part of the current scoping work, policy teams have subsequently concluded informal cooperation would be sufficient for a particular area where a Common Framework had been previously identified. In others, areas which have been identified as requiring legislation are now likely to be taken forward on a non-legislative basis.

Intergovernmental structures that have been or are being established, e.g. Ministerial forums etc

The JMC(EN) was established in October 2017 and acts as the ministerial oversight for the Frameworks Programme.

Given the large number of potential Framework areas which relate to environment, food and rural affairs, the approach was taken to establish clear governance at the portfolio level. An Inter-Ministerial Group for Environment, Food and Rural Affairs (IMG-EFRA) was therefore established in 2016 between the Devolved Administrations and Defra to co-ordinate and promote greater collaboration in areas of shared interest. A revised, more formalised terms of reference was agreed in February 2019 and the group currently meets approximately every 6 to 8 weeks, supported by a senior official level structure.

The IMG-EFRA provides the overarching ministerial oversight for Frameworks and as individual Frameworks are developed they will need to link into this structure. It can consider matters which are reserved and devolved, where either has the potential to impact upon other UK administrations. This group is responsible for other portfolio-wide matters including the resolution of policy disputes, the delivery of agreed joint activities and the development of UK-wide positions for further international and EU discussions.

Within the BEIS interface, there is a ministerial group which considers Climate Change and Energy matters which relate to my portfolio. The Minister for Economy and Transport and I continue to engage with ministers in BEIS and the other UK administrations to establish an Inter-Ministerial Group which will oversee the whole portfolio.

What end output(s) are anticipated from the frameworks, both legislative and non-legislative.

Frameworks will develop an intergovernmental system for cooperation between the four administrations. These systems will provide formalised procedures for decision-making and communication and as mentioned above, this will align with the existing mechanisms which have been put in place at a portfolio level. Determining which elements will require a legislative or non-legislative approach is part of the current scoping work conducted by policy teams.

Currently there are two frameworks within my portfolio (Agriculture Support and Fisheries Management and Support) where legislative elements are being addressed via primary legislation. Those legislative elements have been set out in the UK Agriculture Bill and a UK Fisheries Bill which are currently being considered by the UK Parliament.

Where a non-legislative approach is determined, many of these systems will be set out in formal agreements between the four UK administrations.

How the frameworks link with existing or proposed Welsh Government action, both legislative and non-legislative (including where frameworks cross-over with other portfolios)

Common Frameworks are being developed in parallel with ongoing discussions between the Welsh Government and the other UK administrations on a number of significant UK-wide matters. These includes No-Deal preparations and the negotiations around an UK-EU Future Economic Partnership.

This work will also need to reflect the action taken by the Welsh Government in setting out a number of future policy proposals. This includes managing our land and support for Welsh farming, the management of marine environment and fisheries and addressing the gaps in environmental principles and governance.

Therefore, Frameworks and related bodies or structures will need to be flexible to future decisions in relation to EU and international discussions and the ability of Welsh Government to implement and deliver policy for Wales in devolved areas. They will need to provide a platform for these discussions in a way which provides for parity of participation, decision-making whilst respecting devolved competence.

How each framework area will be managed in the event of the UK leaving the EU without a deal.

The Welsh Government has called on the Prime Minister to rule out a no deal Brexit. Our assessment is it threatens the future of Welsh businesses and the economy as a whole, as the First Minister underlined to the Prime Minister during their recent meeting. However, as a Government, we cannot ignore the very real prospect of an exit from the EU without a deal and, as a responsible Government, we need to prepare.

The development of Common Frameworks was established as a long term programme of work with implementation expected by the end of a transition period in December 2020. In the case of a no deal situation, the Welsh Government would expect the Frameworks programme to be prioritised to ensure properly considered and scrutinised arrangements are in place as soon as possible.

As an interim measure, officials have been working closely with the other UK administrations to scope and design interim governance arrangements to support the delivery of essential technical and operational matters where a UK-wide collaborative approach may be needed. Any interim arrangement would be just that and, whilst they may draw on some of the Common Framework discussions to date, it would not set any precedent for the shape of frameworks required to operate effectively in the longer term.

Julie James AM
Minister for Housing and Local Government

19 July 2019

Dear Julie

Common UK Policy Frameworks

Assembly Committee Chairs met on 3 July and discussed the development of UK-wide common policy frameworks emerging from the Brexit process. Chairs agreed to write to Welsh Government Ministers to seek further information to assist with scrutiny of these matters as they relate to each Committee's remit.

I would therefore be grateful if you could provide the Committee with details of:

- the steps that have been taken to develop frameworks on matters that relate to the Committee's remit, and at what stage of development those frameworks are;
- the evidence base to support decisions on frameworks;
- intergovernmental structures that have been or are being established, e.g. Ministerial forums etc;
- what end output(s) are anticipated from the frameworks, both legislative and non-legislative;
- how the frameworks link with existing or proposed Welsh Government action, both legislative and non-legislative (including where frameworks cross-over with other portfolios); and



- how each framework area will be managed in the event of the UK leaving the EU without a deal.

In order to assist the Committee with planning its scrutiny work early in the autumn term it would be helpful to receive your response by 1 September.

Yours sincerely,

A handwritten signature in black ink that reads "Mike Hedges". The signature is written in a cursive style with a large initial 'M'.

Mike Hedges AM

Chair of Climate Change, Environment and Rural Affairs Committee



Julie James AC/AM
Y Gweinidog Tai a Llywodraeth Leol
Minister for Housing and Local Government



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref MA-P/JJ/2922/19

Mike Hedges AM
Chair
Climate Change, Environment and Rural Affairs Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA
Government.Committee.Business@gov.wales

28 August 2019

Dear Mike

Thank you for your letter of 19 July requesting information on UK-wide common policy frameworks emerging from the Brexit Process. Within the Housing and Local Government portfolio, there are two frameworks in development relevant to the Environment and Rural Affairs Committee's remit. These are the Hazardous Substance Planning Framework and the Waste Framework. In respect of common framework development on these, I have provided the information requested by the Climate Change, Environment and Rural Affairs Committee in the attached annex.

Yours sincerely

Julie James AC/AM
Y Gweinidog Tai a Llywodraeth Leol
Minister for Housing and Local Government

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Gohebiaeth.Julie.James@lyw.cymru
Correspondence.Julie.James@gov.Wales

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.

Annex 1

What steps have been taken to develop frameworks within your portfolio areas, and at what stage of development those frameworks are;

Policy officials have been engaged with their counterparts from the UK Government, Scottish Government and Northern Irish Civil Service since November 2017. Over this time all policy areas have been able to establish where Frameworks will be required and an initial position on the type of Framework required. The progress of this work was most recently reflected in the UK Government's Framework Revised Analysis on April 2019.

An outline framework for Hazardous Substances Planning was published on 3 July and work continues to take the framework through detailed development.

In terms of the Waste Framework, an initial 'deep dive' meeting was conducted with counterparts from the UK Government, Scottish Government and Northern Irish Civil Service in February 2018. A second Common Frameworks Deep Dive on waste was held on 17 July. We are awaiting a revised framework agreement from the UK Government following the discussions at the meeting.

The evidence base to support decisions on frameworks;

Decisions on whether a Framework would be necessary in an area were taken on the basis of discussions between policy officials. These discussions took into account the impact and likelihood of divergence in the area; the volume of work which the Framework would consider; and the benefits derived from formalised cooperation.

None of these decisions are final as consultations with counterparts from the UK Government, Scottish Government and Northern Irish Civil Service continue. Some policy areas that had initially considered a framework necessary have, on further consideration, decided that informal cooperation would be sufficient.

Intergovernmental structures that have been or are being established, e.g. Ministerial forums etc;

The Joint Ministerial Committee (EN) was established in October 2017 and acts as the Ministerial oversight for the Frameworks Programme.

Some Ministerial Quadrilateral meetings have also been established to consider policy specific issues as they arise. They consider, but are not limited to, issues arising from Frameworks. For example, progress on the Hazardous Substance Planning framework has been monitored through an officials' working group involving policy leads from the UK Government and Devolved Administrations, which has generally met once a month.

What end output(s) are anticipated from the frameworks, both legislative and non-legislative;

Frameworks will develop an intergovernmental system for cooperation between the Welsh Government, counterparts in UK Government, Scottish Government and Northern Irish Civil Service. These systems will provide formalised procedures for decision-making and communication.

For those frameworks where a non-legislative approach has been pursued, they are anticipated to result in a memorandum of understanding/concordat supported by a Framework Outline Agreement, setting out principles of engagement and co-operation between policy leads of each administration. At this stage it's likely that the frameworks being developed within my portfolio will be taken forward on a non-legislative basis.

How the frameworks link with existing or proposed Welsh Government action, both legislative and non-legislative (including where frameworks cross-over with other portfolios); and

Frameworks are being developed with ongoing policy developments in No-Deal preparation and Future Economic Partnership work in mind. The Frameworks and related bodies will be flexible to future decisions in relation to EU and international discussions and will provide a platform for these discussions in a way which provides for parity of participation and decision-making, protection of devolved competence.

How each framework area will be managed in the event of the UK leaving the EU without a deal.

Departments have undertaken no-deal approaches to governance, with a number including interim Working Level Arrangements (WLA). These set out intergovernmental approaches to imminent issues which might arise as a result of no-deal. These WLAs operate under some of the same structures as Frameworks, such as Ministerial Quadrilaterals. Within some policy areas, an interim WLA could overlap with a particular Framework and its development may have drawn upon the Framework discussions that have already taken place. No deal arrangements are short term and interim, so do not set any precedent for Frameworks. In the case of a no deal situation, the Welsh Government would expect the Frameworks programme to be priority to ensure properly considered and scrutinised arrangements are in place as soon as possible.

Ken Skates AM
Minister for Economy and Transport

19 July 2019

Dear Ken

Common UK Policy Frameworks

Assembly Committee Chairs met on 3 July and discussed the development of UK-wide common policy frameworks emerging from the Brexit process. Chairs agreed to write to Welsh Government Ministers to seek further information to assist with scrutiny of these matters as they relate to each Committee's remit.

I would therefore be grateful if you could provide the Committee with details of:

- the steps that have been taken to develop frameworks on matters that relate to the Committee's remit, and at what stage of development those frameworks are;
- the evidence base to support decisions on frameworks;
- intergovernmental structures that have been or are being established, e.g. Ministerial forums etc;
- what end output(s) are anticipated from the frameworks, both legislative and non-legislative;
- how the frameworks link with existing or proposed Welsh Government action, both legislative and non-legislative (including where frameworks cross-over with other portfolios); and



- how each framework area will be managed in the event of the UK leaving the EU without a deal.

In order to assist the Committee with planning its scrutiny work early in the autumn term it would be helpful to receive your response by 1 September.

Yours sincerely,

A handwritten signature in black ink that reads "Mike Hedges". The signature is written in a cursive style with a large initial 'M'.

Mike Hedges AM

Chair of Climate Change, Environment and Rural Affairs Committee



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