



Evidence paper for MRANWT General Scrutiny at ETRA Committee

5/6/2023

Information provided to aid the Committee in advance of the Minister's attendance for General Scrutiny on 21 June.

Contents

Agriculture (Wales) Bill.....	3
Designation of a new National Park in Northeast Wales	4
Food Policy.....	5
Glastir Contracts.....	7
Maximising EU spend on the RDP - Audit Wales Report.....	8
Sustainable Farming Scheme	9
Bovine TB Eradication Programme.....	11

Agriculture (Wales) Bill

The Bill passed Stage 3 of the Senedd scrutiny process on 16 May. All 37 government amendments, 5 amendments laid by Plaid Cymru (4), and Liberal Democrats (1) were agreed. 32 of 33 amendments laid by Conservatives were not agreed.

Amendment 55 was accepted by the Senedd. However, these provisions cause fundamental issues for the effective operation of the duties and provisions in the Bill by restricting the powers to provide support.

The Minister for Rural Affairs, North Wales and Trefnydd moved a Motion without notice on Tuesday 24 May in Plenary seeking the Senedd's agreement to a Report Stage. Members of the Senedd agreed in a majority vote to the motion.

The Report Stage is to be held on 20 June in Plenary. It is then anticipated that Stage 4 vote will be held on 27 June in Plenary.

A further request for Crown consent is expected to be issued early June to ensure the Bill as amended at Stage 3 receives Crown Consent prior to Stage 4 vote as per Standing Orders.

Designation of a new National Park in Northeast Wales

Following the review and updating of its designation processes and procedures, in its role as the designating authority for Wales, Natural Resources Wales (NRW) established a Designated Landscape Programme during the financial year 2022/3. This is a new eight-person Programme team that is being funded by the Welsh Government.

Reporting and governance structures have been established including a Programme board with bi-monthly meetings. Monthly reporting to Welsh Government and Bi-monthly update meetings with the Minister are being undertaken.

Work has commenced to embed the sustainable management of natural resources into the designation process with particular focus on nature recovery and climate change.

The Area of Search mapping has recently been completed with a resulting report currently being drafted. The Area of Search defines the maximum possible area of the new National Park to guide further evidence gathering and assessment, but it does not represent the actual/final boundaries of the new National Park.

Following the completion of the Area of Search, a contract to identify the 'Special Landscape Qualities' within this area is scheduled to begin in July. Preliminary procurement activity is underway for the subsequent elements of evidence gathering that will follow. NRW officials have held early engagement meetings with all the Local Authorities in the Area of Search, as well as Eryri National Park Authority. Subsequent updates with key stakeholders will follow in June and July that will share the Area of Search.

A communications lead has been appointed to NRW's Designation team and proactive communication work is gathering pace. An information Webpage has been prepared along with Frequently Asked Questions (FAQs) and procedural guidance. This was published on 1st June and will be periodically updated with key information throughout the designation process. Later in 2023, NRW will hold a series of engagement events on the National Park proposal to gather information from local communities and other key stakeholders. There will also be an opportunity to share feedback during a public consultation period in 2024.

Alongside the designation work for the new National Park, the Welsh Natural Beauty project is also being undertaken to establish an evidence base for considering possible additional designations and related purposes. Initial stakeholder meetings have taken place.

Food Policy

Welsh Government continues to advance a suite of food related policies. The Minister for Rural Affairs, North Wales and Trefnydd summarised the main ones in her letter of 28 February to the committee, explaining how they interact and relate to the goals of the Food (Wales) Bill. Collectively the policies are shaped by the principles of the Well-being of Future Generations (Wales) Act. Policies advance the Act's goals to benefit individuals and communities. They are devised and executed collaboratively, in partnership with diverse stakeholders, and pursue short and long term objectives.

The Welsh Government noted during consultation and subsequent scrutiny of the Bill that stakeholders widely held the opinion of policy not being sufficiently joined up. We are confident this is not the case because policy making within Welsh Government is characterised by collaboration and cross-portfolio working. Policies do refer to each other where relevant and very little evidence came to light during the scrutiny process to suggest specific policy conflicts.

Nevertheless, as a government which places much value on partnership and collaborative working with diverse stakeholders, it is very important everyone understands the policies in place and in development. We accept there is a perception to address, a need to communicate better what the Welsh Government's policies for food are, and how they join up across different policy areas and how they relate to the well-being goals of the Well-being of Future Generations (Wales) Act 2015. Consequently, we have committed to publish a cross portfolio document for stakeholders summarising our wide-ranging policies and to update it periodically.

The Minister for Rural Affairs, North Wales and Trefnydd has also committed to chair a cross-Government forum to ensure the efforts made within Welsh Government are subject to appropriate oversight which allows for better policy join-up to be achieved and communicated.

We are taking these actions because we take very seriously the concerns raised during the Bill's scrutiny of Welsh Government food policies not being sufficiently joined up. These commitments also address the substance of the committee recommendations to the government should the Bill fall.

The immediate issue is concern about on-going food price inflation, currently running at around 19%, and hitting the poorest and most vulnerable hardest. We are also all aware of supply chain problems during the winter concerning egg supply and fresh salad vegetables.

The food supply of Wales, and the businesses which operate here, are wholly integrated into a common UK food system. Effective policy needs to be developed and operate with that reality. Thus where it makes sense to do so the

Welsh Government welcomes working with the UK government and national bodies.

We were pleased the Prime Minister held the Downing Street “Farm to Fork” summit in May, at which the Welsh Government was represented by a senior official. We welcomed the commitments to review the egg and horticulture sectors and the Welsh Government will contribute to this work. Much comment has been made about food prices and profit margins and the Competition and Marketing Authority has announced a review to consider whether any failure in competition is contributing to higher grocery prices. The CMA has approached the Welsh Government to engage in that work and we await the outcome of the review in due course.

Glastir Contracts

Glastir Advanced, Commons and Organic contract extensions have been offered for 2023. These contracts commenced on 1 January. A total of 2,295 contracts were accepted, worth over £30m.

Extending Glastir contracts for a further 12 months contributes to our aims of conserving and enhancing wildlife and biodiversity, improving our soil and water resources, restoring peatland habitats and responding to the climate emergency by taking action through the decarbonisation of Welsh agriculture. The extensions also provide an opportunity for us to align replacement support to the future proposed Sustainable Farming Scheme.

No decision has been made on agri-environment support from December 2023, when the existing Glastir contract come to an end, to the introduction of the Sustainable Farming Scheme. Consideration of Glastir Advanced, Organic and Commons contracts is being taken independently as their alignment to the Sustainable Farming Scheme differs.

Maximising EU spend on the RDP - Audit Wales Report

An Audit Wales report titled *Maximising EU funding - the Structural Funds programme and the Rural Development Programme* was published on 2 June.

The audit findings have identified a number of risks, some of which are outside the Welsh Governments control, to maximising EU funding under the Rural Development Programme by 31 December 2023. The risk together with mitigations are set out in the report.

There have been considerable challenges for some projects because of the impact of Brexit, Covid, and more recent inflationary pressures. Escalating costs of building materials and supply chain issues are impacting on the costs and delivery at a time when there is limited flexibility remaining in the programme.

Officials are working closely with beneficiaries where there are risks projects do not deliver to the required timescales or level of output and will consider requests for an extension to submit claims later than the published deadlines, on a case-by-case basis, provided the projects final claim can still be verified and paid before 31 December 2023.

Late submission of claims may lead to a delay in completing all admin checks and controls for maximising EU funding. To ensure all administrative checks are completed in accordance with the regulations, officials are aiming to complete all controls by October and have had to introduce firm deadlines for the provision of information under this 'in-situ' inspection process. Failure to provide all necessary information or supporting documents may lead to claim penalties being applied.

Welsh Government officials are focused on processing the large volume of RDP claims received and still expected before the 31 December. This also includes the Glastir 2023 claims (following the submission of this years Single Application Form) which normally paid in the following year.

Sustainable Farming Scheme

The Sustainable Farming Scheme (SFS) is the first new major scheme underpinned by the Agriculture (Wales) Bill and mirrors the Sustainable Land Management (SLM) objectives in the Bill to support farmers to lower their carbon footprint and deliver for nature whilst, at the same time, continue to produce food sustainably through resilient agricultural businesses. It also recognises the key role farmers play as stewards of our Welsh language, heritage and culture.

Last year Welsh Government published the most detailed set of proposals to date. Those proposals were used to underpin the second phase of co-design throughout the latter part of the year. The codesign results are still being analysed, and a report will be published as soon as analysis is complete

Tree planting remains a hot topic. We had lots of feedback on tree planting through codesign, and we are still exploring how to integrate these options in a way which works for all types of farm.

Our SFS Working Groups are ongoing. These groups are helping to unpick some of our biggest and most complex challenges;

- The Tenancy group has been exploring the unique challenges faced by our important tenanted sector in meeting all the scheme actions, and the implications of the proposed 5-year SFS contracts where the tenant does not have sufficient tenure.
- The new entrants group has somewhat overlapped the findings of the tenancy group, but has also been exploring solutions to some of the main barriers to new entrants, mainly around the lack of access to land, finance and skills. It is likely some of these solutions will lay outside of the core SFS.
- The common land group possibly have the biggest challenge. The group are exploring if and how the SFS model can be applied to common land, and if not, what alternatives need to be considered. Based on their 'rights' the common land grazier cannot deliver most of the proposed SFS actions. However, there is general agreement on the importance of common land for a wide variety of economic, ecological and cultural benefits, so discussions are ongoing.

We will use the co-design reports and outputs from our working groups, combined with ongoing policy development, to help shape the next version of the SFS proposals which will be included in a final scheme consultation towards the end of this year. No final scheme design decisions will be made until this next consultation is concluded.

We are encouraging any farmers who have a chance to start undertaking SLM actions to do so. Activities such as restoring peatlands and planting new woodland if undertaken in advance of SFS will be honoured in the scheme as part of maintenance payments. There is funding available now to undertake some of these actions e.g. the Woodland Creation grants continue to support both small and large-scale planting backed by funding for skilled professionals to help develop plans.

Bovine TB Eradication Programme

Our new TB [Delivery Plan](#) was launched in March 2023 and outlines our approach to eradicating bovine TB for the next 5 years. The Delivery Plan contains a comprehensive set of measures that encompass our commitment to forge strong working partnerships with stakeholders to achieve these goals.

Priority actions as outlined in the Delivery Plan include:

- Governance arrangements - establish new Programme Board and Technical Advisory Group for the TB Eradication Programme, through the Public Appointments process. Establish terms of reference for each group.
- Cattle Vaccination - Continue engagement with other administrations and the industry on a vaccine deployment strategy.
- Establish a pilot project in the Pembrokeshire region to tackle deep seated infection, following a procurement exercise.
- Agree and implement additional cattle control measures in Anglesey, or more widely across the Low TB Area and commence badger vaccination work on Holy Island as part of a package of intensive measures to tackle a spike in TB incidence in the region.
- Progress phase I of the legislative changes set out in the Delivery Plan including introducing Pre-Movement Testing in the Low TB Area and expanding Post-Movement Testing to the Intermediate TB Areas.

Governance

The Minister for Rural Affairs, North Wales and Trefnydd announced the establishment of a Technical Advisory Group (TAG) to help support the TB Programme and appointed Professor Glyn Hewinson, Sêr Cymru Chair of the TB Centre of Excellence, to lead this work. Members to this group will be Publicly Appointed, as will a chair and members to a TB Eradication Programme Board.

The role of the TAG will be to consider and review TB policies, taking account of existing and emerging evidence and a number of key priorities have been identified. These include consideration of the current TB testing protocols and, a review of the on farm slaughter of in calf TB affected cattle.

A key priority of the TB Eradication Programme Board will be to consider stakeholder involvement in the Programme with a particular focus on improving cooperation, collaboration and ownership through increased engagement, in line with the [recommendations](#) of the Task and Finish Group on Farmer Engagement.

Cattle Vaccination Research

Cattle vaccine field trials are currently being undertaken and if they are successful, farmers and vets will move a step closer to being able to vaccinate their animals against the disease.

The trials will allow us to generate sufficient evidence to support a Market Authorisation (MA) application to the Veterinary Medicines Directorate (VMD) to use both products in the UK.

Anglesey

The Welsh epidemiological team at APHA have identified a deteriorating situation on the isle of Anglesey with a recent rise in TB breakdowns. Surveillance data shows that as of 31 December 2022 there were 9 open breakdowns in Anglesey. This compares to 8 as of 31 December 2021, 2 as of 31 December 2020 and 3 on 31 December 2017.

Options to address both TB in cattle on Anglesey and to protect badgers from becoming infected with TB are in train. Currently this includes assessing the feasibility of a 4-year badger vaccination project on Holy Island, which we would aim to start this year.

Legislative Changes

The new Delivery Plan gives us the chance to reflect on the progress made on our commitment to eradicate bovine TB from Wales. Key changes to the Tuberculosis (Wales) Order 2010 which will strengthen our legislation further to provide the tools to achieve the goal of eradication by 2041 include:

- Prohibit feeding of untreated milk to livestock on OTFW premises.
- Introduce a legal requirement for farmers not to move cattle between test day 1 (day of injection known as TT1) and test day 2 (day of the reading of the test known as TT2) and between blood testing and receiving results.
- Make available the number of years a herd has been TB free for inclusion on ibTB.
- Reinstate Pre-Movement Testing for cattle movements in the Low TB Area, whilst maintaining Post-Movement Testing.
- Introduce Post Movement Testing for all cattle movements to holdings in the Intermediate TB Areas from High TB Areas, the High-Risk Area of England and from Northern Ireland.

Farmer Support

The Welsh Government appreciates the potential impacts bovine TB can have on farming families and others and the stress and anguish a TB breakdown can cause. In response to this, the Welsh Government continues to make farmer support initiatives available as part of the Programme, including Cymorth TB veterinary support and Keep it Out visits.

The Welsh Government has also provided funding to organisations including The DPJ Foundation and Farming Community Network to provide support and advice to farmers struggling with their mental health. This includes the Farming Community Network run FarmWell Wales information Hub. APHA in Wales have also been engaging directly with The DPJ Foundation and Tir Dewi.

As part of the refreshed TB Delivery Plan, published in March, we have committed to work to improve the relationship between farmers and Government by communicating clearly, effectively and empathically when discussing TB. Minimising the source of stress is at the forefront of our priorities.

TB Payments

The Welsh Government has committed to follow a partnership and co-design route when developing TB policy. As well as engaging with the farming industry on any potential policy changes in respect of TB payments, it is also important the TB Eradication Programme Board, once established, is fully engaged in these discussions and contributes to shaping options.