

19th November 2014

NFU Cymru submission to Public Accounts Committee Inquiry into Glastir

NFU Cymru welcomes the opportunity to respond to the Public Accounts Committee Inquiry into Glastir which will consider the Auditor General for Wales's report on the scheme together with the Welsh Government response.

In Wales, over 80% of the land area is devoted to agriculture and, therefore, managed by farmers. Alongside the primary role of producing food, farmers throughout the centuries have created and managed our treasured landscape which supports a diverse range of species, habitats and ecosystems providing an array of environmental goods and services.

There is a need to recognise that the environmental objectives of Welsh Government can only be delivered through environmental actions taken by land managers on the ground and we would highlight that there are many farmers in Wales who wish to undertake actions on their farms that deliver a wide range of environmental benefits.

NFU Cymru has long argued that the ambition for Glastir should be to achieve a scheme that is simple, uncomplicated and transparent for the applicant with activity that is practical and achievable to implement on the ground.

The Wales Audit Office (WAO) comes at a crucial time when schemes under the next Rural Development Programme (RDP) are being developed. Given that a significant proportion of the RDP budget is being prioritised to land-based measures, NFU Cymru would take this opportunity to re-iterate its position that the scheme should be voluntary, but that the scope of the scheme should be such as to be open to any farmer in Wales irrespective of location or farm enterprise type. We would also stress that it is vital that the delivery of environmental goods and services do not come at the expense of maintaining a profitable and productive agriculture sector in Wales.

It is important to note that with the introduction of the new RDP and the Welsh Government consultation on future proposals for Glastir earlier this year, a number of matters have progressed since the WAO Review was undertaken.

NFU Cymru will address each of the Report recommendations in turn.

R1 Drawing on any knowledge and experience of agri-environment schemes run by other jurisdictions, the Welsh Government should develop an approach for Glastir Advanced to ensure that, in return for grant funding, landholders commit to making significant changes to their land management practices that directly support the delivery of Glastir objectives.

NFU Cymru notes that Welsh Government accepts this recommendation in part and would concur with Welsh Government that management payments should continue to have a rightful place in agri-environment activity.

NFU Cymru firmly believes that farmers should have the ability to choose the right options to suit their farmed environment and achieve environmental gains. These gains need to be achieved alongside sustainable agricultural production so farmers must be able to select suitable measures for their own circumstances.

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We would also highlight that as well as bringing farmers into agri-environment, maintenance options have also provided protection for existing habitats (sometimes created or enhanced under previous programmes) to ensure they are managed to maintain them in good condition. This, we would assert, should be viewed as securing the investment that Welsh Government and farmers have already made.

This Recommendation, we would argue, also requires consideration in the wider policy context and, in particular, the current reform of CAP Pillar 1. Given, for example, that under-grazing and reduced stocking is now increasingly acknowledged as an issue that is leading to a decline in the condition of some sites, particularly in upland areas, Glastir support towards the continuation of current farming activity may, in fact, be a desirable outcome.

R2 The Welsh Government should explore the scope to develop a risk-based approach to identify and target appropriate interventions at farmers where poor agricultural practices are responsible for causing wider water quality problems. The Welsh Government should consider a range of interventions, including provision of advice, grant funding and regulatory action.

We note that Welsh Government accepts this recommendation in part and would highlight that there are a range of mechanisms available to address water quality issues of which Glastir is just one.

We would also highlight that statistics show that approximately 15% of Water Framework Directive failures can be attributed to agriculture and there are a range of issues and sectors influencing water quality in Wales, some of which can be traced back to land in public ownership and under the management of Natural Resources Wales.

We would stress, therefore, that addressing water quality using a single issue approach will not deliver the necessary improvements to deliver on Water Framework Directive goals, in particular, the requirement to meet 100% compliance with the Directive by 2021. However, NFU Cymru is a strong advocate of appropriate interventions for farmers where poor practices are responsible.

We believe that any approach must be evidence-based and provide local solutions to local problems by working in partnership with industry to be effective. We would highlight the opportunities presented by RDP 2014-2020, of which, 60% of the £953m budget has been proposed for land-based measures. Other measures including the Human and Social Capital Measure and Investments Measure also offer opportunities to address water quality problems and what is needed is a co-ordinated, targeted approach and clear communication between all those organisations with an interest in improving water quality which, hitherto, has been lacking.

R3 After the introduction of online-only application for Glastir Organic, Glastir Advanced and Glastir Woodland, the Welsh Government should review applicants' experiences and seek to identify and address any remaining barriers to making online applications.

NFU Cymru notes that Welsh Government accepts this recommendation fully and would welcome the review of applicants' experiences following the recent online application windows for Glastir Organics and the Expression of Interest for Glastir Advanced.

NFU Cymru staff have supported a number of members through the online application process also assisting with the Single Application Form process each year. One observation relating to the online application process this year suggests that the length of application window (approximately one month) is insufficient particularly when farmers need to seek assistance from a third party.

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We welcome the support provided by Welsh Government to help farmers undertake the application process and also make the transition and overcome barriers to accessing digital information. We would highlight that broadband speeds remain very slow or non-existent in some remote areas of Wales.

We would also highlight that whilst some elements of Glastir lend themselves to the online application process, other elements including the new habitat network scheme do not. Finally, there is a need to recognise that the digital application process constitutes a major change in delivery and will be most effective if the applicant is able to assess quickly whether it is worth applying for the scheme.

R4 The Welsh Government should routinely identify the running costs for Glastir and benchmark these against the costs for other similar schemes to help assess the efficiency of the scheme's administration and to demonstrate value for money.

NFU Cymru notes that Welsh Government accepts this recommendation in part and we would stress that it is vitally important that administration costs are routinely monitored for RDP schemes.

It is disappointing to note that Welsh Government are unable, at present, to break down fully the administration costs for individual components of Glastir. We would suggest that during a period of austerity and budgetary cuts some benchmarking of performance would be beneficial.

We would assert that the highly complex design of the scheme has contributed greatly to administration costs and we would suggest that some assessment of the ratio of administration costs to direct investment in environmental action on the ground is a key indicator that merits some consideration.

Finally we note that Welsh Government is unable to provide a full breakdown for each component due to the deployment of the Multi Skilled Teams approach. We note that using this approach has allowed Welsh Government to continually reduce the number of processing posts and make year on year savings which are, of course, welcome. However, members' feedback on their engagement with the scheme suggests that what is needed is improved management and administration of the Scheme within Welsh Government and it is important that this qualitative aspect is not overlooked in any assessment.

R5 The Welsh Government should review its targets for Glastir to ensure an adequate evidence base to support each target, and to ensure that the targets are challenging yet achievable, affordable and reflect the scale of change the Welsh Government is expecting the scheme to deliver. The Welsh Government should also ensure that its internal targets for Glastir are consistent with the targets it agrees with the European Commission.

NFU Cymru notes that Welsh Government accepts this recommendation in part. We note that Welsh Government proposes to establish revised targets for the uptake of all elements of the Glastir Scheme once the final RDP 2014-2020 budget allocation has been determined.

NFU Cymru would express some concern with this approach. Previous forecasting by Welsh Government of scheme uptake has been woeful and if this approach is adopted, we foresee a significant allocation of much needed RDP resource ring-fenced and held within the budget for land-based measures and not utilised elsewhere. We would refer to the budget allocated to Sustainable Production Grant as an example. NFU Cymru would argue that the current allocation is inadequate for industry needs and does not adequately acknowledge the fact that measures/interventions that contribute to efficiencies in production will also deliver 'additionality' in the form of wider environmental/climate change benefits.

We would agree with the findings of the WAO report, in that it is vital that targets are challenging yet achievable, affordable and reflect the scale of the change Welsh Government is expecting the scheme to deliver. We would reiterate that there is a need to recognise that delivery of environmental actions on the ground relies on the development and implementation of agri-environment schemes like Glastir that farmers are willing and able to participate in. It is also vital that all farmers who wish to join a farm-scale agri-environment scheme are able to do so.

Referring to the issue of lower than anticipated levels of uptake previously, NFU Cymru would highlight that there are a range of reasons why participation in the Glastir Scheme have been lower than anticipated. This includes the complexity of the application process for Glastir Entry together with a perceived lack of transparency in the Glastir Advanced application process.

There is also a need to recognise the administrative burden placed on farmers participating in the scheme with the requirement to complete stocking records and activity diaries. Farmers who are running commercial enterprises and who view food production as their primary goal, simply do not feel that the scheme offers them sufficient financial reward for their efforts. We would stress that these activities contribute nothing to the delivery of environmental action on the ground.

The issue of establishing appropriate targets clearly requires consideration in the round. Going forward, NFU Cymru believes it is vitally important that funds are adequate to give sufficient opportunity for farmers who want to access agri-environment to go in. We believe there are many farmers in Wales who wish to undertake actions on their farms that deliver a wide range of environmental benefits as evidenced by levels of uptake of farmers schemes and also by the high levels of expression of interest for Glastir.

Finally we would add that when considering the issue of target setting there is a need to better understand the current commitment to existing agri-environment contracts as a proportion of future budgets. Without this information it is not possible for us as stakeholders to comment with any certainty on the level of funds to be allocated and how they should be apportioned.

R6 The Welsh Government should use the results of the March 2014 Impact modelling exercise to help quantify the scale of the improvements it expects Glastir to deliver. Through setting appropriate targets for the scheme, the Welsh Government should also determine how and by when it expects Glastir to deliver its objectives and contribute to wider objectives such as those included in the Environment Strategy for Wales.

We note that Welsh Government accepts this recommendation fully.

NFU Cymru believes that monitoring and evaluation is crucial in developing our understanding of impacts of agri-environment measures.

We would stress that short-term monitoring, such as the current GMEP programme which is funded for four years, is unlikely to reveal any of the longer-term trends and impacts. GMEP findings, having completed Year 1 of their programme, do however, suggest the requirement for long-term commitment to interventions if outcomes, particularly for biodiversity, are to be fully realised and there is a need for Welsh Government to adequately recognise this finding in their proposals to implement selection criteria for Glastir Entry – including contract renewals - going forward.

The GMEP programme, in its present form, may also not go far enough to increase our understanding of farmer attitudes and behaviours, an aspect, we believe, that is crucial for the future development of the scheme and also future interventions using an evidence-based approach.

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~~We would argue, as far as possible, that measures should be based on sound science and also be practical and achievable on the ground. Further investment in applied research is needed going forward to help us understand better the interactions between the impacts of climate change, use of natural resources, wildlife species, habitats and food production.~~

To conclude, NFU would suggest that as new programmes under the new Rural Development Programme are implemented from 2015 and Glastir enters yet another phase, Welsh Government must learn the lessons of the past and it is vital that practitioners are involved in the refinement of Glastir and development of future schemes that farmers will be required to deliver going forward.