

Lesley Griffiths AM
Cabinet Secretary for Energy, Planning and Rural Affairs
Welsh Government

18 October 2018

Dear Lesley,

Consideration of the UK Government's Agriculture Bill

At its meeting on 10 October, the Climate Change, Environment and Rural Affairs Committee discussed its approach to consideration of the Legislative Consent Memorandum ('the LCM') on the UK Government's Agriculture Bill.

We note that the Bill provides powers for the Welsh Ministers to provide financial support to land managers and the agricultural sector following the UK's departure from the European Union. The Bill also provides powers for the Welsh Ministers to simplify the current system of direct payments; to phase out direct payments ahead of the termination of such payments at the end of the agricultural transition period; and to introduce a new system of support for the sector.

In order to help inform our work, we would like further detail and / or clarification, beyond that provided in the LCM, on the following issues:

Question 1. Why are the Welsh provisions in the Bill necessary, given the Welsh Government's commitment to bring forward a Wales Agriculture Bill?

Question 2. What are the implications for the Welsh Government, land managers and the agricultural sector in Wales of not including the Welsh provisions in the Bill?

The LCM states that "the powers being taken for Welsh Ministers are intended to be transitional until primary legislation can be brought forward" and "will be used until a Wales Agriculture Bill is introduced in the Assembly", before the end of the Fifth Assembly term. In your evidence to the Committee on 18 July 2018, you told us that you were planning on the basis that a Bill will have completed its passage through the Assembly by the end of this Assembly term.



Question 3. Can you provide further detail on the timelines that the Welsh Government is working towards in respect of the Wales Agriculture Bill, in particular when you anticipate the Bill completing its passage through the Assembly?

Question 4. How is the proposed time-limited nature of the Welsh provisions reflected in the Bill?

We note that the powers provided to the Welsh Ministers include those which will enable Ministers to phase out and eventually terminate direct payments made under the basic payment scheme.

Question 5. Why are these powers necessary, given that the Welsh Government is still consulting on its proposals for reform of land management in Wales and has yet to announce a final decision on a future system of financial support?

Question 6. Are there any types of payments which these powers will not allow for the making of? Will these powers allow for direct payments to be made to farmers under a future Welsh scheme, if that is desirable?

Question 7. How do the provisions align with the proposals set out in the Welsh Government's consultation *Brexit and our land*?

Question 8. The Bill gives Welsh Ministers considerable and extensive regulation-making powers, some of which will be subject to the negative resolution procedure. How do you plan to ensure that stakeholders are consulted properly before these powers are used?

The UK Bill follows the UK Government's consultation on its command paper, *Health and Harmony: the future for food, farming and the environment in a Green Brexit*, and sets the future agricultural policy framework for England. The UK Government has made clear its intention to phase out direct payments by the end of 2028 and to introduce a new Environmental Land Management Scheme which makes payments for public goods. The Bill will give effect to this.

The Welsh provisions in the Bill largely mirror those that will apply in England. However, we note that additional powers are provided to the Welsh Ministers to enable them to support economic activities, including those along the supply chain.

Despite providing a clear indication that "CAP is not right for Wales" and that direct payments will be brought to an end, the Welsh Government is still in the process of consulting on its reform proposals and a final decision on a replacement scheme has yet to be made.

Question 9. Can you expand on the assertion in the LCM that including the Welsh provisions in the UK Agriculture Bill, will not constrain the design and implementation of new schemes in Wales?



Question 10. How did you decide on the purposes for which the Welsh Ministers will be able to give financial assistance set out in Schedule 3, Part 1, paragraphs 1(1) and 1(2)?

Question 11. Schedule 3, Part 1, paragraph 1(1) gives powers to the Welsh Ministers to provide financial support for public goods. When do you plan to use these powers and for what purpose?

Question 12. Schedule 3, Part 1, paragraph 2(5) provides the Welsh Ministers with powers to delegate functions for the giving of financial assistance to any other person. When do you plan to use these powers and for what purpose?

In the documentation accompanying the UK Government's Agriculture Bill, the UK Government has provided a detailed timeline for reform in England. It makes clear that direct payments will be phased out between 2021 and 2027 before the eventual termination of these payments at the end of the "agricultural transition period in England", i.e. 2028. While the Welsh Government has indicated its intention to introduce a new scheme and complete land management reform by 2025, the "agricultural transition period for Wales" mirrors that for England.

Question 13. Why does the "agricultural transition period in Wales" mirror that for England when the Welsh Government has indicated its intention to complete reform by 2025?

Schedule 3, Part 2, paragraph 6 provides power to the Welsh Ministers by regulations to modify legislation governing the basic payment scheme "for or in connection with making changes the Welsh Ministers consider will simplify or improve the scheme". These regulations will be subject to negative resolution procedure. Similar powers are provided in paragraphs 9 and 10 in relation to financing, management and monitoring of the common agricultural policy, and support for the rural development scheme.

Question 14. What is the meaning of "simplify or improve" in the context of the powers for the Welsh Ministers to modify legislation provided in Schedule 3, Part 2, paragraphs 6, 9 and 10?

At our 4 October 2018 meeting, you outlined your concerns about the provisions within the UK Bill relating to the World Trade Organisation Agreement on Agriculture and about the failure of the Bill to address ongoing concerns about the Red Meat Levy. We subsequently wrote to you requesting a copy of your recent correspondence with the Secretary of State for Environment, Food and Rural Affairs on these matters. **We would like you to update us on any further progress made in taking forward these matters.**

On a wider point, **we would like you to confirm whether, if the English provisions in Parts 1 to 5 of the Bill are amended, you will be seeking equivalent amendments to any corresponding Welsh provisions.** Following on from this, **we would like you to confirm whether you anticipate bringing forward supplementary Legislative Consent Memorandums in the event that amendments are made to Schedule 3.**



Finally, we are aware that the Bill has now entered the amending stages in the House of Commons. **We would like you to provide a timeline for the Bill's passage through Parliament, and to seek assurance from you that this will provide sufficient time for the Welsh Government to negotiate any amendments that may be deemed necessary or desirable.**

I should be grateful if you would respond to the above by **31 October**. Depending on the response, the Committee may wish to invite you to give oral evidence at a future meeting.

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' and 'H'.

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

