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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

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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.

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

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

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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