

Environment and Sustainability Committee

E&S(4)-22-12 paper 2

Inquiry into Glastir – Evidence from the Deputy Minister for Agriculture, Food, Fisheries and European Programmes

Glastir: Background

1. In September 2008 the then Minister for Rural Affairs, Elin Jones AM, announced a review of RDP Axis 2 schemes in Wales. The review found that the existing schemes lacked objectives and a clear baseline and that their success and the extent to which they addressed the recently introduced CAP Health Check proposals could not be fully assessed. On May 5 2009, the Minister announced that from 1 January 2012 the four existing Axis 2 schemes in Wales (Tir Cynnal, Tir Gofal, Tir Mynydd and the Organic Farming Scheme), would be merged into a new single scheme, entitled Glastir. Glastir would address the new challenges outlined in the Health Check proposals. It was later announced in July 2010 that the Better Woodlands for Wales (BWW) scheme would also be replaced by Glastir.

2. A period of extensive stakeholder consultation followed the announcement. Welsh Government officials met with key stakeholders including the farming unions, the CLA, the National Parks, Welsh Commons Forum, environmental agencies and other non-governmental organisations with an interest in sustainable land management objectives on many occasions. There were also in excess of one hundred meetings with farmers as part of the process of explaining the new scheme to potential applicants within the industry.

3. Following the closure of the 2010 Glastir application window the then Minister announced an independent review of the Glastir All Wales Element – the Rees Roberts Review – which brought together representation from the farming unions, the CLA, the Organic Centre Wales, Wales Environment Link, the YFC and the Dairy industry. The review reported in March 2011, outlining 69 recommended actions. The majority of these actions were accepted by the Minister and by me on my appointment as Deputy Minister for Agriculture, Food, Fisheries and European Programmes following the Assembly election. The actions were largely implemented by the autumn of 2011.

Uptake and roll out across all elements of the Glastir scheme is outlined in Table 1.

Scheme element	Contracts/Demand
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All Wales Element 2012	1,700 signed contracts
All Wales Element 2013	c.700 applicants
All Wales Element 2014	c.9,000 expressions of interest on SAF
ACRES 2012	700+ application for themes selected
Targeted Element 2013	420 selected for visit
Glastir Woodland Management	249 applications
Glastir Woodland Creation	356 contracts
Common Land Element 2012	107 contracts
Common Land Element 2013	100+ expressions of interest

Table 1: Uptake of Glastir components

4. The initial high numbers of expressions of interest for the All Wales Element and the aspirations set for the scheme by the Welsh Government have meant that the initial uptake of the All Wales Element met with some criticism. Approximately 3,000 farmers did apply during the first application round of the Glastir All Wales Element (AWE) in autumn 2010. In total just over 1700 farmers signed up to Glastir AWE contracts in the first year and a further 700 applications were received in the next application window. Before the first application window was opened a number of extension arrangements (Table 2) were put in place for existing Tir Gofal, Tir Cynnal and Tir Mynydd recipients which benefitted over 12,000 farmers but significantly reduced the demand and potential for farmers to join the Glastir AWE in the early years. The rapid introduction of the Rees Roberts review changes did also add some confusion to the application process for those who had already applied with some farmers withdrawing to consider further their options in light of the changes made.

<u>Scheme name</u>	<u>Agreements extended to end of 2013</u>
<u>Tir Gofal</u>	<u>3,799</u>
<u>Tir Cynnal</u>	<u>2,820</u>
<u>Organic farming schemes</u>	<u>1,032</u>

Table 2: Extension arrangements in place for existing agri-environment schemes.

5. Elsewhere, the scheme has had considerable success. Demand for the Common Land Element has been particularly high and if current expressions of interest are converted to agreements then it has been estimated that over 75% of eligible common land (currently over 35%) will have entered the scheme by the beginning of 2013. This compares to less than 2% of Common Land within an agri-environment scheme prior to the launch of Glastir. This will be a significant and important step towards delivering sustainably managed uplands which is critical to effective management of Welsh carbon sinks, biodiversity and water management.

6. The ACRES, Glastir Woodland Management and Targeted Elements have all been well subscribed to and the numbers of contracts delivered in the first year are /or are likely to be limited by budget and processing resources rather than demand. Applicants who meet the criteria for selection who were unsuccessful in the first year will continue to be considered in further selection rounds as the scheme continues to roll-out. The Glastir woodland Creation scheme has also had good demand compared to previous woodland planting schemes paid for under Axis 2 of the RDP.

7. I made a statement to the National Assembly in March on the numbers of farmers who had entered the Glastir scheme and announced that I would take stock of the scheme over a suitable period of time and make a further announcement before the summer recess. On 3 July I announced, through an oral statement to the National Assembly, the outcome of my stocktake.

Stocktake Outcome

8. The full stocktake report and my oral statement of 3 July is available on the Welsh Government website at <http://wales.gov.uk/topics/environmentcountryside/farmingandcountryside/farming/glastirhome/glastirstocktake/glastirstocktake/?lang=en>.

The headline outcomes of my stocktake are:

- An open application process rather than an application window with annual cut-off dates from 2013 onwards.
- Commitment to reduce record keeping requirements wherever possible.
- More resources to improve strategic and operational level communications of the scheme.
- Wider utilisation of the successful Commons Development Officer initiative to support other components of the Glastir scheme
- The acceptance of 148 recommendations made as part of the stocktake process.
- Renaming of Glastir elements to provide greater clarity to potential applicants in the farming industry (see Table 3)

Old name - <i>Glastir All Wales Element</i> :
New name - Glastir Entry / Glastir Sylfaenol

<i>Glastir Targeted Element:</i>

Glastir – Advanced / Glastir Uwch
<i>Glastir Common Land Element:</i> Glastir – Commons / Glastir – Tir Comin
<i>Glastir Woodland Creation Scheme:</i> Glastir – Woodlands creation / Glastir - Creu Coetiroedd
<i>Glastir Woodland Management Scheme:</i> Glastir - Woodlands management / Glastir Rheoli Coetiroedd
<i>Agricultural Carbon Reduction and Efficiency Scheme:</i> Glastir - Efficiency grants / Glastir - Grantiau Effeithlonrwydd

Table 3

10. Additional scheme detail changes that I accepted which require a further modification of the RDP will be held back until the outcome of the 'Greening' proposals under pillar 1 of the CAP reform proposals are known and the new Rural Development regulations are in force. The alternative would have been to amend the current RDP before the end of 2013 and then have to introduce further changes as a result of CAP reform in the following year but this would have required a number of contract re-writes and continued scheme instability. I have decided therefore that these changes will be implemented in 2015 to provide the period of scheme stability that farmers have been pressing for.

Specific questions from the Environment and Sustainability Committee and the Welsh Government response.

QU. *How much funding has been committed by the Welsh Government in All Wales Element contracts for the calendar year 2012?*

WG Response Current estimate of expenditure for 2012 on All Wales Element contracts is £5,881,999.

QU. *How much funding has been committed by the Welsh Government in ACRES Element contracts for the calendar year 2012?*

WG Response The value of commitments made from the ACRES 2012 selection round (these will be paid over 2 financial years) is outlined in Table 4 below. Not all claims have been processed yet.

**The table allocates cost on the basis of all applicants applying at the 40% rate. However, the figures will be somewhat higher because of young farmer applicants who receive 50% grant. (this data is not available at present).*

	Quote Value	At 40% Grant
Total Value of 2012 selection round items anticipated to be claimed in 2012/2013	£3,066,787	£1,226,714.80
Total Value of 2012 selection round items anticipated to be claimed in 2013/2014	£7,889,929	£3,155,971.60
Total Value applied for	£10,956,716	£4,382,686.40
<u>Table 4 ACRES 2012 financial commitments forecast</u>		

In its letter of 21 June 2012, the Committee raised the following issues which they would like to explore further

Issue 1: *Communication of the scheme's objectives and suggestions as to how the perceptions of the scheme could be improved - Stakeholders highlighted that there is a continued perception amongst farmers that the scheme is difficult to access and that many farmers are still not aware of the changes made to the scheme following the Rees Roberts review. All stakeholders emphasised the importance of ensuring that those currently in the All Wales Element have a good experience*

WG Response: The Welsh Government has accepted the recommendations of the stocktake that strategic and operational level communications of the Glastir scheme need to be improved. A strategic communications officer is to be appointed to manage the communications plan for the Glastir scheme. In particular, this plan will focus on re-communicating the main objectives of Glastir, demonstrating success stories and using case studies to help farmers understand what the scheme's objectives are and how they might engage with the process.

Issue 2: *The absence of project officers to support the All Wales Element – several respondents suggested to the Committee that the increased use of project officers could help to increase participation in the scheme.*

WG Response: Project officers signing up farms on a 1 to 1 basis are an extremely resource intensive approach to signing up farms to entry level agri-environment schemes. The highest number of farmers signed up to Tir Gofal in any one calendar year was approximately 700 at a time when over 40 project officers were employed by the Welsh Government. This level of resource provision is not possible within the current financial climate. The GIRG 2011 recognised the limitations of internal government resources in the current economic climate and on balance concluded that the preferred approach was for farmers unable to complete their forms alone to secure their own advice to help them join the scheme – in some cases by using the existing RDP funded Farming Connect service. Many farmers did access this

service to help them decide whether it made business sense to join Glastir. The GIRG 2011 felt that the use of existing services such as Farming Connect was a better solution than using additional money from the RDP budget to fund dedicated Glastir All Wales Element officers.

However, the Welsh Government has been very impressed by the performance of the Commons Development Officers (CDOs) in facilitating the formation of grazing associations and applications to the Common Land Element. With the majority of eligible common land now either within the scheme or covered by an expression of interest this year, there is now an opportunity to use this CDO resource more widely. The Welsh Government will enter discussions with the Local Action Groups (LAGs) to seek to renew and amend the CDO contract to make their support more widely available within Glastir in particular to provide local surgeries and advice services.

***Issue 3:** The record and information keeping requirements of the All Wales Element and suggestions for how these could be simplified – questions were raised about the necessity of some of record keeping requirements and serious concern was expressed about the subsequent bureaucracy that these requirements generated;*

WG Response: European Commission Regulations require some scheme requirements to be verified and controlled by the keeping of records. As outlined in my statement on 3 July, these requirements will be reviewed to ensure that the WG is not asking for more than the European Commission auditors require.

***Issue 4:** Concern about the payment mechanisms for capital works and the need to better explain these new mechanisms to farmers – the change of approach and how it has been communicated was identified as creating uncertainty for farmers;*

WG Response: This has been raised previously and farmers in the scheme seem to be fairly clear about how capital works are re-imbursed in the lifetime of the scheme but additional communications effort will be made to get this message across. Capital works in Glastir are re-imbursed at 100% on a 20% per annum basis for the 5 years of the agreement. Works have to be complete by the end of the second year. It has been accepted that an additional 3 month period should be given for this activity as an amendment under the next RDP which will allow farmers 2 full winters to complete the work. It should be noted that under the Tir Gofal scheme most capital works were re-imbursed at only 60%.

Issue 5: *The Targeted Element and its relationship to the All Wales Element – issues were raised in relation to the lack of information available on the Targeted Element and the disconnect between the application processes of the two elements*

WG Response: It is intended to begin the streamlining of the AWE (now Glastir – Entry) and TE (now Glastir – Advanced) schemes from next year. Initially, The Welsh Government will do this by prioritising Tir Gofal agreement holders who have applied for Glastir – Entry and who score enough points to be selected for the Glastir – Advanced scheme. These farmers will have a contract manager visit prior to signing up to either element so that the “whole package” can be explained to them prior to signing. Longer term, I aim to roll this out to all applicants scoring sufficient points for the Advanced scheme in the year they apply for Glastir - Entry. Additional information about the Advanced element will also be made available on line.

Issue 6: *Concern about the implementation of the Woodland Creation and Management Schemes – including whether the schemes adequately take account of the views of commercial forestry stakeholders.*

WG Response: Forestry sector stakeholders’ main concerns are in respect of the species change requirements for the re-stocking prescriptions for the over 400m elevation in the Glastir Woodland Management scheme. Stakeholders consider the maximum allowable percentage of primary species (e.g. Sitka spruce) to be too low. During consultation, the Welsh Government has already conceded an increase in this percentage from 70% to the present 75% - stakeholders have argued for a further increase to 80%. The secondary species mix is required to provide greater resilience against climate change, plant health risks and adds to the biodiversity value of woodlands. A comparison against the UK Forestry Standard (UKFS), which sets the minimum enforceable standards for a felling licence shows that if the commercial foresters’ demands were met the scheme would deliver only a 3% area benefit over the baseline UKFS requirements over the payable area for the scheme. This would not represent good value to the people of Wales and provide limited additional environmental benefit from the scheme.

I have accepted in my response to the stocktake lowering the elevation bands by 50m so that a higher percentage of primary species can be used at lower altitudes. In addition, I have accepted that the Glastir Woodland Creation scheme needs to be looked at in further detail so see if it is possible to reduce the area immediately classed as ineligible for planting.

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