

Agenda – Economy, Trade, and Rural Affairs Committee

Meeting Venue:	For further information contact:
Hybrid – Committee room 5 Ty Hywel and video Conference via Zoom	Robert Donovan Committee Clerk
Meeting date: 28 April 2022	0300 200 6565
Meeting time: 09.30	SeneddEconomy@senedd.wales

Private pre-meeting (09.15–09.30)

Public Meeting (09.30–11.45)

1 Introductions, apologies, substitutions and declarations of interest

(09.30)

2 Paper(s) to note

(09.30)

2.1 Letter from Minister for Education and Welsh Language

(Pages 1 – 3)

Attached Documents:

Professional Qualifications Bill

2.2 Letter from Minister for Climate Change

(Page 4)

Attached Documents:

UK Emissions Trading Scheme (UK ETS)



Senedd Cymru
Welsh Parliament

2.3 Letter from Minister for Economy

(Pages 5 – 6)

Attached Documents:

Arrivals from Afghanistan – HGV drivers

2.4 Letter from Minister for Rural Affairs and North Wales, and Trefnydd

(Pages 7 – 9)

Attached Documents:

Inter-Ministerial Group for Environment, Food and Rural Affairs

2.5 Letters to the Minister for Rural Affairs, North Wales & Trefnydd – Provisional Common Frameworks

(Pages 10 – 28)

Attached Documents:

1. Agricultural Support
2. Animal Health Welfare
3. Fertilisers
4. Organics
5. Animal welfare (kept animals)

2.6 Letter to the Minister for Climate Change – Provisional Common Frameworks

(Pages 29 – 34)

Attached Documents:

Plant Health and Plant Varieties and Seeds

2.7 Letter from the Minister for Rural Affairs, North Wales & Trefnydd

(Pages 35 – 37)

Attached Documents:

The Import of Animals and Animal Products and Approved Countries
(Amendment) Regulations 2022

2.8 Letter from the Chair to the Economy Minister

(Pages 38 – 39)

Attached Documents:

HGV follow-up

2.9 Letter from the Chair to Minister for Rural Affairs, North Wales & Trefnydd

(Page 40)

Attached Documents:

Agriculture and Horticulture Development Board (Amendment) Order 2022

2.10 Letter to Minister for Rural Affairs and North Wales, and Trefnydd

(Page 41)

Attached Documents:

Scrutiny of the Draft Joint Fisheries Statement

2.11 Letter from Minister for Economy

(Pages 42 – 44)

Attached Documents:

Scrutiny of Draft Budget

2.12 Letter from the Chair of the Equality and Social Justice Committee

(Page 45)

Attached Documents:

Annual scrutiny of the Future Generations Commissioner Report

2.13 Letter from the Minister for Economy

(Pages 46 – 48)

Attached Documents:

Additional information following the meeting on 17 March

2.14 Report from Wales Tourism Alliance, UK Hospitality Cymru and Professional Association of Self Caterers UK

(Pages 49 – 68)

Attached Documents:

Consultation on draft Non-Domestic Rating (Definition of Domestic Property)
(Wales) Order 2022

3 Bovine TB panel – Academics

(09.30–10.30)

(Pages 69 – 132)

Dr Gareth Enticott, Cardiff University

Professor Glyn Hewinson, Aberystwyth University

Professor James Wood OBE, Cambridge University

Attached Documents:

Research brief

Evidence from Farmers' Union Wales

Evidence from National Farmers' Union Cymru

Evidence from RSPCA Cymru

Break (10.30–10.45)

4 Bovine TB panel – Farming Unions

(10.45–11.45)

Roger Lewis, National Farmers' Union Cymru

Hazel Wright, Farmers' Union Wales

- 5 Motion under Standing Order 17.42(ix) to resolve to exclude the public for the remainder of the meeting**
(11.45)

- 6 Consider evidence from today's session**
(11.45–11.55)

- 7 Research Briefing on forthcoming Agriculture Bill (private)**
(11.55–12.25)

- 8 Research Briefing on Fisheries (private)**
(12.25–12.55)

Jeremy Miles AS/MS
Gweinidog y Gymraeg ac Addysg
Minister for Education and Welsh Language

Agenda Item 2.1



Llywodraeth Cymru
Welsh Government

Huw Irranca Davies MS
Chair, Legislation, Justice and Constitution Committee
Senedd Cymru
SeneddLJC@senedd.wales

Paul Davies MS
Chair, Economy, Trade, and Rural Affairs Committee
Senedd Cymru
SeneddEconomy@senedd.wales

17 March 2022

Dear Huw and Paul

I am writing to inform the Committees that the UK Government tabled two amendments to the Professional Qualifications Bill on 22 February which were agreed at House of Commons Report Stage on 14 March.

The amendments tabled by the UK Government make provision falling within the legislative competence of the Senedd, and yesterday I laid a [Supplementary Legislative Consent Memorandum \(Memorandum No.3\)](#) before the Senedd.

New Clause – Consultation with devolved authorities

The amendment requires the Secretary of state or Lord Chancellor to consult with devolved authorities before making regulations under the Bill that contain provision which could be made under the Bill by the devolved authorities. The amendment also requires the UK Government to publish a report on the consultation before making the regulations. The report must include a description of the process undertaken to comply with the duty to consult, including a description of any agreement, objection or other views expressed as part of that process and an explanation of whether and how such views have been taken into account in the regulations (including, in a case where the Secretary of State/Lord Chancellor propose to make the regulations despite an objection, an explanation of the reasons for doing so).

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Jeremy.Miles@llyw.cymru
Correspondence.Jeremy.Miles@gov.wales

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.

The amendment requires the Secretary of State or Lord Chancellor to consult with Welsh Ministers before making regulations under the Bill that contain provision which could be made under the Bill by the Welsh Ministers themselves and to publish a report on the consultation.

The 'consult plus' amendment does not adequately protect the devolution settlement, as the Secretary of State/Lord Chancellor are able to disregard any opposition raised by the Welsh Ministers during any such consultation, and ultimately legislate as the UK Government sees fit.

Sub-clause 16 (7)

The amendment is a specific carve out from the Minister of the Crown consent requirements in paragraph 11 of Schedule 7B to the Government of Wales Act (GOWA).

The amendment to provide for a specific carve out from the Minister of the Crown consent requirements in paragraph 11 of Schedule 7B to GoWA means that the Secretary of State's consent is not needed for Senedd Cymru to be able to remove the powers that the Secretary of State and Lord Chancellor have under the Bill to make regulations that are within the legislative competence of the Senedd.

A 'carve out' provision has been used to address concerns over the restrictions in Schedule 7B of GoWA in a number of UK Parliament Acts, beginning with the EU (Withdrawal) Act 2018

The addition of the carve out provision in this Bill is welcome, although it should have appeared on the face of the Bill in the initial stages of its passage through the UK Parliament. The inclusion of this provision in the Bill addresses our concerns about the Secretary of State being able to make regulations under the Bill in relation to those professions whose regulation is devolved and which are regulated separately in Wales. However, it would still require a Senedd Bill to remove the Secretary of State powers.

The extent of the concurrent powers within this Bill, and the intention of the UK Government to disregard the Sewel Convention and proceed with the Bill despite not securing legislative consent from any of the Devolved Governments, remain a serious concern.

Welsh Government position

The amendments do not go far enough to satisfy my significant concerns on the extent of the concurrent powers contained in the Bill. Therefore I cannot recommend the Senedd gives its consent to these provisions being included in the Bill.

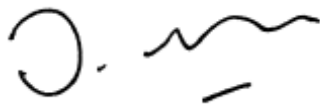
Legislative Consent Memorandum

As you are aware, Standing Orders require a Legislative Consent Memorandum to be laid "normally" within two weeks of the tabling of UK Government amendments, in this case by 8 March. The amendments raise a number of complex constitutional issues the analysis of which has resulted in a delay to laying.

Although we are continuing to make the views of the Senedd known to the UK Government, there is no further opportunity for the Senedd to hold a further meaningful debate to indicate its view in relation to this Bill and influence the outcome. Therefore, the Business Committee on 15 March agreed not to refer the Supplementary Legislative Consent Memorandum (Memorandum No.3) for scrutiny when laid.

I have copied this letter to all Members of the Senedd.

Yours sincerely,

A handwritten signature in black ink, consisting of a large 'J' followed by a series of wavy lines and a short horizontal stroke at the end.

Jeremy Miles AS/MS
Gweinidog y Gymraeg ac Addysg
Minister for Education and Welsh Language



Eich cyf/Your ref
Ein cyf/Our ref

24 March 2022

Dear Paul Davies MS,

I wrote to you in July 2021 regarding the development of legislation related to the UK Emissions Trading Scheme (UK ETS). The aim of the UK ETS is to incentivise decarbonisation in aid of meeting our greenhouse gas reduction target of net-zero emissions by 2050. To ensure the scheme remains fit for purpose the UK ETS Authority, comprising of the four Governments of the UK, is launching the “Develop UK ETS” consultation on 25 March 2022, which will run for 12 weeks.

The consultation aims to move the scheme towards becoming net-zero compliant while ensuring businesses remain internationally competitive. Additionally, it aims to prevent carbon leakage and identify areas of improvement throughout the scheme’s operation.

The consultation reflects our existing commitment to align the UK ETS cap to a net zero trajectory by January 2024, allowing industry notice to prepare for changes in the market. It includes a review of free allocations to ensure we protect businesses most exposed to carbon pricing. Additionally, there will be exploration of expanding the UK ETS to additional appropriate sectors within the first UK ETS review, with implementation no earlier than 2026.

I am writing to you to maintain transparency and keep you informed as the consultation progresses. I will be publishing a written statement on 25 March and a joint UK ETS Authority Government Response is expected in the autumn of 2022.

I am also sharing this update with the Legislation, Justice and Constitution Committee and the Climate Change, Environment and Infrastructure Committee.

Yours sincerely

Julie James AS/MS
Y Gweinidog Newid Hinsawdd
Minister for Climate Change

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Julie.James@llyw.cymru
Correspondence.Julie.James@gov.Wales

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.

Paul Davies MS

Economy, Trade & Rural Affairs Committee

25 March 2022

Dear Paul,

Thank you for your letter dated 28 February regarding arrivals from Afghanistan with HGV driving experience.

Officials are working closely with Working Wales (Careers Wales' adult guidance service) to ensure that refugees who settle in Wales can access the ReAct programme and its successor programme ReAct+. The programme can provide up to £1500 towards the cost of acquiring a UK lorry driving licence and associated qualifications such as the Driver Certificate of Professional Competence (DCPC).

Officials have already established the evidence requirements for entry to the ReAct programme, in consultation with agencies who are supporting refugees and the Welsh European Funding Office; we expect that refugees from Afghanistan will have little difficulty in meeting these requirements.

The new ReAct+ programme will introduce a Personal Development Support grant which is designed to remove barriers to employment that are not skills-related; this grant may be used to assist with the cost of 'conversion' to UK driving licences.

Working Wales can arrange for interpreters to assist with the information, advice and guidance process. Working Wales is also working closely with the Wales Strategic Migration Partnership and local authorities to ensure that refugees have full access to employability and skills support.

I have asked officials in skills division to get in touch directly with displaced People in Action to promote the Welsh Government's free HGV driver training programme to support Afghan people and others based in Wales looking for employment within the industry.

Yours sincerely,

Vaughan Gething

Vaughan Gething AS/MS

Gweinidog yr Economi
Minister for Economy

Huw Irranca-Davies MS

Chair

Legislation, Justice and Constitution Committee

Huw.Irranca-Davies@senedd.wales

28 March 2022

Dear Huw,

In accordance with the inter-institutional relations agreement I wish to notify you that a further meeting of the Inter-Ministerial Group for Environment, Food and Rural Affairs was held on 21 March.

The meeting was attended by George Eustice MP (Chair), Secretary of State for Environment, Food and Rural Affairs, UK Government; Victoria Prentis MP, Minister of State, Defra, UK Government; Mairi Gougeon MSP, Cabinet Secretary for Rural Affairs and the Islands, Scottish Government; Lorna Slater MSP (Chair), Minister for Green Skills, Circular Economy, and Biodiversity, Scottish Government; Edwin Poots MLA, Minister of Agriculture, Environment and Rural Affairs, Northern Ireland Executive; David TC Davies MP, Parliamentary Under Secretary of State for Wales and Connor Burns MP, Minister of State for Northern Ireland were also in attendance.

At the meeting we discussed the terrible situation in Ukraine and the impacts for the production costs of fertiliser, feed, and the processing of white fish. Pet travel and quarantine concerns were also raised.

The UK Government introduced their proposals for protected site designations outlined in their Nature Green Paper. They also provided an update on the publication and scrutiny of Common Frameworks.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

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.

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When discussing Border control preparations I pressed the UK Government for assurances devolved administrations would be consulted as soon as possible in the drafting of any necessary further legislation and in discussions around infrastructure funding.

The decision by the UK Government to grant an exclusion to the Internal Market Act for single use plastics was noted by all administrations. On behalf of the Minister for Climate Change I joined my Scottish Government colleagues in noting disappointment at the narrow nature of the exclusion.

There were a number of items of AOB including an update on the proposals for a Food Data and Transparency Partnership, discussions relating to the practice of using fish in fish feed for salmon in aquaculture, and Scottish Ministers raised concerns regarding Deposit Return Scheme tax issues. I also extended an invitation to members to the Royal Welsh Show in July.

A communique will be published on the UK Government website at <https://www.gov.uk/government/publications/communique-from-the-inter-ministerial-group-for-environment-food-and-rural-affairs>

I am copying this letter to the Climate Change, Environment, and Infrastructure Committee and to the Economy, Trade and Rural Affairs Committee.

Lesley Griffiths AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd



Llywodraeth Cymru
Welsh Government

Regards,

A handwritten signature in black ink that reads "Lesley Griffiths". The signature is written in a cursive, flowing style.

Lesley Griffiths AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

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.

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Agenda Item 2.5

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

—
**Economy, Trade and
Rural Affairs Committee**

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddEconomi@senedd.cymru
senedd.cymru/SeneddEconomi
0300 200 6565

—
Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddEconomy@senedd.wales
senedd.wales/SeneddEconomy
0300 200 6565

Lesley Griffiths MS

Minister for Rural Affairs and North Wales, and Trefnydd

30 March 2022

Dear Minister,

Common Framework on Agricultural Support

Thank you again for attending the Committee's meeting on 17 March for general scrutiny and answering some questions from me on the common frameworks process. The Committee is also grateful for the attendance of Welsh Government officials to provide private technical briefing on certain frameworks that the Committee has prioritised for scrutiny. The briefing was very useful. Given the complex and technical nature of the frameworks, Members agreed that it would be helpful to set out the questions they asked in private again in correspondence, so that the questions and responses can be noted for the public record and to inform stakeholders. The questions are set out under headings below, including some that we did not get to during the briefing, and we look forward to your written response on all these points:

Scope of the framework

- To confirm what the scope of the framework is, and whether it would apply to sustainable land management schemes?

Decision making in the framework

- The Agriculture Policy Coordination Group (PCG) has a large number of responsibilities in relation to the framework. Can you clarify how this will be



resourced and supported within Welsh Government, and how frequently the group will meet?

- Whether the Senedd will be informed when crisis management groups are set up and what their terms of reference are?
- Whether any of the data and information gathered by the Market Monitoring Group (MMG) will be published or shared with the industry?
- Can you clarify how the MMG will decide a Market of Principal Importance is no longer such, or on what basis it might decide new areas should become Markets of Principal Importance, and how will you inform the industry about any such decisions?
- To explain who the UK Agriculture Market Policy Group (UKMAPG) are, and how they relate to the framework?

Managing divergence through the framework

- Different terms are used to describe divergence in the framework. Can you clarify on what basis the parties to the framework will decide if divergence is 'harmful' or 'unwanted', or 'necessary' or 'acceptable'?
- To explain how divergence between Great Britain and Northern Ireland will be managed through the framework, given that Northern Ireland will be required to follow EU marketing standards? What, if any, risks are there for divergence with Northern Ireland on marketing standards?
- To explain how the framework interacts with the UK Internal Market Act?
- Does the Welsh Government intend to seek an exclusion for this framework from the UK Internal Market Act?

Dispute Resolution

- To clarify if dispute resolution processes could lead to delays in Welsh Government policy making decisions?
- Can you clarify the timescales for resolving disputes?

Practical impact on law and policy

- Has the Welsh Government's Agriculture Bill gone through, or will it go through, any of the common framework processes? If so, what was the response of other governments and were any changes made as a result?

Transparency and accountability

- How stakeholders will be engaged in the decision making and review structures in the framework?
- Can you explain what the UK Farming Conference is and how it relates to the framework?

Monitoring, review and amendment

- To clarify the timescales for the review of the framework: when will they take place annually, and when will this transfer to every three years?
- Can you set out what processes will be put in place for stakeholder engagement in decision-making, amendment and review of the framework?

Other questions

- The framework consists of a number of errors, unexplained and inconsistent terms. Can you explain why these were not addressed through internal sign off processes prior to publication?
- Can you clarify when the Concordat associated with the regulations on the agreement on agriculture will be published?
- Can you clarify how, if at all, the framework interacts with the Trade and Cooperation Agreement and why parts of the framework appear to have not been updated since the Agreement was ratified?
- Can you clarify the relationship between the framework and the UK Coordination Body and the Rural Payments Agency group?

We look forward to discussing common frameworks with you again in the near future, but in the meantime thank you in advance for providing the additional information requested above. A response by 29th April would be helpful to the Committee.

Kind regards,



Paul Davies

Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.



Lesley Griffiths MS

Minister for Rural Affairs and North Wales, and Trefnydd

30 March 2022

Dear Minister,

Provisional Common Framework on Animal Health and Welfare

Thank you again for attending the Committee's meeting on 17 March for general scrutiny and answering some questions from me on the common frameworks process. The Committee is also grateful for the attendance of Welsh Government officials to provide private technical briefing on certain frameworks that the Committee has prioritised for scrutiny. The briefing was very useful. Given the complex and technical nature of the frameworks, Members agreed that it would be helpful to set out the questions they asked in private again in correspondence, so that the questions and responses can be noted for the public record and to inform stakeholders. The questions are set out under headings below, including some that we did not get to during the briefing, and we look forward to your written response on all these points:

The Committee would welcome further information on the following:

Scope of the framework

- The framework states that the whole of animal health and welfare law and policy will be in scope. Why is it appropriate for all planned changes to animal health and welfare law and policy to be in scope of this framework, even where the Welsh Government would have had regulatory flexibility in the EU context?



- Can you set out what impact this will have on the way that the Senedd and Welsh Government can exercise their competence?
- Can you set out how the process for making changes to Welsh law and policy on animal health and welfare is different under the framework compared to during EU membership?

Decision-making in the framework

- To explain how you have been working through the common framework to consider and agree changes to animal health and welfare law, and how this is different from the policy development process when Wales was in the EU?
- The framework requires that the governments notify each other of any matters (including policy formation, proposal for legislation, public announcements and emergency responses) as soon as they are considered, so that joint discussions can take place before final decisions are taken. To explain what impact (if any) you anticipate this will have on the role of the Senedd and stakeholders in developing Welsh law and policy?

Managing divergence

- The framework requires that if a government is proposing to diverge, there should be an assessment of the implications for the UK internal market, the negotiation and implementation of international agreements, and biosecurity. How will this work in practice?
- To explain how the Welsh Government will continue to monitor changes to EU law on animal health and welfare and assess the risks and benefits of keeping pace with EU law?
- To explain how the impact of the UK Internal Market Act will be managed in the framework?
- The framework requires that the governments notify each other of any matters (including policy formation, proposal for legislation, public announcements and emergency responses) as soon as they are considered, so that joint discussions can take place before final decisions are taken. What impact will this have on the role of stakeholders in developing Welsh law and policy?

- The framework provides for relevant arm's length bodies to participate in decision-making groups. Some of these bodies (such as the APHA and the Fish Health Inspectorate) operate in Wales, but are not formally accountable to the Welsh Government or the Senedd. How will you ensure that the responsibilities and lines of accountability for different bodies are clear?
- The framework requires that if a government is proposing to diverge, there should be an assessment of the implications for the UK internal market, the negotiation and implementation of international agreements, and biosecurity. Why have these criteria been chosen, and what would happen if there was any perceived conflict between them?
- Who would carry out the assessment?
- Would stakeholders be involved in making the assessment?
- Would the results of the assessment be made public?

UK Internal Market Act 2020

- What impact could the UK Internal Market Act 2020 have on Welsh law on animal health and welfare?
- Do you intend to request any exclusions from the Act on animal health and welfare?

EU and Northern Ireland

- Can you provide an overview of how retained EU law on animal health and welfare in Wales has changed since the end of the transition period?
- Can you provide an overview of the main differences between current EU law on animal health and welfare and the law in Wales?
- How will you continue to monitor changes to EU law on animal health and welfare and assess the implications of divergence from the EU and Northern Ireland?
- How will you assess the risks and benefits of keeping pace with EU law compared to maintaining the status quo?



- Are you content that the framework will provide for adequate Welsh Government engagement in discussions through the UK-EU institutional framework on animal health and welfare?

International Obligations

- The framework provides that it will enable the governments to “consider any implications stemming from international trade which have a direct bearing on the operation of a Common Framework.” Do you consider that this gives the Welsh Government adequate involvement in UK positions on animal health and welfare during international trade negotiations?
- Could disagreements on UK positions in trade negotiations be escalated through this framework?

Governance and dispute resolution

- Do you consider the dispute resolution mechanism robust enough for its intended purpose?
- The framework provides that actions under disagreement or dispute should normally be paused pending resolution. Is there a risk that this could lead to delays to Welsh legislation?
- Why are no time limits for dispute resolution set?

How the framework was developed

- How did the Welsh Government engage with stakeholders on the development of the framework?
- How does the framework reflect the responses of stakeholders in Wales?

Review and amendment

- This framework does not include standard text found in other frameworks on how the review and amendment process should work. Why has this text been omitted?
- How will the Senedd be able to contribute to the review and amendment process for the framework?

International Affairs

- To confirm whether discussions on UK Government positions in trade negotiations relating to animal health and welfare will be taken through the framework.

Other Questions

- This framework is closely connected to other common frameworks, particularly food and feed safety and hygiene and public health protection and health security. How will the connections between these frameworks be managed?
- The House of Lords Common Frameworks Scrutiny Committee has drawn attention to numerous errors and inconsistencies in this framework. Can you explain how you ensure the quality of framework documents before Ministerial sign-off and Senedd scrutiny?

We look forward to discussing common frameworks with you again in the near future, but in the meantime thank you in advance for providing the additional information requested above. A response by 29th April would be helpful to the Committee.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.

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Lesley Griffiths MS

Minister for Rural Affairs and North Wales, and Trefnydd

30 March 2022

Dear Minister,

Provisional Common Framework on Fertilisers

Thank you again for attending the Committee's meeting on 17 March for general scrutiny and answering some questions from me on the common frameworks process. The Committee is also grateful for the attendance of Welsh Government officials to provide private technical briefing on certain frameworks that the Committee has prioritised for scrutiny. The briefing was very useful. Given the complex and technical nature of the frameworks, Members agreed that it would be helpful to set out the questions they asked in private again in correspondence, so that the questions and responses can be noted for the public record and to inform stakeholders. The questions are set out under headings below, including some that we did not get to during the briefing, and we look forward to your written response on all these points:

Scope of the Framework

- To clarify the scope of the framework and whether it relates solely to the management of regulation previously governed by the EU or all fertiliser regulation and policy?
- If all, to explain how this differs from how fertilisers law and policy was governed prior to the UK's exit from the EU?



- To confirm if the Welsh Government has the same flexibility to develop fertilisers law and policy it had before the end of the transition period?
- To set out what other frameworks this framework interacts with and how those interactions will be managed?
- To confirm whether regulations related to the control of agriculture pollution would come within the scope of the common framework?

Decision-making in the framework

- To provide examples of the kinds of decisions on policies and laws that will be taken through the framework?
- To clarify which will be the main groups involved in decision making and why the framework makes inconsistent references to them?

Managing divergence through the framework

- Different terms are used to describe divergence in the framework. On what basis will parties to the framework decide whether any proposed divergence is 'acceptable' or 'harmful'?
- The descriptions of who will be involved in dispute resolutions are unclear. Can you set out which structures and groups will be involved in dispute resolution?
- Can you explain how divergence between Great Britain and Northern Ireland will be managed through the framework, given that Northern Ireland will be required to follow new EU regulatory structures on fertilisers?
- Can you clarify the role of the UK Fertilisers Regulatory Committee (UKFRC) versus the role of the Fertilisers Liaison Group? Who will chair the UKFRC?
- To give an example of how the six objectives outlined in the framework will be used to make decisions under the framework?
- To explain why the framework doesn't provide timeframes for decision making and if there is a risk this could delay decision making processes?
- Other frameworks outline that the parties should consult each other on proposed policy changes even before they conduct stakeholder engagement on proposed changes. Is this the case for this framework?

- The Welsh Government has said they expect the MoU on Devolution to become 'dormant' as new IGR structures are put in place. Can you explain implications of this for this framework?

Dispute resolution

- No timescales are set for dispute resolution. Is there a risk this could impact delivery of policy and law in Wales?
- In which circumstances will parties be able to 'agree to disagree'? What risks have you identified with this approach?

UK Internal Market Act 2020

- How does the framework interact with the UK Internal Market Act?
- Does the Welsh Government intend to seek an exclusion for this framework from the UK Internal Market Act?

Impact on Law and Policy

- Will the Agriculture Bill contain provisions on fertilisers? If so, have these proposals been through the framework process? If not, is this because of decisions taken through the framework?
- If provisions are being made in the Bill, how will these align with the commitment in the framework to use regulatory powers on fertilisers in line with the frameworks principles?

Transparency and accountability

- Did you consult stakeholders in the development of the framework?
- Stakeholder engagement is included as a key objective for the framework but no processes are contained within it for stakeholders to be involved in decision-making, evidence gathering or review and amendment. Can you explain why and how this will be addressed?
- The framework outlines that wholesale reform of fertilisers regulation is forthcoming and the framework will be reviewed in light of this. How will you involve the Senedd in any review and amendment process?



Other Questions

- The framework consists of a number of errors, unexplained and inconsistent terms. Can you explain why these were not addressed through internal sign off processes prior to publication?

We look forward to discussing common frameworks with you again in the near future, but in the meantime thank you in advance for providing the additional information requested above. A response by 29th April would be helpful to the Committee.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.

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—

Lesley Griffiths MS

Minister for Rural Affairs and North Wales, and Trefnydd

30 March 2022

Dear Minister,

Scrutiny of Common Frameworks: Provisional Common Framework on Organics

On 3rd March the Committee gave further consideration to its approach to seven Provisional Common Frameworks which fall within its remit and are now published for scrutiny. The Committee decided to prioritise three of the frameworks for technical briefing from Welsh Government officials at its meeting on 17th March. For the framework to which this letter relates, it was agreed that scrutiny would be undertaken via correspondence. The Committee would therefore welcome further information on the following:

General points

- The framework includes a number of errors and inconsistent terminology and diagrams. Can you explain why these were not addressed through internal sign off processes prior to publication?
- The framework says that there is on-going disagreement between the governments about what is reserved and what is devolved. Can you clarify what this disagreement is, and explain why it does not affect the operation of the framework?



Scope

- To clarify the scope of the framework and whether it relates solely to the management of regulation previously governed by the EU, or organics policy in its entirety?
- If the framework does relate to all organics policy, to explain how this differs from how organics policy was governed prior to the UK's exit from the EU?
- To confirm if the Welsh Government has the same flexibility to develop organics law and policy that it had before the end of the transition period?
- The framework sets out that it interacts with a number of other frameworks. How will these interactions be managed?

Decision-making: Four Nations Working Group

- Is the group a new governance structure of collective decision-making on all organics policy, or is it only a mechanism for managing divergence?
- Will any assessment of a proposed policy change in the UK developed by one of the Parties be shared with stakeholders?
- Will the decision-making process requiring notification and collaborative assessment delay the policy-making process?
- If proposals are changed as a result of the decision-making process in the framework, will you inform the Senedd and stakeholders?

Decision-making: UK Expert Group on Organics

- Can you explain why the Expert Group has not yet been set up and what the timeframe for its establishment is?
- Can you clarify on what evidence base decisions are being made in the absence of this Group?

Decision-making: Competent Authority

- In its Competent Authority role will Defra be acting as the government for the whole of the UK or as the government for England?

- The framework states the Competent Authority will play a role in government business. Can you clarify what this means and on whose behalf would they be acting in this role?
- The framework implies the Competent Authority will be responsible for labelling and logo decisions but also that the Parties will be involved. Can you clarify how decisions on logos and labelling will be made?

Divergence

- Different terms are used to describe divergence in the framework. Can you clarify on what basis the Parties will decide if divergence is harmful or acceptable?

UK Internal Market Act

- How does the framework interact with the UK Internal Market Act?
- Does the Welsh Government intend to seek an exclusion for this framework from the UK Internal Market Act?

Northern Ireland Protocol

- To explain what if any risks there are for divergence with Northern Ireland on organics regulation and how this will be managed through the framework?

Transparency and Accountability

- The framework states that stakeholder consultation will continue for 'major' regulatory changes. Can you clarify what would constitute a major change and explain what kind of changes stakeholders would not be consulted on?
- The framework states that the governments will keep the parliaments in their respective countries informed 'where appropriate'. Can you clarify what this term means in practice?

Thank you in advance for providing this information to the Committee. A response by 29th April would be helpful to the Committee.

Kind regards,



Paul Davies

Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.



Lesley Griffiths MS

Minister for Rural Affairs and North Wales, and Trefnydd

30 March 2022

Dear Minister,

Provisional Common Framework on Animal Health and Welfare

Thank you again for attending the Committee's meeting on 17 March for general scrutiny and answering some questions from me on the common frameworks process. The Committee is also grateful for the attendance of Welsh Government officials to provide private technical briefing on certain frameworks that the Committee has prioritised for scrutiny. The briefing was very useful. Given the complex and technical nature of the frameworks, Members agreed that it would be helpful to set out the questions they asked in private again in correspondence, so that the questions and responses can be noted for the public record and to inform stakeholders. The questions are set out under headings below, including some that we did not get to during the briefing, and we look forward to your written response on all these points:

The Committee would welcome further information on the following:

Scope of the framework

- The framework states that the whole of animal health and welfare law and policy will be in scope. Why is it appropriate for all planned changes to animal health and welfare law and policy to be in scope of this framework, even where the Welsh Government would have had regulatory flexibility in the EU context?



- Can you set out what impact this will have on the way that the Senedd and Welsh Government can exercise their competence?
- Can you set out how the process for making changes to Welsh law and policy on animal health and welfare is different under the framework compared to during EU membership?

Decision-making in the framework

- To explain how you have been working through the common framework to consider and agree changes to animal health and welfare law, and how this is different from the policy development process when Wales was in the EU?
- The framework requires that the governments notify each other of any matters (including policy formation, proposal for legislation, public announcements and emergency responses) as soon as they are considered, so that joint discussions can take place before final decisions are taken. To explain what impact (if any) you anticipate this will have on the role of the Senedd and stakeholders in developing Welsh law and policy?

Managing divergence

- The framework requires that if a government is proposing to diverge, there should be an assessment of the implications for the UK internal market, the negotiation and implementation of international agreements, and biosecurity. How will this work in practice?
- To explain how the Welsh Government will continue to monitor changes to EU law on animal health and welfare and assess the risks and benefits of keeping pace with EU law?
- To explain how the impact of the UK Internal Market Act will be managed in the framework?
- The framework requires that the governments notify each other of any matters (including policy formation, proposal for legislation, public announcements and emergency responses) as soon as they are considered, so that joint discussions can take place before final decisions are taken. What impact will this have on the role of stakeholders in developing Welsh law and policy?



- The framework provides for relevant arm's length bodies to participate in decision-making groups. Some of these bodies (such as the APHA and the Fish Health Inspectorate) operate in Wales, but are not formally accountable to the Welsh Government or the Senedd. How will you ensure that the responsibilities and lines of accountability for different bodies are clear?
- The framework requires that if a government is proposing to diverge, there should be an assessment of the implications for the UK internal market, the negotiation and implementation of international agreements, and biosecurity. Why have these criteria been chosen, and what would happen if there was any perceived conflict between them?
- Who would carry out the assessment?
- Would stakeholders be involved in making the assessment?
- Would the results of the assessment be made public?

UK Internal Market Act 2020

- What impact could the UK Internal Market Act 2020 have on Welsh law on animal health and welfare?
- Do you intend to request any exclusions from the Act on animal health and welfare?

EU and Northern Ireland

- Can you provide an overview of how retained EU law on animal health and welfare in Wales has changed since the end of the transition period?
- Can you provide an overview of the main differences between current EU law on animal health and welfare and the law in Wales?
- How will you continue to monitor changes to EU law on animal health and welfare and assess the implications of divergence from the EU and Northern Ireland?
- How will you assess the risks and benefits of keeping pace with EU law compared to maintaining the status quo?



- Are you content that the framework will provide for adequate Welsh Government engagement in discussions through the UK-EU institutional framework on animal health and welfare?

International Obligations

- The framework provides that it will enable the governments to “consider any implications stemming from international trade which have a direct bearing on the operation of a Common Framework.” Do you consider that this gives the Welsh Government adequate involvement in UK positions on animal health and welfare during international trade negotiations?
- Could disagreements on UK positions in trade negotiations be escalated through this framework?

Governance and dispute resolution

- Do you consider the dispute resolution mechanism robust enough for its intended purpose?
- The framework provides that actions under disagreement or dispute should normally be paused pending resolution. Is there a risk that this could lead to delays to Welsh legislation?
- Why are no time limits for dispute resolution set?

How the framework was developed

- How did the Welsh Government engage with stakeholders on the development of the framework?
- How does the framework reflect the responses of stakeholders in Wales?

Review and amendment

- This framework does not include standard text found in other frameworks on how the review and amendment process should work. Why has this text been omitted?
- How will the Senedd be able to contribute to the review and amendment process for the framework?

International Affairs

- To confirm whether discussions on UK Government positions in trade negotiations relating to animal health and welfare will be taken through the framework.

Other Questions

- This framework is closely connected to other common frameworks, particularly food and feed safety and hygiene and public health protection and health security. How will the connections between these frameworks be managed?
- The House of Lords Common Frameworks Scrutiny Committee has drawn attention to numerous errors and inconsistencies in this framework. Can you explain how you ensure the quality of framework documents before Ministerial sign-off and Senedd scrutiny?

We look forward to discussing common frameworks with you again in the near future, but in the meantime thank you in advance for providing the additional information requested above. A response by 29th April would be helpful to the Committee.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.



Agenda Item 2.6

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

—
**Economy, Trade and
Rural Affairs Committee**

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddEconomi@senedd.cymru
senedd.cymru/SeneddEconomi
0300 200 6565

—
Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddEconomy@senedd.wales
senedd.wales/SeneddEconomy
0300 200 6565

Julie James MS
Minister for Climate Change

30 March 2022

Dear Minister,

Scrutiny of Common Frameworks: Provisional Common Frameworks on Plant Health and Plant Varieties and Seeds

On 3rd March the Committee gave further consideration to its approach to seven Provisional Common Frameworks which fall within its remit and are now published for scrutiny. The Committee decided to prioritise three of the frameworks for technical briefing from Welsh Government officials at its meeting on 17th March. For the frameworks to which this letter relates, it was agreed that scrutiny would be undertaken via correspondence. The Committee would therefore welcome further information on the following:

General points

- Why are common frameworks needed for plant health and plant varieties and seeds?
- Both frameworks are in policy areas with close links to other common framework areas, such as animal health and welfare, public health protection and health security, and food and feed safety and hygiene. How will the connections between these frameworks be managed?

Making decisions and managing divergence

- Can you describe how decision-making processes in this area have changed since the UK's exit from the EU?
- Both frameworks provide for the governments to take decisions jointly on law and policy. How will you ensure that this does not limit the role of the Senedd or stakeholders in making law and policy for Wales?
- If a government wishes to diverge, the frameworks provide for there to be different impact assessments for plant health and plant varieties and seeds. On what basis have these criteria for assessment been chosen?
- Who will carry out the assessments?
- Would stakeholders be involved in making the assessment?
- The frameworks provide for relevant arm's length bodies to participate in decision-making groups. Some of these bodies (such as the APHA and the Forestry Commission) operate in Wales, but are not formally accountable to the Senedd. How will you ensure that the responsibilities and lines of accountability for different bodies are clear?

Plant Health

- The framework states that it aims to maintain common rules on plant health. What scope for divergence does this offer compared to the position under EU membership?
- Unlike the plant varieties and seeds framework, this framework does not set an ambition for there to be minimum standards. Why is this?
- How have you engaged with the development of the Plant Biosecurity Strategy for Great Britain through the framework?
- Can you describe the role of Natural Resources Wales in plant health policy?
- Why is Natural Resources Wales not represented in the framework's governance groups?



Plant Varieties and Seeds

- The framework states that it aims to maintain minimum standards for seed marketing, and to enable a functioning UK internal market for seeds and plant propagating material.. What scope for divergence does this offer compared to the position under EU membership?
- The framework provides that the governments must inform each other at the earliest opportunity of proposals for changes to law and policy, before any public consultation. How will you ensure that this does not limit the role of the Senedd or stakeholders in making decisions about law and policy for Wales?
- Four protocols on decision-making through the framework have not been published. Why is this, and when can publication be expected?
- What does the review of the terms of reference for the National Lists and Seeds Committee and the Plant Varieties and Seeds Committee include, and when will revised terms of reference be published?

UK Internal Market Act 2020

- What impact could the UK Internal Market Act 2020 have on Welsh law on plant health and plant varieties and seeds?
- Do you intend to request any exclusions from the Act on plant health and plant varieties and seeds?

International bodies and standards

- With regards to the international elements of the frameworks, can you describe any new opportunities provided to the Welsh Government by the frameworks?

EU and Northern Ireland

- Can you describe how you will seek to influence UK positions at international bodies through each of these frameworks?
- Can you provide an overview of how retained EU law on plant health and plant varieties and seeds in Wales has changed since the end of the transition period?

- How will you continue to monitor changes to EU law on plant health and plant varieties and seeds and assess the implications of divergence from the EU and Northern Ireland?
- How will you assess the risks and benefits of keeping pace with EU law compared to maintaining the status quo?
- Are you content that the frameworks will provide for adequate Welsh Government engagement in discussions through the UK-EU institutional framework on plant health and plant varieties and seeds?

International Trade

- Both frameworks provide that they will enable the governments to “consider any implications stemming from international trade which have a direct bearing on the operation of a Common Framework.” Do you consider that this gives the Welsh Government adequate involvement in UK positions on plant health and plant varieties and seeds during international trade negotiations?
- The UK Plant Health market access working group will coordinate trade promotion and cooperation. Can you provide more information on the remit, membership and activities of this group?
- Could disagreements on UK positions in trade negotiations be escalated through either of these frameworks?
- The plant health framework refers to an operating model on engagement between the UK and devolved governments on the WTO SPS Agreement, and Department for International Trade guidance on devolved engagement with WTO Committees. Can you provide us with details of these arrangements?
- Are you content that this model and guidance offers adequate engagement with the WTO SPS Agreement and WTO Committees?

Governance and Dispute Resolution

- Do you consider the dispute resolution mechanisms in the frameworks robust enough for their intended purpose?
- The plant health framework states that the dispute resolution process should only be used when genuine agreement cannot be reached, such as when



divergence would impact negatively on the ability to meet the JMC (EN) principles. However, it also says disputes may be raised if a policy proposal conflicts with the policy of any party. What are the risks and benefits of setting strict criteria for escalation of disputes, and do you consider that the framework strikes the right balance?

- The framework does not set time limits for dispute resolution. Is there a risk that this could lead to delays to Welsh legislation or policy?
- What role will there be for external input into dispute resolution?

Development

- How did the Welsh Government engage with stakeholders on the development of the frameworks?
- How do the frameworks reflect the responses of stakeholders in Wales?

Review and amendment

- How will the Senedd and stakeholders be able to contribute to the review and amendment process for the frameworks?

Thank you in advance for providing this information to the Committee. A response by 29th April would be helpful to the Committee.

Kind regards,



Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.

Paul Davies MS
Chair
Economy, Trade, and Rural Affairs Committee

Paul.davies@senedd.wales

31 March 2022

Dear Paul,

The Import of Animals and Animal Products and Approved Countries (Amendment) Regulations 2022

I am writing to you to inform ETRAC I have given consent to the Secretary of State to make the above regulations in relation to Wales.

The regulations make technical amendments to several pieces of retained EU law to remedy deficiencies arising from the withdrawal of the UK from the EU. Specifically, they make changes to the processes by which third countries are listed by the UK, in relation to health conditions placed on other countries with respect to imports of animals and animal products.

Trading partners that are approved to export animals and animal products to the UK must comply with country-specific import conditions that are found in retained EU law. Regular amendments to these conditions are required to respond to changes in risk, including to safely manage trade from countries experiencing animal disease outbreaks (for example, Avian Influenza and African Swine Fever) or food safety incidents.

The retained EU law provides that such imports are generally only permitted from countries (or parts thereof) which are listed in Annexes to various pieces of retained EU law ("approved country lists"). These approved country lists set out in tables the details of which animals/products are permitted from which third countries (or parts thereof) and the specific conditions applicable to such imports.

Prior to withdrawal from the EU, the power to amend the 'approved country lists' was conferred on the European Commission using its delegated powers. This enabled changes to be made quickly and frequently by the European Commission through tertiary legislation, to reflect changes relevant to imports of animals or animal products which may present biosecurity or food safety risks, for example: a disease outbreak in a certain country or area (or equally to reflect changes to remove restrictions where risks diminished).

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

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.

The amendments made by the regulations enable future changes in ‘approved country lists’ to be made by the Secretary of State specifying such changes in a document published for that specific purpose, instead of making such changes in the retained EU law through a statutory instrument each time a change is needed.

This means the future process for amending approved country lists will be less burdensome and quicker, with benefits to biosecurity (as we can deal with incidents quicker) and to our ability to comply with international obligations (when countries are required to lift trade barriers rapidly once incidents resolve).

The powers to amend approved country lists are devolved powers and can only be exercised by the Secretary of State, with the consent of the Welsh Ministers in relation to Wales (and Scottish Ministers, in relation to Scotland). The regulations allows the exercise of such powers where they are necessary or appropriate subject to an assessment of the risks to animal or public health in GB, taking into account certain specified criteria. Such risk assessments will also have to be approved by the Welsh Ministers.

There is a functioning Common UK Animal Health and Welfare Framework where my officials arrive at policy decisions by consensus with their counterparts in Scottish and UK Government on these matters. The technical functions in relation to approved third country lists are managed by the new UK Office for Sanitary and Phytosanitary Trade Assurance.

It is normally the policy of the Welsh Government to legislate for Wales on matters of devolved competence; however, in this instance I have decided to give my consent to the Secretary of State making these regulations in relation to Wales.

The reasons for my consent are the need for consistency across Great Britain in relation to import controls for managing our collective biosecurity, as goods move freely within Great Britain once imported. Additionally, this approach will enable the management of common resources, which is a key principle of the Common UK Animal Health and Welfare Framework.

Were I not to give consent, I would require the Welsh Government to bring forward equivalent legislation for Wales. There are no material changes in policy; only the process of publication of changes to approved country lists is different. Therefore, in this case, I do not consider that making legislation separately for Wales would be a good use of Senedd time and resources of a government, which inherited many new functions from the EU and is dealing with crises such as Covid-19, Avian Influenza and – now – the war in Ukraine.

The SI is subject to the draft affirmative SI procedure, and is being laid before Parliament on 30 March 2022 with a commencement date expected to be in June or July depending on when the House of Commons and House of Lords debates are scheduled.

I have laid a Written Statement, which can be found attached to this letter.

I am copying this letter to the Counsel General and Minister for the Constitution.

Regards,



Lesley Griffiths AS/MS

Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales and Trefnydd

Agenda Item 2.8

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

**Economy, Trade and
Rural Affairs Committee**

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddEconomi@senedd.cymru
senedd.cymru/SeneddEconomi
0300 200 6565

Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddEconomy@senedd.wales
senedd.wales/SeneddEconomy
0300 200 6565

Vaughan Gething MS
Minister for Economy

4 April 2022

Dear Minister,

I am writing to seek clarification on a statement made by the Deputy Minister for Arts & Sport, Dawn Bowden MS in her **response** to the Committee's debate on our report "**A new direction for HGV Drivers**." In her response the Deputy Minister said:

"It's clear that the industry sees improved facilities for drivers as crucial to growing recruitment, and we've talked about that already. So, the Welsh Government was disappointed to learn that the £32.5 million of new funding to improve lorry parking facilities will only be made available for England. Although these matters are reserved, we have established cross-policy groups to review the latest issues, including training and roadside conditions. We're actively working on a number of areas to address and support the sector, and this includes working on a range of mitigations and interventions with various UK Government departments, the DVSA and logistics representative bodies."

I would appreciate it if you could clarify the Welsh Government's view on the devolution settlement in relation to driver training, roadside conditions and facilities. Specifically, the extent of any reservation given that powers in relation to skills and apprenticeships, highway infrastructure and land-use planning are devolved. The Committee believes these devolved areas could be used to improve availability of driver training, roadside facilities / rest areas and facilities at freight customer premises in Wales. Your view has implications for the Committee's recommendations 1, 3, 4 and 5 in our report.

We would appreciate a response to this by 21st of April so Members can consider it at the Committee's next meeting.

I look forward to your reply in due course.



Kind regards,

A handwritten signature in black ink that reads "Paul Davies". The signature is written in a cursive style with a large initial 'P'.

Paul Davies MS

Chair: Economy, Trade and Rural Affairs Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.





Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: LG/1167/22

Paul Davies MS
Chair
Economy, Trade and Rural Affairs Committee

Paul.davies@senedd.wales

6 April 2022

Dear Paul,

Following my letter of 2 March, I am writing to inform you my consent has been granted for the Agriculture and Horticulture Development Board (Amendment) Order 2022 and the Order has been laid in the UK Parliament. The Order will make changes to the Agriculture and Horticulture Development Board Order 2008 (AHDB Order).

The Agriculture and Horticulture Development Board (AHDB) was established by the AHDB Order under powers provided in the Natural Environment and Rural Communities Act 2006 (the NERC Act). The Agriculture and Horticulture Development Board (Amendment) Order 2022 (the 2022 Order) amends the AHDB Order and will be made by the Secretary of State under powers conferred by sections 87(1)(a), 88 and 97(1) of, and paragraphs 5 and 6 of Schedule 10 to, the NERC Act with the approval of the Welsh Ministers.

Regards,

Lesley Griffiths AS/MS
Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd
Minister for Rural Affairs and North Wales, and Trefnydd

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Lesley.Griffiths@llyw.cymru
Correspondence.Lesley.Griffiths@gov.wales

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.

**Pwyllgor yr Economi,
Masnach a Materion Gwledig**

**Economy, Trade and
Rural Affairs Committee**

Senedd Cymru

Bae Caerdydd, Caerdydd, CF99 1SN
SeneddEconomi@senedd.cymru
senedd.cymru/SeneddEconomi
0300 200 6565

Welsh Parliament

Cardiff Bay, Cardiff, CF99 1SN
SeneddEconomy@senedd.wales
senedd.wales/SeneddEconomy
0300 200 6565

Lesley Griffiths MS
Minister for Rural Affairs and North Wales,
and Trefnydd

8 April 2022

Dear Minister,

Scrutiny of the Draft Joint Fisheries Statement

Further to your letter of the 11th of February, regarding the extension of the scrutiny period for the Draft Joint Fisheries Statement to the 12th of April, I am writing to inform you that the Committee's scrutiny report has now been laid.

I look forward to receiving a formal response from you 30 working days from the date of publication. I will ensure that you are kept informed of the Committee's plans with regard to your response, and we look forward to discussing fisheries policy with you at future Committee meetings.

Kind regards,



Paul Davies MS
Chair: Economy, Trade and Rural Affairs Committee



Llywodraeth Cymru
Welsh Government

Paul Davies MS
Economy, Trade & Rural Affairs Committee

11 April 2022

Dear Paul,

Please find below an update following my recent appearance at the Economy, Trade & Rural Affairs Committee on the 17th March.

We are investing over £500m in the Young Person's Guarantee in 2022-23, of this £20 million is **new funding** that has been allocated in the Economy MEG to the Employability including Young Peoples Guarantee BEL, to support the expected new Young People Not in Education, Employment or Training (NEET) cohort in 2022-23. In 2023-24 we will invest an additional £5m new funding (£25m total) and in 2024-25 we will invest a further £5m (£30m total) to support the delivery of the Young Person's Guarantee.

This additional funding has enabled an uplift of JGW+ contracts by £3m in 22-23 and £2.5m in 23-24, with additional funding in 24-25 to go towards offsetting the loss of ESF when projects come to an end in 2023.

We continue to position degree apprenticeships as an integral part of our economic growth measures: critical for building the future workforce; supporting productivity, innovation and jobs; and tackling inequality.

We intend to publish a re-refreshed apprenticeship policy plan is coming May. Higher and degree apprenticeships will continue to be a priority.

We are increasing the budget for degree apprenticeships over 2022-23 to 2024-25 and have been working with the Higher Education Funding Council (HEFCW) and employer bodies to determine priorities. We expect to be expanding both the reach of the existing digital and engineering offer and to move into new sectors.

The new sectors for apprenticeship framework development will reflect our ambitions for green skills and net zero approaches. We also want these approaches to reach down into the main programme to support learning at lower levels and progressions.

Digital and engineering occupations are traditionally male dominated. We need to better address gender imbalances. There's a lot of activity out there – I want to ensure that we are doing everything we can.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Vaughan.Gething@llyw.cymru
Correspondence.Vaughan.Gething@gov.wales

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Pack Page 42

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.

Now that we are moving away from the pilot phase and mainstreaming the programme we need to look at marketing and capacity building and ensure we have the right balance between upskilling the existing workforce and supporting new entrants in particular young people who have been hit hard by the pandemic.

Our plans are being informed by the HEFCW commissioned Quality Assurance Agency (QAA) Review of degree apprenticeships and the Welsh Government commissioned evaluation of the programme. These provide us with the confidence to move forward. I aim to launch The Shared Strategic Vision for the retail sector at the end of May.

I recently published a precursor to the Vision, a [Position Statement for Retail](#), that clearly outlines the challenges facing the sector, and its stakeholders, and a commitment to developing a plan and clear strategic vision for the future. A plan that is led by Government, but which is developed with and for the retail sector as a whole; its businesses, employers and workers.

The Vision will build upon this position statement and support a sustainable retail sector, one that will prosper and one where the profile of the sector's employees will grow in stature. I want retail to become a career of choice that offers safe, fair, secure and rewarding work.

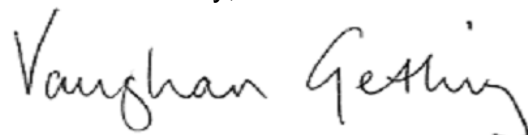
This Vision for the retail sector in Wales marks just the beginning of an ongoing dialogue within and about the sector. Government's understanding of the importance of the sector to our economy and society is now firmly embedded and this will be reflected in future policy development.

We remain committed to an ongoing conversation, through the Retail Forum to address not just the current pressures but the future and possibly unknown challenges of the future. While there is no budget directly linked to the Vision, it will provide leverage to the sector to access existing funding streams, and in 2022-23, we continue to support the retail sector through recovery by providing £116m of targeted non-domestic rates support to businesses in the retail, leisure and hospitality sectors.

We are acutely aware there are no quick fixes, easy solutions or infinite budgets. What we do have however is a willingness to work in social partnership with Welsh Government, employers, business representative bodies and trade unions working together to understand where we are now, where we want to get to and how we can get there. That is why last year with the support of the Deputy Minister for Social Partnership we established the Retail Forum to begin this conversation.

I would be happy to provide a further update to the Committee once the Shared Strategic Vision has been published.

Yours sincerely,



Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy

Chair, Children, Young People and Education Committee
Chair, Climate Change, Environment and Infrastructure Committee
Chair, Committee for the Scrutiny of the First Minister
Chair, Culture, Communications, Welsh Language, Sport, and
International Relations Committee
Chair, Economy, Trade and Rural Affairs Committee
Chair, Finance Committee
Chair, Health and Social Care Committee
Chair, Legislation, Justice and Constitution Committee
Chair, Local Government and Housing Committee

11 April 2022

Dear Chair,

Annual scrutiny of the Future Generations Commissioner: update report

The Equality and Social Justice Committee held its annual scrutiny session with the Future Generations Commissioner on 7 February 2022. Following the session, we agreed to publish a short report highlighting some of the key themes that arose during our scrutiny, which is available online.

We have set ourselves the objective of championing equality, social justice and the well-being of future generations across the Senedd, including its Committees. Our intention is to request a Plenary debate on the issues raised in our report, but in the meantime we would like to draw it to your attention as some of the issues raised warrant further consideration by Members in their scrutiny work.

Yours sincerely,



Jenny Rathbone
Chair, Equality and Social Justice Committee



Llywodraeth Cymru
Welsh Government

Paul Davies MS
Economy, Trade & Rural Affairs Committee

11 April 2022

Dear Paul,

Please find below an update following my recent appearance at the Economy, Trade & Rural Affairs Committee on the 17th March.

We are investing over £500m in the Young Person's Guarantee in 2022-23, of this £20 million is **new funding** that has been allocated in the Economy MEG to the Employability including Young Peoples Guarantee BEL, to support the expected new Young People Not in Education, Employment or Training (NEET) cohort in 2022-23. In 2023-24 we will invest an additional £5m new funding (£25m total) and in 2024-25 we will invest a further £5m (£30m total) to support the delivery of the Young Person's Guarantee.

This additional funding has enabled an uplift of JGW+ contracts by £3m in 22-23 and £2.5m in 23-24, with additional funding in 24-25 to go towards offsetting the loss of ESF when projects come to an end in 2023.

We continue to position degree apprenticeships as an integral part of our economic growth measures: critical for building the future workforce; supporting productivity, innovation and jobs; and tackling inequality.

We intend to publish a re-refreshed apprenticeship policy plan is coming May. Higher and degree apprenticeships will continue to be a priority.

We are increasing the budget for degree apprenticeships over 2022-23 to 2024-25 and have been working with the Higher Education Funding Council (HEFCW) and employer bodies to determine priorities. We expect to be expanding both the reach of the existing digital and engineering offer and to move into new sectors.

The new sectors for apprenticeship framework development will reflect our ambitions for green skills and net zero approaches. We also want these approaches to reach down into the main programme to support learning at lower levels and progressions.

Digital and engineering occupations are traditionally male dominated. We need to better address gender imbalances. There's a lot of activity out there – I want to ensure that we are doing everything we can.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Vaughan.Gething@llyw.cymru
Correspondence.Vaughan.Gething@gov.wales

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.

Pack Page 46

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.

Now that we are moving away from the pilot phase and mainstreaming the programme we need to look at marketing and capacity building and ensure we have the right balance between upskilling the existing workforce and supporting new entrants in particular young people who have been hit hard by the pandemic.

Our plans are being informed by the HEFCW commissioned Quality Assurance Agency (QAA) Review of degree apprenticeships and the Welsh Government commissioned evaluation of the programme. These provide us with the confidence to move forward. I aim to launch The Shared Strategic Vision for the retail sector at the end of May.

I recently published a precursor to the Vision, a [Position Statement for Retail](#), that clearly outlines the challenges facing the sector, and its stakeholders, and a commitment to developing a plan and clear strategic vision for the future. A plan that is led by Government, but which is developed with and for the retail sector as a whole; its businesses, employers and workers.

The Vision will build upon this position statement and support a sustainable retail sector, one that will prosper and one where the profile of the sector's employees will grow in stature. I want retail to become a career of choice that offers safe, fair, secure and rewarding work.

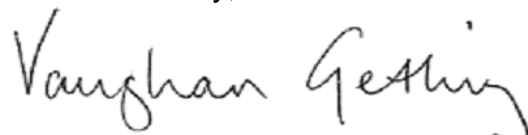
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We are acutely aware there are no quick fixes, easy solutions or infinite budgets. What we do have however is a willingness to work in social partnership with Welsh Government, employers, business representative bodies and trade unions working together to understand where we are now, where we want to get to and how we can get there. That is why last year with the support of the Deputy Minister for Social Partnership we established the Retail Forum to begin this conversation.

I would be happy to provide a further update to the Committee once the Shared Strategic Vision has been published.

Yours sincerely,



Vaughan Gething AS/MS
Gweinidog yr Economi
Minister for Economy



OPEN EVIDENCE BASE TO UNDERPIN THE INDUSTRY RESPONSE TO THE 'TECHNICAL CONSULTATION ON THE DRAFT NON-DOMESTIC RATING (AMENDMENT OF DEFINITION OF DOMESTIC PROPERTY) (WALES) ORDER 2022

Wales Tourism Alliance, UK Hospitality Cymru & PASC UK

8th April 2022

UK Hospitality represents over 740 companies operating around 100,000 venues across the breadth of hospitality within England, Scotland, and Wales. In Wales, our members are responsible for the employment of around 140,000 people directly and a further 40,000 supply chain employees indirectly. UK Hospitality Cymru represents the whole industry with one voice- from small independents to large multi-national sites, embracing the self-catering, serviced accommodation, F&B, events, attraction and leisure sectors and the supply chain. Many of our independent pubs and restaurant Members have letting rooms

PASC UK is the largest sector association representing the professional self-catering sector in England and Wales. It has over 1300 Members including over 60 agencies and represents over 50,000 letting properties. Our focus is on a level playing field across the whole sector for both taxation and health and safety compliance and to help our sector become more sustainable and more profitable.

Wales Tourism Alliance: The tourism industry membership of the WTA reflects the whole of Wales; national, regional and local representative bodies and businesses. Through its member organisations and forums resting within its general membership, this amounts to around 7,000 working operators and means WTA contacts and representatives are found in every part of Wales.

Contents

1. Introduction
2. Process
3. Welsh Government Evidence
4. Our Evidence
5. Conclusion

Appendix 1 - Analysis of the Original Consultation responses

Appendix 2 - Owner Case Studies

1) Introduction

The announcement, on the 2nd of March 2022, of the proposal to raise the occupancy criteria by 160% to 182 days came as a shock to the tourism industry in Wales. It particularly came as a blow to small self-catering businesses (furnished holiday lettings or FHLs) which are the most directly affected.

As we have heard from officials in Visit Wales, this threshold was proposed on the basis of its own occupancy data (Tourism Cross Party Group meeting, 30/03/2022), and from the results of the original consultation on local taxes for second homes and self-catering accommodation (25 August to 17 November 2021).

Nevertheless, we note that the consultation carried out by Welsh Government last year (25 August to 17 November 2021; “the Original Consultation”) secured only **nine** responses which agreed with the proposal of 182 days.

The majority of respondents to that consultation proposed an increase to the HMRC threshold of 105 days occupancy.

As the primary, independent representatives of the industry, this is the occupancy threshold we recommend.

The majority response to the ‘Original’ Consultation was not reflected in the proposals put forward in the current technical consultation. Despite responses which clearly challenge assumptions made on the back of officials’ occupancy data, we see that the latter has prevailed - and without explanation.

We take this opportunity to submit our own detailed evidence, supplied by over 1500 businesses across Wales, to demonstrate directly why reliance on one set of pre-covid occupancy data is an unsafe way for Welsh Government to proceed.

Our methodology and summarised findings are set out in Section 3.

Briefly, through our research, we have received survey responses from **almost a quarter of Wales’s estimated 6000 self-catering operators (across around 8000 properties)**. We have also, as requested, sought detailed case studies and received over 400 in less than four days. A good selection of these are provided in Appendix 2: Owner Case Studies.

These clearly show that the proposal to raise the thresholds will cause genuine hardship, particularly to those families whose properties are restricted to commercial use only. Subject to GDPR considerations, we are content for you to see all the submissions.

In short, the real-time submissions to our consultation do not align with the historic data collected by officials. This is unsurprising. While we all wish for a speedy recovery from the acute challenge of covid, it has a long tail.

As well as providing evidence for this consultation on technical detail, respondents have also articulated their nervousness about the fragility of current bookings and the sustainability of recovery in the face of

- The vast increase in energy costs. The average commercial tariff for electricity across these businesses was 14.5 pence per unit in April 2021, it is now in excess of 60 pence per unit with some being forced to even higher tariffs
- The crisis in Ukraine
- The cost-of-living crisis (which affects them and their potential customers)

- Renewed competition from overseas
- Continued staffing shortages and increased costs of employment
- Procurement costs; and
- VAT returning to 20%

These threats are chronic in their nature and the timing of these proposed changes could not be worse

There is, as you know, further disquiet across the wider visitor economy in Wales relating to other Welsh Government policy proposals:

- Tourism tax,
- NDBR,
- LTT,
- school year.

As each affects the consequences of the others, we ask Welsh Government to make it plain how they are managing and assessing these inter-related impacts.

The evidence we have collated, from over 1500 responses, demonstrates the disproportionate and damaging economic impact the proposed new occupancy threshold will have on the self-catering sector, both on individual livelihoods as well as collectively on communities.

It also demonstrates that a change that applies across the whole of Wales will not achieve the Welsh Government’s stated aim of achieving a greater pool of affordable housing in those communities where a high proportion of second homes has contributed to purchase prices beyond the reach of local people.

2) Process

(A) LIMITED WELSH GOVERNMENT EVIDENCE BASE

We have made our observations of the original Consultation process in **Appendix 1** whereby the proposal for 182 days has been based on the least number of responses. There appears to be an over reliance on WG occupancy data in preparing the technical document.

Welsh Government officers have confirmed that they have not relied on Wales tourism accommodation occupancy surveys post 2019 because of the economic impact caused by the Pandemic. However, according to a verbal assurance from Welsh Government Officials pre-2019 occupancy figures have been utilised.

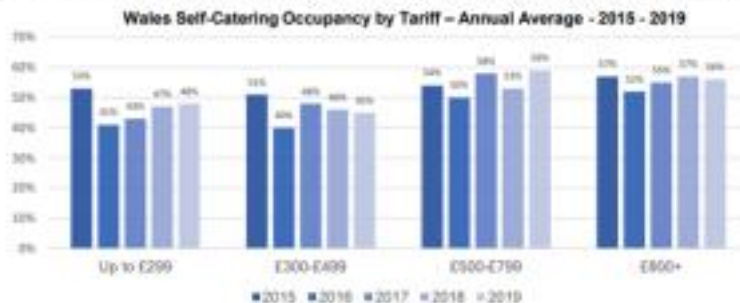
These survey reports provide trend information however we believe that the sample size is too small and potentially flawed - *The self-catering sample is usually around 300 - 500 operators* - the effect of the weighting for certain regions or size bands can therefore be exaggerated.

Wales Self-Catering Occupancy by Tariff

This section of the report outlines annual average unit occupancy rates by tariff for the period between 2015 and 2019.

Wales (Overall) - Annual Average - 2015 - 2019

Properties in the tariff band £500-£799 achieved the highest annual average unit occupancy rate (59%) in 2019, – an increase of six percentage points when compared with 2018. The lowest annual average unit occupancy rate (45%) was found in those charging between £300 and £499 – 1% below the figure recorded in 2018. The only year-on-year drops between 2018 and 2019 was found in the £300-£499 and £800+ tariff bands where occupancy was a single percentage point lower in 2019 than in 2018 (48% in 2018 down to 45% in 2019 and 57% down to 56%).



Even the Occupancy data from pre-2019 from the Welsh Government's own published research of 2018 and 2019, of the average occupancy by region, shows that South East Wales has average occupancy below 50% for both years, and mid-Wales was 48% average occupancy in 2018, and 52% in 2019, across a limited sample. However, if you look at the occupancy by tariff, on the above graph, the cheaper half of the four price bands have NEVER achieved average occupancy rates over 50% in the last 4 years.

While value, quality and spend are (usually) drivers of Welsh Government tourism policy, where we have seen balance in the past is an understanding that lower-income families should not be prejudiced by that. Wales inevitably faces competition from lower-price offers from within the UK and overseas, we would like to see everyone enjoy more holidays at home. This proposal could also see the complete loss of these lower priced offerings during the peak season.

These are the individuals and families who will be hit the hardest by the cost-of-living crisis. They will be thinking about whether to take a holiday at all. Taking out the cheaper end of the FHL offer as a result of this policy reduces the offer to lower-income households. As these properties are more likely to lie outside the coastal hotspots, taking them out of the market also reduces the scope for growing tourism in the less popular inland destinations.

To be utilising this pre-covid occupancy data to make a decision which will have such a seismic impact on the Self-Catering industry in Wales is, we believe, flawed. In order to make such a large change in the legislature this decision needs the due process of a full economic impact assessment.

(B) VOLUME AS A DETERMINANT

As you will have heard us say on other occasions, we too are keen to distinguish between FHL businesses and second homes/casual lets. While we responded to the Original Consultation on its own terms, there is a question in the first place about defining a business as "a business" based solely on volume of trade. We would be interested in hearing from Welsh Government of other types of business which are defined in this way, and how the decision was reached in the case of FHLs.

The setting of an artificial benchmark based on volume goes against over twenty years of Welsh Government policy and experience. Welsh Government tourism strategies have, **correctly**, concentrated on value, quality and spend - not volume - for good reasons. They have identified the following:

- Our number one strength - the countryside, natural and outdoor attractions - being at the same time our number one weakness, making Wales more weather dependent than any other home nation
- Discouraging over-tourism in high traffic “honey pot” areas.

Much of Wales’s infrastructure and local communities cannot handle volume over value.

In order to gain volume to meet the new threshold, FHLs will make the unwelcome decision to drop prices at a time when business costs are rising.

The reactions in the feedback that we have received and across wider social media suggests that many are already being forced to consider lowering their prices, just at a time of spiralling costs being forced upon their businesses.

We all should be driving for a greener, more sustainable tourism economy for Wales, not trying suddenly to chase volume which goes against all that has gone before, as business are forced to hit an artificially high threshold of let days to avoid punitive taxation.

‘The most popular motivations for coming to Wales were to enjoy the country’s natural landscape mentioned by almost eight in ten visitors’.

(Wales Visitor Survey – Welsh Govt – 2019).

Due to the lack of wet weather attractions for young families we have been concentrating on higher paying couples – ‘the over 55s and affluent young actives for the shoulder months. This has meant great investment in good value quality accommodation and other supplementary products in the shoulder months with success.

‘Couples were more likely to visit Wales during the shoulder months than the peak season in 2019 (at 40% shoulder and 31% peak respectively), while the reverse was true for families with young children (at 29% peak and 17% shoulder). Families with young children accounted for 30% of Welsh staying visitors but only 24% of staying visitors from the rest of the UK.’

(Wales Visitor Survey – Welsh Govt – 2019).

The most recent figures demonstrate this –

In order to grow volume whilst maintaining quality will mean businesses spending more to promote their business. This means offering uncompetitive prices compared to comparable properties (in competitor destinations) which are not subject to this and other Welsh Government price-inflating policies. Even without the new pressures referred to in the Introduction, lowering costs remains an inherent risk as *guaranteeing* occupancy levels is still not possible.

Margins are squeezed further in autumn and winter, as smaller number of visitors expects to pay less when running costs are higher. Occupancy is reduced to mainly Friday and Saturday bookings due to poor weather and reduced opening hours for secondary seasonal businesses and attractions.

Therefore, to make up the additional volume is not possible as there is little or no market for most Sundays to Thursday, with many operators already offering up to 40% discount (Airbnb, 2022) on these days.

‘Almost two thirds of UK staying visitors in the shoulder months (65%) described their trip as a short break’

(Wales Visitor Survey – Welsh Govt – 2019).

Indeed, the self-catering sector has invested heavily over the last ten years to build value over volume in order to increase spend precisely because our peak season is so limited and opportunities to spend are limited. Many investing in ancillary facilities to create micro destinations (e.g spa facilities).

“ABC1 and travelling with children, C2DE are most likely to have been based in one location during their trip (at 90% and 91% respectively, compared with 84% of visitors overall”). (Wales Visitor Survey – Welsh Govt – 2019).

Rural or even isolated coastal properties are unlikely to be based near attractions and therefore not attractive to young families staying for a week, especially outside of the peak school holiday season.

It is a non sequitur that these proposals will help develop the tourism sector as a year-long sector...by ensuring more nights spent in Wales will help develop the sector and also allow new money to be spent in our communities outside the main tourist season.

We cannot agree with this. We suggest that businesses lowering pricing to try to hit artificially high targets will not invest while the spectre of the consequences of missing the 182-day threshold hangs over them.

Even on Welsh Government’s own 50% pre-covid occupancy figure, it is unrealistic to suggest that the very modest budget made available to Visit Wales would help a significant number of at-risk businesses raise occupancy levels to the point of survival post April 2023.

Further, whilst there have been some great successes in recent years (such as transforming North Wales into the Adventure Capital) this new technical order will take real effect from 1st April 2023 and there is no conceivable way in which in-door attractions, from high streets to theme parks, can be developed within twelve months in order to build up the sheer number of businesses that will fall short of the 182-day threshold.

Finally, if you look at the occupancy by tariff, the cheaper half of the Welsh Government’s four price bands have **NEVER** achieved average occupancy rates over 50% in the last 4 years.

While value, quality and spend are (usually) drivers of Welsh Government tourism policy,

where we have seen balance in the past is an understanding that lower-income families should not be prejudiced by that. While Wales inevitably faces competition from lower-price offers from within the UK and overseas, we would like to see everyone enjoy more holidays at home.

These are the individuals and families who will be hit the hardest by the cost-of-living crisis. They will be thinking about whether to take a holiday at all. Taking out the cheaper end of the FHL offer as a result of this policy reduces the offer to lower-income households. As these properties are more likely to lie outside the coastal hotspots, taking them out of the market also reduces the scope for growing tourism in the less popular inland destinations.

On a per person per night basis FHLs offer astonishingly good value for money.

(C) A SECOND HOMES ISSUE?

We do not underestimate the need for new, efficient affordable homes and we certainly do not condone second homeowners not paying a fair contribution to local taxes.

However, in framing these proposals in terms of the second homes debate, it has not been possible to identify how Welsh Government has examined the full impact on the wider visitor economy in Wales and how much if that is reliant on a buoyant self-catering sector.

We are not aware of any Economic Impact Assessment of these proposals, either on risk-taking owners and their businesses or the cumulative effect on jobs in tourism, hospitality and local retail.

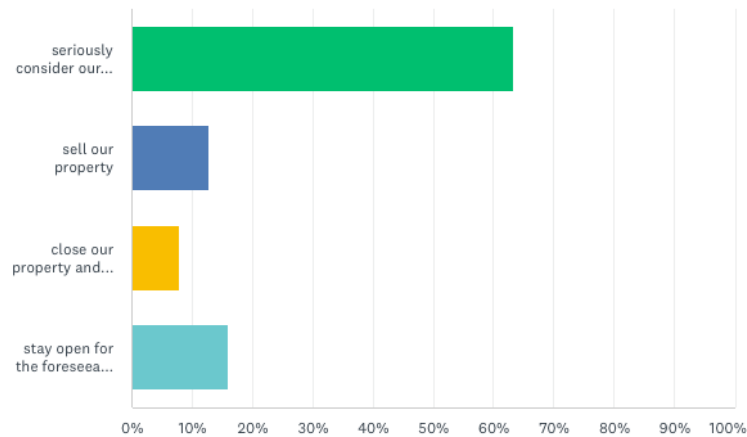
We understand that Welsh Government has to balance priorities, but we have not been able to identify any attempt to find such a balance. This is difficult to understand when the economic health of individual communities (let alone more widely) is an essential element in their sustainability and wellbeing.

The assertion is that belief that this will only be an issue for “some” businesses.” Our evidence shows that the quantum of that “some” is much greater than pre-covid figures might suggest - and that was 50%.

Our research shows a completely different picture. Only 16% currently think that they can work with the 182-day threshold.

If the current proposals from the Welsh Government come into effect, (182 days let to go onto Business Rates or pay a possible 300% premium on Council Tax) what impact will it have? We will need to: (Please answer only one)

Answered: 1,029 Skipped: 183



Where our evidence does align with Welsh Government's is the finding that the majority - though nowhere near 50% - of businesses that are able to meet the threshold are in the coastal "hotspot" communities. These are also the communities most severely affected by high property prices.

There are businesses within those hotspots that will still have difficulty meeting the thresholds.

However, the majority of FHLs that will not be able to meet the thresholds lie outside these hotspots in parts of Wales where second homes play a much smaller role in the question of local affordability (see Brooks report) and where there is potential for tourism growth without tipping the balance against community wellbeing.

They will either close or fall into the council tax regime if planning permission allows. Some may survive the change of status but will add to the corpus of properties identified as second homes rather than as businesses. Welsh Government will not want to be credited with creating more "second homes".

Others will fall into a council tax regime where local authorities have adopted higher council tax premiums for second homes. Some of these less popular areas are in the same local authority area as hotspots, but they will still have to pay the elevated premiums.

Businesses which close will not necessarily release affordable residential property onto the market. Those units on an owner's own property or with commercial-only planning permission will close or fall into the council tax regime.

Policy consultation clearly outlined the policy objectives, none of which have any bearing on properties that are legally unable to be used as permanent accommodation, such as properties restricted by planning conditions to holiday only use. Whilst planning is a different area to taxation, Welsh Government have a duty to consider the presence and impacts of the market and wider legislation. Welsh Government have shown no evidence linking such properties to the stated policy objectives. There is therefore no reasonable justification for including such properties within the scope of this legislation.

The research reports commissioned by Welsh Government omitted to even mention how such properties already positively assist in deflecting visitor demand away from normal domestic housing (conversions to holiday-lets) and thereby act towards the stated policy objectives currently.

There are also other restrictions for example: the catchment of the River Teifi in Wales is currently under a SSSI with Natural Resource Wales. All developments that pose an increase in phosphates into the watercourse are not being approved. The Local Authority is not allowing uplift of commercial premises onto residential within the catchments. Has the WG consulted the NRW over the proposed increase of phosphates as a result of these new policies?

<https://www.ceredigion.gov.uk/resident/planning-building-control-and-sustainable-drainage-body-sab/phosphates-on-the-teifi-river-sac/?fbclid=IwAR2N24FxgdNtoUc68B17wKzxEgoon-BkLV1Y8jsMWzKwXQEnMwdghriPI7E>

Therefore, if you are in this area, you would not be able to change from holiday lets permissions to residential because of the uplift in occupancy. It specifically says holiday accommodation. Basically because of the fragility of the local environment.

Owners who do decide to sell will not be looking to sell at an undervalue, especially if they have invested in the standard of the property. They will advertise their properties in parts of the country where incomes are higher and sell to people from outside the area for whom the higher price and higher tax costs are not a deterrent.

It will shut out new entrants to the self-catering industry in those parts of Wales where there is under-tourism and no threat to community identity or cohesion (see the Brooks report).

The proposal will discourage the bringing back into use of empty properties, especially those where mortgage valuations are low compared to asking price, and where renovation/maintenance costs are too high in comparison to the size and value of the property. We suggest that the NDR threshold and council tax proposals will both stifle investment in older properties, undermining the purpose for which these changes have been proposed.

All this applies to second homeowners but, more crucially, it applies to FHLs which lose their business status because of these proposals.

While some of these properties will have been bought by non-locals to run as businesses, some will be owned by local people through inheritance or investment. These proposals could mean local families having to give up their erstwhile businesses in favour of providing a new second home to wealthy outsiders.

This is not the effect on affordability, community sustainability and security of the Welsh language that Welsh Government is seeking.

3) Our Evidence

Over the years we have gathered a great deal of data into the self-catering sector in Wales. It is a richly diverse sector, offering a wide variety of product, from castles to glamping, from luxury beach retreats to bunkhouses in the mountains, from farm stays to city living and everything in between. All are intrinsically different and operate their own business models. There is no one size fits all.

Demand varies across all parts of Wales; some hotspots are incredibly busy whereas some inland areas are quiet and peaceful.

What the evidence and feedback has shown us is that a simple over-arching high threshold simply cannot be met by many 100% legitimate businesses (FHLs).

Many of these businesses have invested substantially in their offer, and by doing so in Welsh tourism as a whole. These very businesses are now under serious threat from the proposed 182-day threshold.

In addition, the sector, having mainly survived the incredibly bruising effects of the pandemic, where any reserves were used up to simply survive, with huge impacts on mental health in the sector are now entering another perfect storm. The market is going 'soft' as the impact of the devastating war in Ukraine and the massive increases in energy and insurance prices has brought continued uncertainty to the sector and bookings begin to slow right down.

This is not a time to try and drive these businesses to massively higher occupancy. This will only be done in the short term by reduced pricing and offers. Surely not the image that we all want for a vibrant Welsh Visitor Economy? We should be continuing with the long-standing Government tourism policy of **Value not Volume**.

Trying to drive up visitor nights in one sector alone is not a strategy and is most likely to impact adversely in the areas that need it least; the hotspots where we are already suffering from 'over-tourism' as they are top of the visitors list. Extending the season has always been the nirvana of all tourism strategies: Few have really made any real impact on substantially increasing seasons outside the holiday and good weather boundaries.

Unreasonable Notice Period: Welsh Government have stated in correspondence to self-catering property owners that **"..self-catering properties should aim to meet the new criteria during the year beginning on 1 April 2022, so that they can meet the evidence requirements from 1 April 2023"**

The scale of that change requires owners to re-plan their businesses, adapting marketing, operational, investment and financial practices in order to achieve the new criteria. All already have bookings for this year based on their current business and availability strategy. These changes could bring a high risk of financial failure to these businesses and force owners to move away from their current target market, changing their propositions, primarily pricing to achieve substantially higher bookings. Given this season has already started and they already have bookings based their original business strategy, and given the business changes would need time to effect, it is unreasonable to place this burden, impacting this season's business when the legislation has not yet been passed.

Whilst we acknowledge Visit Wales's quality promotion work on this issue at the moment, and we wish it success, unless Welsh Government is prepared to guarantee this with financial pay-outs in the event of market failure due to the introduction of this threshold, it is an unproven claim that hard work by Visit Wales with the industry will create the necessary demand to avoid the need for compensation. There has not even been a pilot study.

Below we set out illustrative highlights and lowlights from our research into the sector, whilst giving you GDPR-compatible access to the full reports.

Case Studies into the Impact of the proposed 182-Day threshold.

At a Cross Party Meeting on the 30th March 2022, we were asked if we could provide some 10-20 case studies into the impact that the proposed threshold would have on businesses.

We put out a call on Friday 1st April with a four-day deadline, so that we could have them in time for this report and collate them for the Appendix. We received well over 400 responses and have been able to include over 200 in the time allowed.

The Case Studies can be found in Appendix 2.

There are some really heart-rending studies. The overall impact of the proposed threshold is to create fear, uncertainty, and doubt, adding to mental health pressures already exacerbated by the experience of the pandemic and the new pressures referred to in the Introduction.

Please analyse these studies and you will see the unintended consequences of the proposed threshold. Businesses that the Welsh Government have funded to diversify from farming will be ruined, owners will lose their homes, businesses, and income as a result of this proposal.

You will see that the case studies confirm who is actually captured by these proposals. They are not the higher-income second homeowners whose contribution to the community and economy is minimal. These are small micro-businesses, no burden on the state, working hard to earn a legitimate living from hospitality. Many have no option but to do short-term letting as they are limited by planning consents.

If this measure is carried through as proposed, any property, outside a hotspot, limited to only operate as a holiday let will become a blighted property. How will that help rural communities in particular?

Larger properties, bunkhouses, specialised charities and adventure accommodation are almost totally reliant on the weekend trade and will never be able to make the threshold. Converted redundant farm buildings and glamping will struggle too, with very few able to meet this threshold, with potentially dire consequences for them.

Even those that can make the 182-day threshold currently are frightened by the prospect of the impact of heavily increased marketing by their peers, most likely at discounted prices, driving their occupancy down to below the threshold.

None of us want to see headlines of businesses closing, people losing their livelihoods, their job and their homes, so **please read** the real impact for so many, contained in the Case Studies.

PASC UK, WTA and UK Hospitality Cymru Survey on the 182-day threshold: Methodology & Key Findings

The full report can be seen here: <https://bit.ly/3KgRx6z>

With little time from the announcement of the Welsh Governments intention to increase the threshold from 70 days to 182 days on the 2nd of March and closing of the Consultation on this on the 12 April, the first thing that we did was to commission a survey to assess the impact of this proposal.

This survey ran for ten days and generated 1212 responses. This is the largest self-catering sector only survey in Wales. Only 16% of respondents believe that they will be able to carry on.

This is lowest confidence indicator we have seen, even at the peak of the pandemic.

The key findings from this report were that a much smaller proportion of the sector achieves the 50% occupancy, or 182-day rate proposed than published by official figures.

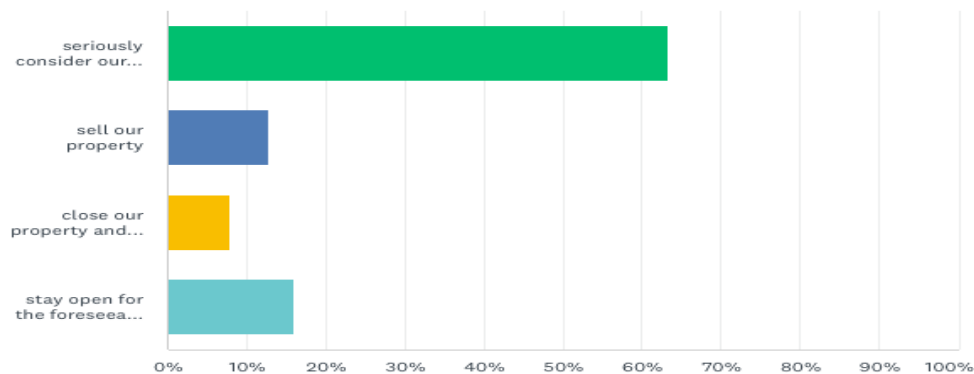
Key data points emerging from this survey of which there were 1212 respondents:

- 40% said properties were in high demand areas, 60% in medium or low demand areas
- 31% of owners generated over 50% of their income from short term lettings
- 85% of properties are on the Non-Domestic Rating list
- 32% have specific Planning Permissions to ONLY operate as short term lets
- 10% have a limit on how many days they can let in a given year
- 34% said that they were currently able to make the 182-day threshold
- 43% never use the properties personally
- 40% said that they closed for 3 weeks a year for maintenance
- 26% spend more than £10k annually in their economy, with a further 22% spending £7.5k
- 50% of all respondents felt that the 105-day threshold was the best solution, 13.5% want it to stay at 70 days and only 7.5% supported 182 days or more
- 63% are seriously considering their future in this sector and only 16% showing any confidence moving forwards.

This is an unparalleled threat level for any business sector, especially at this time, and we urge readers of this report to read the Appendix of Owner Case Studies.

If the current proposals from the Welsh Government come into effect, (182 days let to go onto Business Rates or pay a possible 300% premium on Council Tax) what impact will it have? We will need to: (Please answer only one)

Answered: 1,029 Skipped: 183



Membership Survey by Mid Wales Tourism

Mid Wales Tourism undertook an early survey to test the water in relation to the proposal. They received 148 responses. It was decided that a further, more detailed survey needed to be undertaken to establish a more in-depth body of evidence which could be added to. The initial headline results:

- 75% were NDR Exempt / 19% NDR Not Exempt / 6% Not NDR registered.
- 80% will be able to reach the 252 days available but 80% not reach the 182 days let
- **Out of the 148 businesses who responded to the survey 80 said they would be forced to close (54%)**
- 39% of those stating they would close are NDR registered (Not Exempt)
- 70% of multi businesses said they would be able to reach the 252 days available but not the 180 days let / 50% have said that it would close their business.

With 80% returning that they would not be able to make the threshold this initial survey was an alarming result.

For the full survey results: <https://eu.jotform.com/report/22062488996707004>

Impact upon Mental Health of owners.

In April 2021. Just as Covid Restrictions were beginning to ease across Hospitality, PASC UK in Conjunction with other organisations in Wales (See below) carried out a Survey on how effective Grant support had been in the pandemic. We took the opportunity towards the end of the survey to ask respondents if they had suffered any mental health issues as a result.

Please bear in mind that the purposes of accuracy, all respondents were required to give their name address and contact details so that any data provided could be cross checked.

Over 46% of respondents have either had signs of mental health or are experiencing some form of anxiety or depression.

This was also borne out by the telephone support calls received at the PASC UK office during the pandemic.

PASC UK & ASSC UK-WIDE SECTORAL SURVEY INTO SELF-CATERING FEEDBACK ON FUNDING AND GRANT SUPPORT

Introduction

- The Professional Association of Self-Caterers (PASC-UK) and the Association of Scotland's Self-Caterers (ASSC) are the leading source of knowledge on short-term letting and holiday homes in the UK and Scotland respectively.
- As a UK wide approach, the ASSC and PASC UK seek to harness empirical data about the self-catering sector across the UK in order to be able to inform the UK and devolved governments in terms of future policy decisions.
- A UK-wide sectoral survey was conducted in March 2021 relating to eligibility and access to the various packages of economic support from the UK, Scottish and Welsh Governments in response to the COVID-19 pandemic.
- The results offer valuable insights into the experiences and problems faced by the UK's self-catering operators in accessing the support required to safeguard their businesses during the Covid-19 pandemic.

Survey Overview

- PASC UK and the ASSC gathered data about the grant schemes, due to many self-catering operators highlighting concerns about the eligibility criteria associated with the grants from the UK, Scottish and Welsh Governments in particular, as well as inability to access the Coronavirus Job Retention Scheme or Self-Employed Income Support Scheme from the UK Government.
- PASC UK and ASSC ran an online survey consisting of a series of sector specific questions. This was publicised via PASC UK and ASSC newsletters, as well as via social media channels.
- The online survey elicited 1395 responses from self-caterers in England, Scotland and Wales, from both PASC, ASSC members and non-members alike, across the UK's local authority areas.
- 59% of responses were from members of PASC UK or the ASSC. 41% of responses were from non-members.
- With special thanks to the Wales Tourism Alliance, North Wales Tourism, Visit Pembrokeshire, Tourism Alliance, SW Tourism Alliance and the FHL Business Support Group for circulating the survey throughout Wales.

Summary

It is hoped that the survey results will inform greater discussion regarding the support provided to self-catering operators in the UK during the Covid-19 pandemic.

Some of the key findings include:

- A good proportional split of responses were from across the UK, predominantly from **rural locations** with 47.38% being from England, 38.63% from Scotland and 15.63% from Wales.
- NOTE: the survey did not extend to operators in Northern Ireland due to limitations in sources for circulation.
- The majority of self-catering businesses have been running for at least 6 years. A large proportion of self-catering businesses have been running for 11 to 20 years or more, with some operating over 40 years.
- **Over 46% of respondents have either had signs of mental health or are experiencing some form of anxiety or depression, there is evidence of the impact of the Covid-19 crisis being felt across the sector.**
- Currently there is a mixed picture in terms of business confidence, with 38% of respondents being somewhat optimistic and 20% somewhat pessimistic and almost 27% taking a neutral view at the moment, not knowing what to expect.

The Full report is available here:

<https://www.pascuk.co.uk/reports/> Where it can be downloaded. Look for this icon.



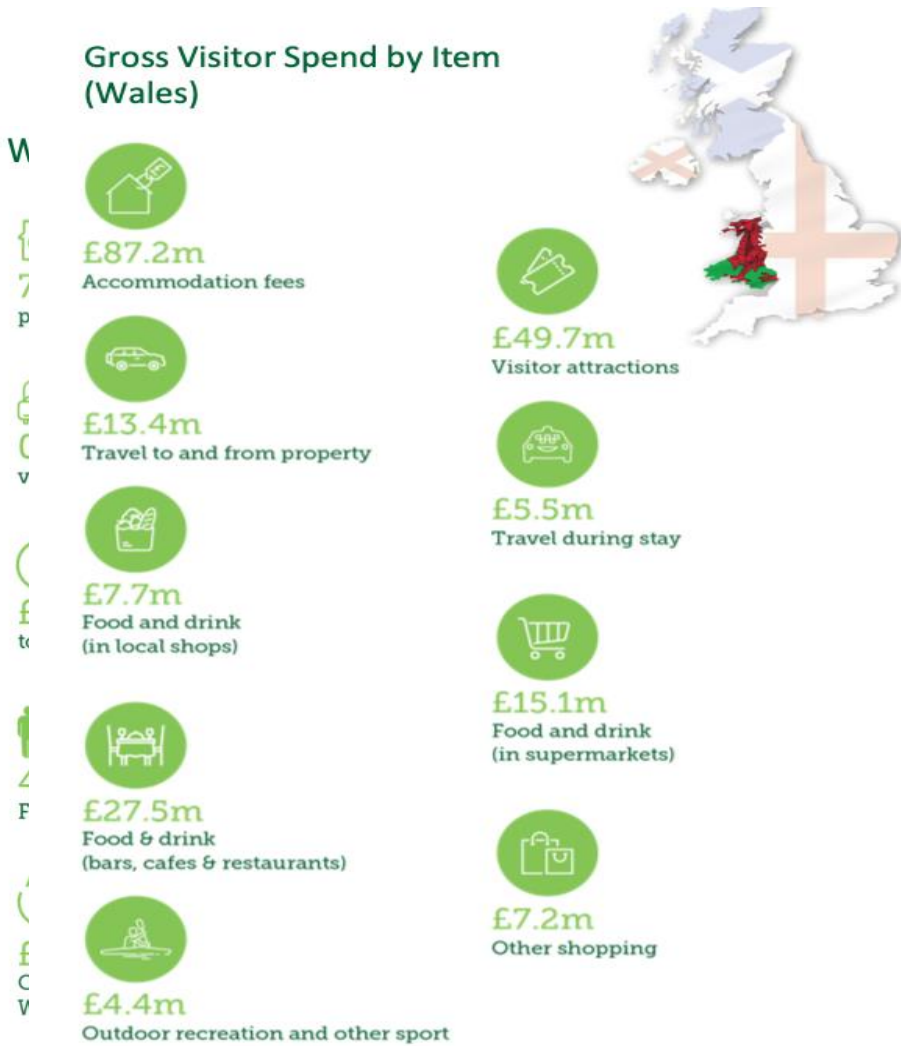
The Economic Impact of the Self-Catering Sector on the Welsh Economy

In August 2021 PASC UK published the most extensive report into Welsh Self-catering, utilising live booking data from numerous booking platforms plus visitor surveys.

The full report can be found on this page and downloaded:

<https://www.pascuk.co.uk/reports/>





Key highlights were as follows:

In the appendix to this report, you can see the data provided by the booking platforms on actual occupancy. This is based upon paid bookings only.



Areas with the greatest number of properties

1. Dyfed (3,130)
2. Gwynedd incl. Conwy (2,520)
3. Anglessey (735)
4. Powys (690)
5. Clwyd (270) & West Glamorgan (270)

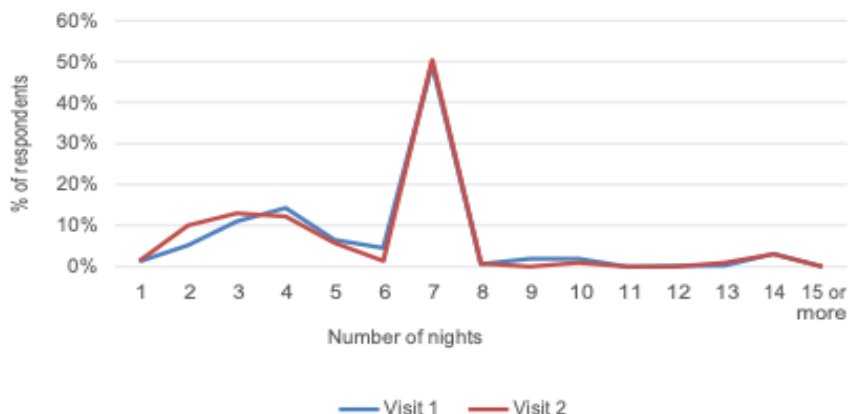
The Short Break Staycations

The popularity of the short break is on the rise, with most operators now only able to sell seven-night stays in peak times, the summer holiday and Whitsun being the most likely. The visitor wants an experience filled two-to-three-night stay. These most commonly have to fit around weekends, making out of season midweeks really hard to fill. If you are in a hot spot area, this will be easier, but for many rural businesses filling midweek for around six months of the year is going to be nigh on impossible.

Visitor characteristics

This section looks at findings from visitors for up to two visits to a self-catering property. Visit 1 is the most recent visit i.e., 2020 and visit 2 is pre-Covid-19 i.e. 2019. On average visitors spent 5.9 nights during visit 1 and 5.7 nights in visit 2. The distribution of responses is shown in Figure 3.3 and demonstrates a very consistent trend between visit 1 and 2.

Figure 3.3: Number of nights stayed per visit



Actual Booking Data across 792 Properties

This spreadsheet shows the number of nights let across the various 'sleeps' sizes of properties in Wales. In general terms the larger the property the harder it is to achieve the same occupancy as a smaller property, simply because there are fewer large groups that want to go away together than family sized units.

This is real reason why a one size fits all threshold, at a heightened level, will particularly penalise certain types of business in non-high demand areas.

Sleeps	No of properties	Avgc 2019 nights	Avgc 2020 nights	Avgc 2021 nights	Avgc of 2019 £	Avgc of 2020 £	Avgc of 2021 £
(blank)							
1-5	433	155	96	158	£ 14,611	£ 9,165	£ 17,004
6-10	291	125	80	128	£ 18,205	£ 11,531	£ 20,863
11-15	37	127	78	132	£ 38,503	£ 22,373	£ 43,399
16-20	17	78	44	83	£ 46,078	£ 23,025	£ 46,948
21-25	6	79	44	63	£ 53,865	£ 25,241	£ 35,185
26-30	4	144	48	101	£ 141,148	£ 49,014	£ 119,061
31-35	2	96	21	68	£ 80,657	£ 14,744	£ 72,804
36-40	1	90	31	16	£ 90,324	£ 34,189	£ 23,380
46-50	1	28	22	39	£ 44,220	£ 23,805	£ 59,581
Grand Total	792	140	87	143	£ 18,959	£ 11,336	£ 21,154

This data has been provided by the SuperControl Booking System and shows actual bookings placed and paid for on their system. The vast majority of these are professionally let business who have opted to pay for a booking system. As can be seen there is not one column of nights let that averages anything close to 182.

Impact of the increased threshold on Women and Carers

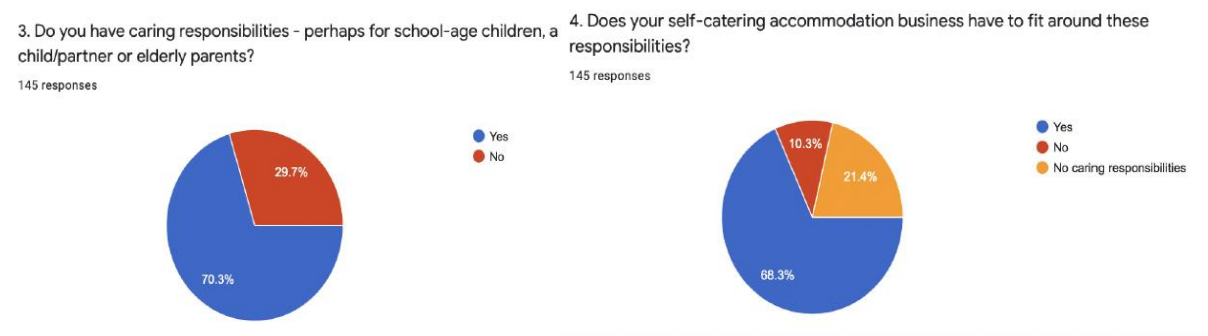
We have received some compelling data on the impact of the proposed threshold increase on women, and particularly those who are also carers.

Below we have included some data from a report into this, and it's clear that there is a real issue here. Women play a huge role in this sector, and in most cases are the driving force in these businesses. Many of them have other responsibilities too.

This survey clearly highlights the need for the Welsh Government to carry out a full Economic Impact Study, into the proposed measure, to include what impacts it will have on different parts of society.

Once again, this illustrates how the target of the proposed measure is the wealthy second homeowner, depriving a local from buying a house, yet will have hugely detrimental effects through unintended consequences.

The full report can be accessed here. <https://docs.google.com/forms/d/1iNNZ56ebZi-bBlSqOgRUDWnmFwDOme4v0mIEeLZeTLU/viewanalytics>



5. Conclusion

Our evidence shows many micro locally run family FHL businesses will simply shut down: Some of the buildings will be sold, possibly to buyers outside of Wales because they will not be in the right location or price bracket, others converted back to farm buildings or re-absorbed into owners' own primary residences.

There is a risk that some will be abandoned in an attempt to avoid paying tax on an unproductive building.

As a tool to bring properties back into a market which is affordable to local people, it will not work. Rather it will reduce local owners' ability to earn an income and cause a decline in secondary jobs in hospitality, retail, house maintenance and cleaning etc.

It will not safeguard the Welsh language as these businesses will be lost to wealthier

outsiders prepared to meet the higher costs of having a second home or self-catering businesses in Wales.

We recommend that:

- (a) **Welsh Government observes the majority response to the Original Consultation and Increase the threshold from 70 Days to 105 Days (that's a 50% increase) and align with FHL HMRC taxation rules;**
- (b) **We adopt the term 'Holiday Let Businesses' for FHLs that comply with 105 days letting and full HMRC tax compliance;**
- (c) **Properties that are limited by (i) planning permission to only be short term commercial lets and (ii) lie within the curtilage of an owner's primary residence are not made liable to pay the additional council tax premiums if they do not hit 105 days let;**
- (d) **Allowances can be made when whatever threshold is finally determined upon, accommodating limitations on availability (as opposed to occupancy) such as, carrying out repairs, property improvements, closure due to ill-health or caring responsibilities. We would be pleased to work with the Welsh Government in determining what these might be;**
- (e) **We work with Visit Wales to drive quality and nightly yield up to improve profitability and sustainability of this sector of the industry;**
- (f) **We work with Visit Wales, Welsh Government and other partners to push forward the green, low-zero carbon agenda in the self-catering business sector.**

Appendix 1

The Welsh Government 'Local Taxes for second homes and self-catering accommodation' Response evidence:

The Welsh government has proposed legislation that does not reflect the consultation responses, the following analysis of the data presented in the published response document is shown below. In each case, the proposed legislation takes no account of the majority views expressed by those who took part in the consultation, and in many cases creates legislation that represents the opinion of just a tiny fraction of the respondents who took part.

Q. How effective are premiums in addressing housing issues?

A. 79% said little or no effect, 9% said positive effect.

Result: go with the 9% and push forward with the council tax premiums as a means of addressing housing issues

Q. Is current max of 100% appropriate?

A. 64% said appropriate or too high, 20% said too low.

Result: go with the 20% and raise the maximum

Q. Should self-catering accommodation thresholds be higher?

A. 75% said either no change or no support for higher thresholds, 22% supported higher.

Result: go with the 22% and raise the thresholds

Q. If thresholds changed, what should new available to let threshold be? A. 149 replies suggested greater than the current 70 days (15% of respondents), 38 suggested 210 days (4% of respondents).

Result: go with the 15% of all respondents who supported an increase and set the level in line with the 4% of all respondents who suggested 210 days

Q. If thresholds changed, what should new actually let threshold be?

A. 118 replies suggested greater than the current 70 days (12% of respondents), 38 suggested 105 days (4% of respondents), 9 suggested 182 days (0.9% of respondents).

Result: go with the 12% of respondents who supported an increase and set the level in line with the 0.9% of respondents who suggested 182 days

Of keynote are the responses to Q9 'If the self-catering thresholds were to be changed, what do you suggest the new thresholds should be'.

*Of the 155 responses suggesting a rise on the **availability** criterion, 149 proposed thresholds higher than the current 140 days, ranging from 150 to 365 days. The most common specific suggestion was **210 days** a year. The most common specific suggestion for **commercial occupancy** was **105 days**. Only 9 responses supported a range of between 182 days or 6 months (9 responses).*

Agenda Item 3

Document is Restricted

Dear Sir / Madam,

A Refreshed TB Eradication Programme

February 2022

Following consultation with its membership, please find below a response from the Farmers' Union of Wales to the above consultation.

i. General Comments

Numerous FUW members called upon the FUW to reject these proposals in their entirety due to the fact that the consultation (1) Lacked suitable and thorough evidentiary support (2) Did not provide any assessment on cattle welfare and the financial and well-being impacts of the proposals (3) Lacked basic detail on some of the proposals (4) Contained questions which could lead the respondent and (5) Omitted any reference to the detrimental interconnectivity between the proposals. FUW members believed that the tone and content of the present consultation represented a tremendous disservice to the farming sector in Wales and displayed a lack of any real ground-level understanding regarding the degree to which the proposals would detrimentally affect the ability of farm businesses to function. It is the belief of FUW members that the Welsh Government are dangerously close to presiding over the demise of the Welsh cattle sector - and its associated industries - due to a costly, bureaucratic and flawed TB eradication programme which fails to protect farm businesses and cattle from bovine TB.

The FUW provides further comments on the above throughout this consultation response.

Given that the changes proposed come with significant added expense, the FUW is incredulous that no impact assessment has been conducted on the potential costs and administrative burdens placed upon livestock keepers resulting from the proposed changes. Given the significant changes proposed, it is not only fair and reasonable for the farming industry to expect such an assessment to have accompanied the consultation, but may also be a legal requirement under the June 2021 Welsh Ministers' regulatory impact assessment code for subordinate legislation. The omission of any economic impact assessment made the potential ground-level impact unclear and suggests indifference as regards the economic, administrative, animal welfare and emotional costs which would be borne by cattle keepers

following the genesis of these proposals. In addition, given current regional differences in both TB prevalence and incidence, it is inevitable that the effect of these proposals will be asymmetric with herds in the High and Intermediate Risk Areas bearing the greatest cost.

The FUW is also extremely concerned that the lack of any impact assessment could influence the responses received in favour of the proposals as members of the public would be unable to determine the on-farm and industry level costs incurred. Whilst the FUW recognises the balance between the provision of technical information and the ability of the respondent to understand and process such information, an impact assessment could have been easily understood and should have been included as a matter of course. The FUW would therefore seek to ensure that the Welsh Government recognises the fact that the consultation is not balanced when reviewing the responses received.

The Union believes that there was a basic lack of evidence and clarity for many of the measures proposed in the present consultation. The FUW is grateful for the supplementary evidence provided by the Welsh Government upon request, however members still found it difficult to comment on the proposals provided; many of which were supported with little more than generic statements and non-specific evidence. Without such additional information, determining the relative epidemiological impact of introducing a given proposal is essentially impossible.

As with the present consultation, previous consultations on the Welsh TB Eradication programme have resulted in several increased cattle control measures and there has been a distinct lack of long-term evaluation and appraisal of such controls. Indeed, whilst trends in TB levels have been examined, continual changes to the TB programme make it difficult to evaluate the causative factors for the real trends identified in the data and this makes it difficult to determine which of the numerous methods applied and imposed on farms has the greatest impact. Indeed, the extent to which each of the measures proposed would function to reduce *Mycobacterium bovis* transmission and incidence is unclear. It is reasonable to assume that the benefit conferred by each of the measures will not be equal and the Union still requires better evidentiary support to make a proper and informed decision about which cattle control measures would have the greatest impact and which are outweighed by the costs conferred upon the industry. Without proper evaluation of all the methods, there may be a disproportionate number of regulations imposed upon producers and livestock keepers will be subject to an ever-increasing raft of cattle controls; some of which may have little or no impact on disease levels. For example, the FUW continues to receive correspondence from members querying the reasoning behind the delay to the next clearing test which occurs when cattle are moved from a TB restricted holding to an orange market. Whilst the FUW recognises that this falls under the auspices of undisclosed infection, the union would welcome moves to determine the real risk of future transmission posed under such circumstances. It stands to reason that a proposal which bears a high cost to the industry, whilst having a minimal impact on disease control, should be rejected. The deliberate or accidental omission of this information is a disservice to the farming industry.

The FUW would argue that all cattle control measures should be scored for their potential effectiveness and that moves toward an ever-increasing number of biosecurity and cattle control measures should be avoided unless it can be proven that the impact of implementing such measures will be significant in terms of disease control and prevention. Given that all previous discussions on controlling TB in wildlife have required a wealth of evidentiary support prior to any wildlife control policies, the same principle should clearly be applied to cattle control policies.

It is unclear from the present consultation whether the Welsh Government fully understands the interconnectivity between the proposals put forward in this consultation and the severe devastating impact that they will confer on many in the farming sector in Wales. For example, the move towards risk based trading as proposed will inevitably devalue and discriminate against some stock and it is to be expected that this will drive prices down significantly. Should table valuations be adopted, the reduction in prices conferred by risk based trading will further drive down the average market value paid for stock that are compulsorily slaughtered. The reduction in market values - and thus average tabular values - is further compounded by the fact that the addition of more TB tests will inevitably lead to more stock being culled (including more false positives), and cattle keepers will therefore find themselves in the impossible situation of having more stock taken at significantly reduced prices. The compounding effect of introducing multiple interconnected proposals was neglected in the present consultation and this is a serious omission.

As with previous consultations on the bovine TB programme in Wales, the FUW is exasperated at the lack of any novel approach and the focus and fixation on ever-increasing the raft of cattle controls conferred on keepers. Such an approach is even more damaging to the Welsh cattle sector given the existing staunch anti-cull political environment in Wales which *'forbids the culling of badgers to control the spread of TB in cattle'* in all circumstances, irrespective of the scientific evidence, meaning further cattle controls are justified by effectively and exclusively blaming the spread of bovine TB on the actions and behaviours of cattle keepers. Such a stance contradicts the scientific evidence on this disease, and the FUW is concerned that this is leading to the Welsh Government pursuing a one-dimensional, failing and outdated bovine TB programme which continues to leave cattle keepers vulnerable to sources of infection that are out with their control whilst simultaneously driving down prices and increasing costs and bureaucracy.

Advances in genome sequencing have led to well established techniques which can identify the strain of *Mycobacterium bovis* responsible for a disease outbreak. To date, over 180 strains have been identified using this technique and such analysis is essential in determining whether an infection entered a herd from the purchase of infected stock or whether it arose from 'local origin'; either from local wildlife or other cattle in the local vicinity. Where the breakdown is identified as having a wildlife origin, it is incumbent upon the Government to establish policies which reflect this source of infection and which allow for proper and scientifically validated culling and/or control methods. Current government red lines on this

matter are both dangerous and shortsighted and are a disservice to the hard-working farming families in Wales that continue to fully comply with escalating TB regulations.

Given the above, it is extremely interesting to note the latest Animal Health and Welfare Framework Implementation Plan 2022-2024 for Wales. As part of its mission to '*optimise health and wellbeing for animals*', the Implementation Plan states that '*wildlife is also covered where.....there is a risk of wildlife transmitting disease to other animals or humans*'. The FUW believes that the TB Eradication Programme and the Welsh Government's 'red line' on badger culling is in direct contradiction to the Implementation Plan. Indeed, whilst the FUW agrees with the oft-quoted mantra within the Implementation Plan that '*prevention is better than cure*' it is difficult to ascertain how prevention can occur in under an eradication programme which is content to chase the disease by ever-increasing cattle controls while ignoring other reservoirs of disease. It is therefore clear to the FUW that the Welsh Government continues to consider only one aspect of bovine TB policy as opposed to taking an holistic approach, and that farmers will continue to pay for an eradication programme which is borne out of politics and not science.

As has been reiterated on numerous occasions, the Union believes that the previous regional badger cull policy which was accepted in 2011 by the then Minister for Rural Affairs, Ms Elin Jones AM, and approved by the Welsh Assembly, represents the most complete and thorough approach to wildlife control. The FUW remains frustrated that politics has since been allowed to triumph over disease control and the FUW will continue to push for mechanisms to control TB in wildlife. The badger control policy offered for farmers within the High TB Area in the previous 'refreshed' approach was a weaker policy than that outlined previously and the FUW previously highlighted that only a handful of the 60—70 farmers whose breakdowns could be classified as chronic or long-term would benefit from this policy direction. It is therefore unsurprising that the results emanating from this work have been unable to provide direction for future policies in this regard.

The FUW would continue to remind the Welsh Government that, in 2012, the European Commission bovine TB sub-group report stated that there was '*considerable evidence to support the removal of badgers in order to improve the TB status of both badgers and cattle*'. Moreover, the report of the sub-group stated that the previous badger vaccination programme, which replaced a badger cull, represented a deceleration of the Welsh eradication plan and a loss of impetus. The FUW is extremely disappointed to note the Welsh Government's continuing disregard of expert opinions and scientific evidence for political reasons as opposed to disease control priorities, and that it does so at the expense of Welsh cattle and the financial and mental wellbeing of Welsh farmers.

It is of note that 2014 marked the genesis of the Badger Found Dead (BFD) programme in Wales which aimed to gain insight into the level of TB in wildlife populations on a regional basis. However, the FUW has yet to see any evidence that the results of the BFD survey have significantly changed, influenced or shaped the Welsh bovine TB programme. Whilst the FUW will continue to promote the programme amongst its membership, the Welsh

Government's red line on proactively tackling the disease in badgers undermines the value of the programme. Moreover, there is concern that the results of the BFD survey may lead to the perverse and unjust situation where cattle keepers are forced to adopt costly measures to separate cattle from wildlife, as opposed to more effective approaches that will reduce the number of infected badgers and thus disease transmission.

Given the heavy reliance on increased testing, the FUW would seek assurances that sufficient personnel and facilities are available within current TB testing providers to cope with the increase in testing requirements - particularly given the current shortages of veterinarians which the Welsh Government is well aware of. Indeed, the FUW is aware that members have previously received penalties due to a lack of veterinary personnel and resources and would suggest that extra resources must be in place prior to the introduction of any increased testing requirements. Given the potential penalties and movement restrictions which can arise following overdue TB testing, it is imperative that no penalties are conferred for any delay to TB testing which remains out with the control of the cattle keeper. Furthermore, the FUW is aware that gamma blood testing requires samples to be maintained at specific temperatures in order to ensure the viability of the test. FUW members stated that the specific requirements of gamma testing would need to be borne in mind when developing proposals which significantly increase the number of tests being conducted.

In addition to the above, the FUW believes the Welsh Government should seek to determine the expected impact on cattle welfare and human health and safety due to the increased gathering and handling required to comply with the testing proposals in the current consultation. No information has been provided on these issues.

Members expressed concern that the previous changes to TB testing, such as the increased use of gamma blood testing, have not yet been given adequate time to determine the impact on bovine TB levels. Further increases to TB testing requirements were therefore deemed to be premature; especially given the increased disruption to farm businesses which have seen years of strengthened and altered cattle controls - to the extent that the FUW believes they are the most rigorous in the world. Given the lack of evidentiary support provided for the huge raft of increased cattle controls proposed, it appears that the Welsh Government have adopted a '*try it and see*' approach to bovine TB control which does not account for the serious financial, welfare and mental health implications for livestock keepers. This is further evidenced in that the simultaneous introduction of all of the proposals in the consultation will make it impossible to determine, yet again, which proposals have had the greatest impact. As stated previously, the Welsh Government continues to place additional costly controls upon cattle keepers, without any proper and thorough evaluation of the usefulness of current controls.

It is of note that, despite the introduction of a regionalised bovine TB programme in Wales in 2017, the background data for cattle in the present consultation was provided on a Wales-wide basis only. Given that some of the proposals included in the consultation are regionalised, the FUW does not believe the provision of such simplistic and pooled data

provides adequate evidence to support or justify the proposals. The FUW notes that regionalised data was provided for Badger Found Dead data and would seek parity for cattle data in order to allow more informed decision making when considering the potential introduction of regionalised policies.

Finally, the FUW would highlight the concern that the impact of the proposals and their interaction with other Welsh Government policies and regulations has not been fully considered. For example, in terms of The Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021, the proposed additional controls can lead to changes in cattle management practices such that cattle are finished on farms where they are born rather than being sold as store animals to farms more suited to finishing. This will lead to an increase in feed and fodder inputs, with implications in terms of stocking densities, nutrient limits and infrastructure costs. Conversely, where the additional controls lead farms to stop keeping cattle altogether, this will have a range of adverse ecological impacts in areas where grazing by cattle is essential for the maintenance of certain species and habitats and is actively encouraged by the Welsh Government.

ii. Specific Consultation Questions

1. Legal requirement for farmer paid PrMT from herds in the Low TB Area. Do you agree with this proposal? Please explain your reasons.

The Union believes that the priority for herds within the low TB area should be protection against disease in a manner which is proportionate to the risks conferred by a given activity and the benefits gained by a given policy.

Supplementary evidence provided by the Welsh Government to the FUW confirms that this question relates to all moves from the Low TB Area to any other region. The evidence provided in the consultation in relation to this question describes an increase in the number of new TB incidences ('hotspots') in localised areas within the Low TB Area. The consultation states that the disease is locally linked and uses this as evidence for requiring PrMTs in the Low TB Area. However, the proposal for blanket PrMT for all moves from the Low TB Area was without any evidentiary support in the consultation. The supplementary evidence provided by the Welsh Government on this issue remains focussed on local trading partners within the Low TB Area and supplementary evidence for moves outside the Low TB Area remain lacking.

Whilst there may be merit in PrMTs for all moves from the Low TB Area, the FUW believes evidentiary support for such a proposal should have been provided. The lack of proper evidentiary support - and the often cursory nature of the current consultation - has angered and frustrated FUW members and the Union would seek assurances that the industry is better respected in future consultations that are of such gravity.

Given the above, numerous members expressed extreme concern that this proposal would add significant costs and expense to cattle keepers wishing to move cattle to different holdings under the same ownership within the Low TB Area.

The FUW would also remind the Government that any increases to cattle testing frequency and sensitivity can increase the rate of false positives. Given the appetite in this consultation for utilising more sensitive tests as PrMTs, increased testing frequency - and thus an increase in false positives - could impact upon the recorded incidence of disease in each of the regions. Under the current guidelines, herds are classified as residing in a Low TB Area where less than 0.2% of herds have a TB breakdown. Any increase to testing frequency - and subsequent increase in false positive reactors and concomitant reduction in regional classification - will have extremely negative effects for industry and for the public perception of farming. It is unclear how the Welsh Government plans to manage and mitigate the impact of false positives on overall disease incidence as such discussions have not been included in the present consultation.

2. Cattle entering the Low TB Area from higher incidence areas need a clear PrMT. Do you agree cattle moving into the Low TB Area from a higher incidence area should also require a PoMT on arrival? Please explain your reasons.

As before, whilst there may be merit in PoMTs for moves into the Low TB Area from a higher incidence area, the FUW had to seek further evidentiary support necessary for decision making in this regard. Given the serious nature of the present proposals, the lack of proper evidentiary support in the consultation severely constrained the ability of consultees to properly judge the merits of the proposals.

The FUW notes that the evidence used by the Welsh Government for this proposal relates to the Shap cluster in England's Low Risk Area. Whilst the FUW notes the Welsh Government's statement that '*there is no reason why epidemiological evidence relating to TB policy decisions in Wales needs to be generated in Wales*' the FUW would query why such Wales-specific information is not available as it should be collected as a matter of course.

The supplementary evidence relating to this proposal, which was subsequently provided by the Welsh Government on request, states that the proposal would provide flexibility in the event that epidemiological evidence supports its introduction in future cases. This is a different proposal to the blanket PoMT procedure proposed, making the precise nature of the proposal unclear.

Several members commented that the expense associated with the requirement for PoMTs for moves into the Low TB Area would inevitably disadvantage cattle keepers trading from other regions; this is especially pertinent for those cattle keepers in such areas that have no previous history of TB in their herds.

The FUW notes the aspiration of Welsh Government to create discriminatory proposals which function to ‘discourage purchases from **higher TB incidence areas**’. The FUW would question how such a philosophy works within the wider context of risk based trading as this type of blanket testing cannot distinguish between high and low risk *herds* residing in a high risk *area*. Indeed, the proposals could effectively discourage cattle keepers in the High TB Area from the hard work and expense of keeping their herds free from TB as the Welsh Government endorse proposals in which herd TB history is less relevant than provenance.

3. Do you agree cattle moving into the Intermediate TB Areas from higher TB incidence areas should have a PoMT? Please explain your reasons.

The Union believes that testing policies should reflect the current disease picture but only in a manner which is proportionate to the risks conferred by a given activity and the benefits gained by a given policy.

The FUW recognises that testing policies should reflect the disease picture in a given region. However, given the above, members reiterated that this proposal would further impact on the trading ability of those TB free herds residing in the Intermediate and High Risk TB Areas. Indeed, given that less than 5% of herds in the Intermediate Area have lost OTF status, policies which are indiscriminate are potentially unjustifiable without proper epidemiological support.

In addition to the responses already provided previously, the FUW would use this opportunity to state that the impact of any increased testing regime on (1) cattle welfare and (2) the health and safety of both testers and cattle keepers must also be considered. Handling cattle inevitably involves a risk of injury and an increase in the frequency of gathering and handling cattle for TB testing will invariably increase such risks.

Furthermore, several members commented that the additional requirements for PoMT would preclude cattle movements for a further 60 days; even within multiple farm holdings under the same ownership. Given that this delay could significantly impact upon business activities the attractiveness to buyers of TB free herds in higher risk areas will be further reduced.

Following a request by the FUW for additional evidentiary support, the FUW notes that the evidence for this proposal relates to moves from 4 yearly testing parishes in England which ‘can lead to a large number of new TB breakdowns in Wales’. However, no further evidence was provided relating to within Wales moves where all cattle are annually tested, and the FUW would therefore welcome further clarity and evidence on this issue. This is especially pertinent given the potential impact of this proposal on herds within the High Risk Area of Wales.

The FUW has previously made representations to the Welsh Government regarding a lack of parity when cattle are moved across the border from England into Wales. At present, cattle

from the 4 yearly testing parishes in England may be moved into Wales without a PrMT requirement. This has been a longstanding concern expressed repeatedly by the FUW, and one which the Welsh Government has, to date, failed to address and is now seeking to use as justification for additional controls relating to movements *within* Wales. Despite being in a low TB area, the length of time between TB tests make such cattle an unknown TB risk and such cattle are therefore not comparable with the annual / 6 monthly testing regimes employed within Wales. Given the significant increases in testing burdens proposed, coupled with practices which will inevitably discriminate against Welsh cattle keepers, the FUW welcomes moves to increase equivalence.

4. Do you agree with Welsh Government exploring the temporary introduction of PoMT of cattle originating from an identified TB Hotspot, or high risk herds? Please explain your reasons.

Should the above proposal be introduced, the FUW believes that it *must* account for TB hotspots and high risk areas outside of Wales.

Given the temporal and fluid nature of hotspot areas and high risk herds, FUW members questioned the ability of APHA to provide this information in real time and in a way which empowers cattle keepers to make informed purchases. Given that there are proposals within the present consultation which posit penalising ‘risky’ purchases, any delay in the provision of such information will have significant financial and business consequences. There is no information in the present consultation regarding how such information will be provided, and the FUW would seek further information on this issue prior to the introduction of any such policy or regulation.

The Union notes that the 2017 consultation on the Refreshed TB programme contained no criteria by which high risk herds may be identified and the FUW sought further discussions on this issue in its 2017 response. The definition of a High Risk Herd has been developed without consultation with industry and it is essential that the definition of high risk herds is undertaken in conjunction with the industry to ensure that the criteria used are appropriate and proportionate to the risks.

Numerous members commented that the requirement to PoMT before cattle are mixed with the rest of the herd would create significant difficulties in terms of additional housing requirements and for those cattle keepers that buy in cattle at numerous times of the year.

5. Where do you feel this policy would have the most impact? (For example High TB Areas, Intermediate TB Areas or Low TB Area).

Given that no regionalised epidemiological data was provided in the consultation, it is difficult to determine the different regional impacts of this proposal. However, it is common sense to assume that the greatest disadvantage would be conferred upon higher risk herds.

6. Not allowing a herd clearing test as a PrMT as we do in persistent herd breakdowns. Do you agree with this proposal? Please explain your reasons.

The FUW and its membership fundamentally and vehemently oppose this proposal. Given the severe consequences of such a proposal for hard-working family farms, the use of generic sweeping statements rather than proper epidemiological evidence falls well short of the justification that should be required for such a policy to be proposed. The FUW recognises the sentiment that '*extending the period before animals move and requiring an additional test increases the chance of undisclosed infection*' but would caution against the use of such generic language as this approach could mean ever-increasing testing burdens which lack proper scrutiny and evaluation.

Given the fundamental differences between Persistent Breakdown Herds and other TB breakdown herds, the FUW would query the significant jump to a pan-Wales approach on this policy. This proposal takes no account of herd-level differences such as the appearance of lesions at slaughter, culture test results, the number of reactors and other TB risk factors. This is especially pertinent given the Wales-wide move to Officially TB Withdrawn (OTFW) as standard from the 17th of January 2022. Given the above, the FUW does not agree that this proposal is required on a Wales-wide basis. TB breakdowns are not all equal in risk, and this was the basis of regionalised TB testing requirements in the 2017 Refreshed approach; an approach which seems to have been selectively dismissed in the current consultation.

As part of its request for further evidentiary support, the FUW sought to determine how many cattle that were moved following two clear tests subsequently became TB reactors in the subsequent 60 days. Supplementary information provided by the Welsh Government states that 22% of breakdowns across Wales are attributable to '*undisclosed infection*'. The FUW is grateful for the supplementary information provided relating to recurrence rates and outcomes but does not believe that this data constitutes what was requested and cannot therefore be used to assess the benefits of the testing regime proposed. As such, it remains unclear what percentage of the 22% of breakdowns would have been prevented if a PrMT was required after the second clearing test.

As it stands, this proposal will increase testing costs, require the additional gathering and handling of cattle, impact cattle welfare, increase risk of injury, extend the length of time that farms remain under restrictions by at least two months and will further decrease industry faith in the current tests used for bovine TB.

Members stated that the logistics associated with this increased testing regime were unfeasible and impractical. For example, members commented that cattle farmed away from the holding, such as suckler herds, would require sufficient time, personnel and resources to

properly engage in this additional testing regime and that, for many cattle keepers, such resources were unavailable.

Notwithstanding the above, several members commented that, if the Welsh Government believed that additional tests were required, then the costs of such tests should be borne by Government.

7. Where do you feel this policy would have the most impact? (For example High TB Areas, Intermediate TB Areas or Low TB Area, or in specific circumstances).

Obviously, given the increase in time taken to move animals, this additional testing policy will have the greatest impact upon farms that would have had TB restrictions lifted under the old testing regime. This is irrespective of farm provenance.

8. Do you agree with the statement ‘the [gamma interferon] test used as a PrMT should be more sensitive and therefore more likely to identify truly infected cattle but acknowledge this would be at the expense of identifying more false positive cattle’? Please explain your reasons.

Aside from the fact that the question makes no grammatical sense, the FUW is concerned that it is worded in such a way that it is likely to lead respondents to providing answers that may be manipulated in their interpretation.

The FUW does not believe that proper consideration has been given to the relative merits of each of the potential testing options provided.

The key measure of diagnostic test accuracy is the relationship between specificity and sensitivity. The relatively poor sensitivity of the caudal fold skin test has led to numerous bovine TB programmes employing additional tests - such as the gamma blood test - that can either be used in series or in parallel with the skin test. Whilst the skin test has good average specificity, its average sensitivity is relatively poor and this can make it prone to false negatives. This can result in residual infection being left after application of the skin test during the current TB programme. The gamma interferon test, which was approved by the European Commission two decades ago *as an ancillary* to the skin test, can identify cattle at an earlier stage of infection when used appropriately. However, the complex nature of specificity and sensitivity mean that the degree to which gamma blood testing will identify false positive animals is a function of the manner in which the test is used and it is for that reason that its use has been restricted to specific breakdown herds.

Alongside sensitivity and specificity, other measures of diagnostic tool success are the Positive Predictive Value (PPV) and Negative Predictive Value (NPV). PPV is the probability that animals with a positive screening result truly have the disease, whilst NPV is

the probability that animals with a negative screening do not have the disease. According to the supplementary information provided by the Welsh Government on request, prevalence - which is a measure of the frequency of the disease in the population at a given time - impacts upon both PPV and NPV values. As population prevalence increases, the PPV also increases; thereby reducing the rate of false positive animals. At present, the gamma blood test has a high PPV *when used in a TB breakdown herd with lesion and / or culture positive animals*. This is why, at present, gamma blood testing is only used as a supplementary test alongside the skin test in specific TB breakdowns and may be repeated as long as standard interpretation skin test reactors and / or visible lesions at slaughter continue to be identified in these herds. Gamma is not as specific as the skin test and only when used within this limited context can confidence be increased that a positive result is a true positive.

Given the above, FUW members expressed extreme concern that the use of the gamma interferon test as a PrMT in all herds - regardless of TB history - will result in an unacceptable increase in the number of false positive cattle. Whilst the Union recognises the protective approach potentially conferred by the removal of an increased number of cattle, the potentially disproportionate effect of increased testing requirements and false positives on farm businesses must be considered. FUW members would rightly seek a balance between any increase in testing requirements and the actual benefits gleaned. Using gamma interferon testing as a PrMT in the manner outlined in the present consultation creates a situation whereby the risk of false positives could outweigh the need to identify infection early.

As stated under the general comments section of the FUW's response, the compounding effect of introducing multiple interconnected proposals was neglected in the present consultation and this is a serious omission. The introduction of gamma as a blanket PrMT would inevitably result in more cattle being slaughtered at a time when the Welsh Government plans to reduce the compensation paid for such stock and at a time of proposed testing cost increases.

Given the above, the FUW is frustrated that no data has been provided on the relative changes to sensitivity, specificity and overall PPV of gamma interferon when used in the blanket PrMT approach proposed. The consultation offers no information on the number of false positive cattle that would be expected under the approach proposed. Any skin test negative - but gamma positive - animals would need to be slaughtered and this is an important consideration within the context of the present consultation.

According to Defra, gamma false positives happen in around 3.5% of TB free animals under the current programme and when used within the context of TB breakdown herds described above. This is already a concerning figure, and redefining how such tests are used - and within what context - therefore requires much greater consideration than is offered in the present consultation. As such, FUW members were appalled that such a far-reaching proposal is included in the absence of such data and within a larger consultation which also contains more minor technical changes and issues relating to non-bovines.

The FUW is unaware of any bovine TB programme which utilises gamma blood testing in the manner proposed by the Welsh Government and believes this proposal to be untested in a real life context. The FUW would use this opportunity to state in the strongest possible terms that neither cattle, nor farmers, in Wales should be considered to be test subjects for untested and potentially devastating TB policies which lack evidentiary support, proper scientific analysis and any manner of impact assessment.

The union would reiterate the above in the context of the IDEXX antibody test.

9. Do you acknowledge that if blood testing (gamma or IDEXX) testing is deployed as a PrMT, there may be an additional cost to testing, which could not be met by Government? Please explain your reasons.

The union has not been provided with any information regarding the additional testing costs of either gamma interferon or IDEXX. As with many of the other proposals contained within this consultation, the dearth of information provided makes it difficult to determine the impact of the proposal.

In addition to the comments provided, the union notes that the consultation did not pose any questions relating to whether or not industry agrees with the use of gamma interferon or IDEXX as a PrMT *per se*. The FUW believes that this could be perceived as a deliberate attempt to influence the responses gained and the union therefore rejects this question.

10. 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. Do you agree with the proposed approach? Please explain your reasons.

FUW members were not widely aware of the fact that cattle could move between the TT1 and TT2 test. The FUW agrees with the proposal; with the caveat that there are commonsense exemptions applied.

For example, several FUW members commented that the allocation of a slaughter slot can take up to 4 weeks. If the slaughter slot offered to a cattle keeper was to fall between the TT1 and TT2 test, and the move to slaughter was subsequently delayed, cattle keepers could be subject to a reduction in price due to the increased age of the stock. Given that such animals would only be moving to slaughter, and would be subject to post-mortem examination, an exemption for this and similar non-risky moves should be included in the proposals.

11. Consent to collect a sample for the purposes of TB testing or perform a test on a sample. Do you agree with this approach? Please explain your reasons.

The FUW believes that this proposal lacks clarity. The union notes that “*there is currently a risk samples could be taken and/or tested for TB and without the Welsh Government’s knowledge and that this could lead to “difficulty in receiving the results and acting upon them”*”.

Given that TB is a notifiable disease, and that control lies with the Welsh Government, the FUW would seek more clarity on this proposal and its impact upon the development of new TB tests and trials which would require Government approval prior to their genesis.

12. A Adding a new map to ibTB showing the number of years unrestricted cattle herds have been Officially TB Free (OTF). B Mandatory Information at Point of Sale. Do you agree with the proposals outlined? Please explain your reasons.

The FUW would use this opportunity to stress that it does not oppose the principle of risk based trading / informed purchasing, but remains concerned about proposals which are either too crude to be useful or too technical to be usable. Discussions surrounding risk based trading must recognise the balance between the need for information, the burden of collating such information and the resultant detrimental effects on some herds.

In 2018, the Farmers’ Union of Wales raised significant concerns relating to the Wales ‘ibTB’ bovine TB mapping information system. The FUW is therefore extremely concerned about recent proposals to increase the use of the ibTB site for risk-based trading purposes when there has been no reference to the potential future dangers of providing this information through a publicly accessible website.

Private and restricted access to ibTB would allow for a more thorough discussion on the types of information that can be provided using this portal in the future. Within the safeguard of restricted access, the future of ibTB information provision can be discussed with the industry without concerns relating to unforeseen consequences and the misuse of data by extremists.

Given proposals to increase the amount of information on this website, the FUW believes that removal of ibTB from the public domain should be a priority issue and should occur prior to any future discussions on the information provided by this portal.

The FUW would take this opportunity to remind the Welsh Government about previous correspondence from the FUW on the issue of provision of TB breakdown data. The FUW had previously called for cattle keepers that were contiguous to a TB breakdown to be provided with information regarding which of their neighbouring herds had lost OTF status. This information was deemed important in order to allow contiguous premises to best protect their stock from cattle-to-cattle transmission by managing their borders. Disappointingly, General Data Protection Regulation (GDPR) was cited as the reason for a lack of further information in this instance and the FUW believes that the Welsh Government is content to use GDPR issues when and where it best suits their policies. The union notes that there are

no GDPR complications cited when utilising either ibTB or mandatory information at point of sale, while the ibTB website allows members of the public to not only see the location of current and past outbreaks, but also to aerially view the property of those who have suffered outbreaks.

Notwithstanding the above, the FUW believes that, without other complementary measures, the number of years unrestricted cattle have been OTF is a crude measure of Informed Purchasing. For example, two herds with the same risk score may have bovine TB histories which represent very different risks: Farm A may have a score of 3 but have a TB history which encompasses several previous long-term breakdowns with numerous reactors, lesions at slaughter and positive culture results. Farm B - also with a score of 3 - may have had one TB breakdown and no lesions at slaughter or culture test positive results. The FUW is extremely concerned that these proposals have appeared within the present consultation without prior industry consultation and discussion. The FUW continues to reject Informed Purchasing until the Welsh Government is prepared to properly and thoroughly work with industry on the criteria for inclusion in such policies. The FUW is disappointed that the Welsh Government has chosen to exclude industry from discussions on Risk Based Trading criteria and would welcome the genesis of a working group to discuss Informed Purchasing / Risk Based Trading further and in more detail - as has happened previously.

In addition, it is unclear whether the Welsh Government proposes to use ibTB (1) in conjunction with mandatory TB information at point of sale (2) as a stand alone mandatory measure or (3) as a voluntary information portal.

Numerous members commented on the differing approaches to bovine TB eradication which have been established in Wales and England. The Union notes that the TB Health Check Wales, which was undertaken between 2008 and 2009, resulted in the introduction of the annual TB testing regime in Wales due to the presence of TB in herds previously tested once every four years. This blanket annual testing regime is in direct conflict with the English four-yearly testing regime and does not allow livestock keepers in other devolved administrations to properly understand and compare the level of risk when purchasing cattle in Wales compared to that in Scotland or England. Indeed, numerous members have cited difficulties in selling cattle to keepers residing in both England and Scotland due to the misconception of buyers that all herds subject to annual testing are in high risk areas. Numerous members also cited a concern that the move to classify herds as 'high risk' would function to further devalue Welsh cattle when compared to their counterparts in England.

Given the likely detrimental impact of providing mandatory TB information at the point of sale, the FUW would seek assurances that all efforts will be made to properly and thoroughly communicate the real risk posed by a herd in a given area. Given the continued misunderstanding surrounding the risk conferred by Welsh cattle under the current testing regime, numerous members expressed concern that the policies proposed in the present consultation would further devalue Welsh cattle by artificially inflating the TB risk posed.

In addition to the above, numerous members commented that cattle may be moved further distances to sales which provide the best advantage when selling higher risk stock. For example, it is unclear from the proposals whether the mandatory information at point of sale proposed by the Welsh Government will also be required when stock are sold in England. Members commented that any lack of Informed Purchasing at a GB level will undoubtedly lead to the demise of local markets as affected cattle keepers will choose to sell their stock across the border.

13. In the future, do you believe there should be implications for cattle keepers who fail to take notice of TB information, and make a purchase regardless of highlighted risks? Please explain your reasons. What do you believe these implications should be?

There is a lack of basic and fundamental information in this section of the consultation. The FUW cannot agree to this section of the proposals as it is unclear (1) which factors would be included to determine the measure of risk (2) the relative impact of these proposals on high risk herds / high risk areas.

Any moves to penalise certain types of purchases will inevitably make some Welsh cattle unsaleable and the FUW would query whether the Welsh Government would be willing to compensate those cattle keepers that have, effectively, received a Government endorsed '*black mark*' against their stock. The FUW is unaware of any other industry that would be subject to such Government interference in relation to the buying and selling of stock. Indeed, numerous members commented that this proposal was both discriminatory and divisive and could be open to legal challenge given the resulting adverse price variances, trade restrictions and two tier market. The Union recognises that the present consultation does not offer much scope for discussion on this element and further discussion on this matter is therefore warranted.

Risk classification systems can only work if all potential sources of bovine TB, including the wildlife vector, are dealt with - as has been demonstrated in New Zealand. If some factors are missed, RBT can disadvantage cattle keepers who have adhered to all regulations, have implemented good biosecurity and who have maintained good buying practise. Such keepers will fall foul of a system which does not protect them from TB, but penalises them once a breakdown occurs.

The Union would strongly oppose any move towards compulsory RBT prior to full discussion with industry and would seek to ensure that the Welsh Government fully engages with industry prior to the development of such a scheme. The FUW believes that the Welsh Government should establish a Risk Based Trading stakeholder group to ensure that Risk Based Trading criteria are not too crude to be useful or too complex to be usable. The Union would welcome further discussions on the remit and representation of such a group.

Although not in the present consultation, the FUW recognises that it may be the intention of the Welsh Government to apply the ‘implications’ for higher risk purchases post purchase; for example, in the form of reduced compensation for such stock if there was a subsequent TB breakdown on the buyer’s farm. The FUW would oppose this approach as it would continue to render some cattle unsaleable and could widen the net of unsaleable cattle. Furthermore, it is a disease policy which continues to chase the disease and is a poor method of disease control.

Increasing the administrative and financial burden of cattle keepers - whilst simultaneously devastating prices - provides no incentive to maintain current good practise and does not, as suggested in the previous 2017 Refreshed TB Programme consultation, give cattle keepers ‘ownership’ of this disease.

In addition to the above, several members commented that the consultation proposals appear to suggest that cattle farmers are content to accept bovine TB in their herds. Members commented that adaptations which accommodate TB restrictions, coupled with contingencies for TB breakdowns, do not, under any circumstances, reflect a willingness to live with bovine TB but are rather a consequence of the resignation that comes from a Government failure to deal with the disease holistically.

14. The Welsh Government proposes to link TB payments to implementation of disease prevention and control practices. What are your views on this?

The FUW has grave concerns that a proposal of such gravity has been included within a wider consultation, rather than as a standalone consultation. The issue of future bovine TB compensation deserves better prominence and respect than it has received within this consultation. Members therefore believed that the future of bovine TB compensation should be the subject of discussions with industry.

Furthermore, members felt angered at the Welsh Government’s suggestion that the compensation proposals ‘*link TB payments to disease control*’ when clearly the main issue relates to the escalating costs of a disease control policy which has failed to comprehensively tackle this disease.

Members stated that detailed discussions on proportionate changes to the provision of compensation should take place with industry, given the proposals represent a loss of more than 5 million pounds to the cattle sector and those secondary and tertiary businesses which rely heavily on the industry for their own viability. Indeed, the three options identified by the TB Programme Board represent significant on-farm losses which place the burden of Welsh overspend directly on to the industry whilst ignoring the role played by the Welsh Government in allowing the disease to proliferate on some premises. Proposals which represent such huge financial losses are in direct conflict with the aims and objectives of the

Well Being of Future Generations Act which requires public bodies to think about the long-term impacts of their decisions and improve the economic well being of Wales.

FUW members also noted that there were no plans to reduce the compensation provided for non-bovine species. Whilst recognising the savings to be minimal, members stated that parity across species was essential.

15. A. Table Valuations as per current English system B. Table valuations with an increase to payment based on membership of an approved animal health accreditation scheme C. Payments to be determined by an industry led independent group. An industry Levy would partly fund TB Payment costs Do you agree/ disagree with any of the 3 proposals? Please explain your reasons.

The FUW notes that the main driver for change is a financial overspend which is forecast to reach over 7 million pounds. The FUW recognises the challenges facing the TB eradication programme budget but notes that no attempt has been made to reduce TB eradication Programme expenditure for any programme element other than TB compensation. Whilst the FUW recognises that compensation is now the largest expenditure within the programme budget, supplementary evidence provided by the Welsh Government shows that ‘TB Programme Delivery’ accounted for almost 15 million pounds in a total 2020/2021 expenditure of just under 32 million pounds. This section of the budget includes ‘TB testing, eradication programme delivery and programme development’ and it is the firm belief of the FUW that the Welsh Government must ensure that all eradication programme elements are streamlined prior to discussions surrounding reductions in compensation for stock compulsorily taken due to a failing Government eradication programme.

A. Table Valuations as per current English system

The Union fundamentally rejects the proposal to move to tabular compensation on the grounds that it would be unjust and could result in payments that are below the true value of animals. This proposal clearly represents a way in which the Welsh Government can reduce expenditure by paying less for the consequences of their inaction over bovine TB.

The current valuation regime - which utilises independent industry experts to produce a valuation - is both better and fairer than the proposed tabular system. The introduction of tabulated valuations is unreliable, spurious and does not represent an appropriate mechanism by which to calculate the compensation that should be awarded. The Union would reiterate that valuing animals in such a simplistic way, regardless of the number of categories, could never constitute a fair system, since some producers are likely to be underpaid, while others would be overpaid. If there are problems associated with the current system of valuation, then that system should be examined and improved prior to any discussion about a move towards a tabular compensation system. This was the approach that resulted in the Auditor General’s 2003 report into compensation, and the subsequent changes to the valuation system. Unless individuals possess cattle that typify the average for factors such as breed and

age, the value paid will bear no resemblance to the animal in question. For some producers, this will mean the receipt of compensation which is below 100 percent market value and this is wholly unacceptable. In addition, market prices can vary significantly on a monthly basis, and the choice of when an animal is sold has been taken away from the farmer during a programme of compulsory slaughter. The volatility of the market cannot be accounted for when using monthly averages and does not constitute a fair system.

Animals that are placed on the market do not necessarily reflect the standards of those that remain on farm, particularly in the case of pedigree herds. Thus, the provision of compensation pertaining to average market value may not reflect the true value of the animal taken and could act as a disincentive to keeping higher value animals; particularly in areas where TB is prevalent. Indeed, the tabular system proposed will inevitably reward poorer quality animals and could have a negative effect on the use of herd improvement technologies such as genetic and genomics.

As stated in the Auditor General for Wales' 2003 report, "...it is the law that farmers should be compensated for cattle slaughtered for tuberculosis *to the extent of the market value of the animal*". As such, the only fair and legal way of valuing compulsorily purchased animals is to employ professional people, whose daily work involves the valuation of all categories of livestock, both in the pedigree and commercial sectors. For the reasons given above, there would clearly be both over and under payments for compulsorily purchased stock, and, in both cases, this represents an unjust and unfair system.

One of the drivers for change, which is consistently touted by the Welsh Government when discussing compensation payments, is to offer sufficient incentive for farmers to engage effectively in disease prevention measures. The FUW notes the statement within the present consultation relating to providing incentives for cattle keepers to '*proactively manage TB on their holdings*'. The FUW takes extreme exception to the statement that there '*is currently little obvious financial incentive [for farmers to manage TB] than to discourage the movement of animals on to the holding under license*'. The underlying implication inherent in this statement is that the level of compensation offered through the current system of independent valuations is high enough to act as a disincentive to disease control. Notwithstanding the fact that, in many instances, infection with bovine TB is due to circumstances out with the control of the farmer, the Union would vociferously object to this claim on the grounds that, at present, farmers are compensated only for the direct market value of the animal slaughtered. No compensation is offered for the additional costs incurred such as lost revenue, loss of milk production, loss of breeding lines, delays to re-stocking and movement restrictions. These consequential losses suffered by a producer whose animals are compulsorily purchased can be significant and run into tens of thousands of pounds. For example, research undertaken by Exeter University¹ more than a decade ago found that the monthly loss of a bTB breakdown varies considerably from just under £505 to nearly £3,184, while the costs of movement restrictions ranged from £3,198 to over £55,000 per farm.

¹ Economic Impact Assessment of Bovine Tuberculosis in the South West of England, *Butler et al.* (2010)

As such, members resented the accusatory tone underlying this section of the consultation and objected to the insinuation that cattle keepers are content to allow TB to proliferate on their holdings.

The Union would remind the Welsh Government that it is not the job of bovine TB compensation to incentivise disease prevention measures. Moreover, despite a demonstrable and compelling link between badgers and bovine TB in cattle, the past three decades of ineffective policy have restricted the ways in which farmers can manage the wildlife source of TB infection. A significant rise in badger numbers, wider policy issues and the continuing failure of the Government to act, have prevented farmers from protecting their herds from bovine TB. FUW members would argue that, to all intents and purposes, it is successive Welsh Governments that have allowed bovine TB to spread, and that proposals to further reduce levels of compensation that take no account of the consequential losses caused by their inactions are therefore wholly unacceptable. The most effective mechanism by which to reduce the compensation costs to the Welsh Government is to reduce the number of animals slaughtered and this cannot be achieved without an holistic approach involving the wildlife vector.

B. Table valuations with an increase to payment based on membership of an approved animal health accreditation scheme

Members believed that the annual testing regime, coupled with the numerous other testing requirements and biosecurity notices currently undertaken, were more than sufficient to manage cattle-to-cattle transmission on cattle premises. Indeed, FUW members commented that cattle keepers already undertake a wealth of measures to protect their herds from disease and the FUW received many comments regarding the lack of any demonstrable benefits from joining such schemes and the omission of such evidence in the consultation. In addition, the FUW would query how membership of an approved scheme would fit with the work being done with Cymorth TB and would caution against any approach which functions to duplicate the measures being advised and undertaken on farm.

Notwithstanding the above, the FUW would seek assurances that any procedures included in an animal health accreditation scheme have proper evidentiary support to ensure that they will make a significant impact on bovine TB levels. Additional biosecurity requirements - which are unproven and may therefore have little or no effect on *M. bovis* transmission or incidence - represent additional bureaucracy and costs and go against the objectives of the Working Smarter Initiative. Measures which impact upon farm businesses must be thoroughly evaluated, and the FUW believes it is unacceptable to continually press additional cattle control and biosecurity measures onto farms unless such measures have been proven to have a positive and significant impact on bovine TB levels. Indeed, the concept that such policies represent a 'trial and error approach' does not respect the need for farm businesses to function and operate in a manner which allows them to remain profitable and sustainable. The FUW would argue that all biosecurity and cattle control measures should be scored for

their potential effectiveness, and that moves toward an ever-increasing number of biosecurity and cattle control measures should be avoided unless it can be proven that the impact of implementing such measures is significant in terms of disease control and prevention.

The FUW would favour the development of a biosecurity package which allows members to choose from a suite of options, rather than one which is overly dictatorial, poorly evidenced and which does not account for the different types of herds and businesses in Wales. Furthermore, in order to ensure efficiency and value for money, it is essential that biosecurity measures to reduce bovine TB transmission are also useful for other diseases, such as BVD.

C. Payments to be determined by an industry led independent group. An industry Levy would partly fund TB Payment costs

The Union notes that the present consultation cites an industry group akin to the New Zealand Animal Health Board (AHB) as a potential way forward. However, unsurprisingly, the consultation does not go into depth about the real role and remit of the New Zealand AHB; choosing instead to offer the industry the implementation of the compensation policy without mention of those other policies which were central to the New Zealand AHB. The FUW would therefore be amiss if it did not also cite the fact the New Zealand Board was farmer driven and engaged in a thorough wildlife policy. Indeed, the New Zealand Government delegated national TB control policy and decision making to an industry-led advisory committee which became the AHB in 1993. The mission of the AHB was to 'eradicate TB from New Zealand and this group was responsible for implementing the National Pest Management Programme which ensured that wildlife sources of TB infection were appropriately dealt with.

FUW members rejected this proposal on the grounds that the Welsh Government sought to 'cherry-pick' from those strategies present elsewhere in a manner which places the greatest burden, cost and responsibility upon cattle keepers who remain powerless to protect their businesses from other forms of disease spread. Indeed, when considering the levy proposed within the present proposal, one FUW member succinctly commented that there could be 'no taxation without representation'.

The FUW notes the section on breaches for non-compliance and notes that this issue will be considered separately to the present consultation. The FUW would query the reasoning for offering breaches more respect than other equally or more important issues within the present consultation and would reiterate the need for wider discussions on many of the other proposals raised in the present consultation. The FUW would also use this opportunity to highlight the dichotomy between Welsh Government and their agents' regular failures to deliver TB policy on-farm with no perceivable repercussions and the proposals on additional farmer penalties for breaches of bovine TB regulation.

16. Annex 1 to this consultation sets out all proposals considered by the TB Eradication Programme Board. Are there any other proposals you feel should be explored? If so, please provide details.

The FUW is willing to engage in further discussions with the Welsh Government on the future of TB compensation in a manner which offers this issue due respect and consideration.

17. Explore prohibiting feeding of unpasteurised milk to livestock on OTFW premises Do you agree with this proposal? Please explain your reasons.

FUW members queried the level of enforcement required to successfully undertake this proposal. Indeed, given that there is already guidance on this issue, Union members believed that a legislative change would make little difference.

The supplementary information provided by the Welsh Government on this proposal states that *'while there may be significant risk in individual cases the overall importance of milk borne transmission in the epidemic is probably low or negligible'*. Given the evidence provided by the Welsh Government, the FUW does not believe that this is a priority issue and believes resources are better spent elsewhere.

In addition to the above, FUW members stated that it was important for calf welfare that calves were provided with their mothers colostrum and milk for the first few days of life. Given the immense impracticalities of attempting to pasteurise individual mothers milk for each calf, this proposal would detrimentally affect calf welfare for a negligible impact on bovine TB transmission.

18. Explore consolidation of the legislative requirements for sheep and pigs into the Tuberculosis (Wales) Order 2011 Do you agree with this approach? Please explain your reasons.

Given the negligible transmission risk, FUW members sought assurances that consolidation of the legislation would not place sheep movement restrictions on premises that tested positive for bovine TB.

19. Identification of non-bovines for TB testing purposes. Do you agree with this approach? Please explain your reasons.

FUW members agreed with this approach.

The FUW would take this opportunity to express concern about the lack of surveillance on wild deer. Due to their proximity with cattle, wild deer represent a potential source of TB transmission but are not subject to any significant surveillance programme. As the FUW understands it, the only current surveillance programme is a requirement, during cull periods, for hunters to look out for signs of TB lesions when butchering. In essence, this is a

voluntary programme which relies on the owner of the deer park notifying the presence of TB in their herd.

Given that the Welsh Government are content to put forward controls for cattle which will have a negligible impact upon TB transmission, the FUW therefore feels it is appropriate to discuss deer surveillance within this context.

In addition to the above, FUW members sought to ensure parity between the legislation for camelids, such as alpacas and llamas, and bovines.

20. Do you agree with the role and representation of the TB Eradication Programme Board? Please explain your reasons.

The union notes that the TB programme Board is responsible for '*providing direction and management of the TB programme*'. The FUW believes that the programme board - whose membership was selected based on Government priorities and processes - lacks transparency and that this hinders the ability of the TB Eradication Boards to work effectively. The FUW is unaware of any consultation process regarding the terms of reference, aims and objectives of the Programme Board and the work of this group is conducted largely out of the view of industry. Indeed, given that Board members were appointed via an 'invite only' approach, the '*knowledge, expertise and experience*' will undoubtedly fit with Government's priorities and there is concern that Board members who are less willing to constructively challenge or suggest novel approaches to Welsh Government policies may be more likely to be appointed.

Given the above, the FUW does not agree that the future of bovine TB control in Wales should see the cessation of the Eradication Boards. The FUW believes that this would create a further barrier between industry and Welsh Government policy makers at a time of significant and deleterious change.

The FUW notes that the consultation provides no proposals to '*refresh*' the membership of the TB Programme Board and would query the reasoning for maintaining membership of the Programme Board whilst requiring a refresh of the Eradication Boards. The Union would welcome moves to extend Eradication Board representation above what is currently permitted in order that veterinary and farming union personnel are included as industry representatives.

21. Changes to the TB Regional Eradication Boards

The FUW notes that there is no question in the present consultation asking respondents if they agreed with the role of the TB Eradication Boards, and this is a disappointing omission.

The FUW would therefore also provide the following comments relating to the role and remit of the TB Eradication Boards.

The eradication of bovine TB in Wales cannot be achieved without proper, effective and sincere partnership with industry. This includes better transparency and the withdrawal of government ‘*red lines*’ which function solely to ensure that some novel or scientifically justified approaches will be automatically rejected and other policy ideas quashed without proper consultation or discussion. More alarmingly, such red lines - including those pertaining to the wildlife vector - create barriers to the development of new policies even where new and emerging evidence would support a change in direction. The TB Eradication Boards must not be, in effect, wholly subordinate to the Programme Board but rather must be offered the powers requisite to providing proper and effective support, direction and challenge to the Programme Board.

According to the present consultation, the main aim of the Eradication Boards is to ‘*monitor and understand*’ the TB picture in their area. However, their original purpose was to ‘ensure that delivery is effective and reflects local conditions’ and the description in the consultation therefore acknowledges a dilution of their original purpose. It is therefore essential that the Eradication Boards are able to request information pertaining to issues such as regional epidemiology in order to assess the effectiveness of current policies and to provide ‘*input into policy development*’ and ‘*develop new ideas*’. However, as stated previously, the current stumbling block is that the Boards lack the powers to work with the evidence provided and to develop new and novel policies based upon such evidence. At present, the Boards are unable to provide significant constructive feedback, with the loss of the Welsh Government’s written reports, and there is a distinct perception that the Eradication Boards have become forums by which to seek industry endorsement of proposals that are, in essence, a *fait accompli*. Changing the personnel of the Eradication Boards - but not the function and powers - will simply allow the same processes to reoccur and will do little to foster ‘*new ideas*’ and outcomes. The FUW believes that there have previously been missed opportunities to improve partnership working and would use the opportunities provided in the present consultation to seek new and better ways of working which provide industry with genuine opportunities for TB policy development. Indeed, one of the reasons for refreshing the Eradication Boards cited in the present consultation is to ‘*reinvigorate stakeholders' appetite to engage constructively in the TB Eradication Programme*’. The FUW would suggest that a loss of appetite for constructive engagement can occur where stakeholders are increasingly and deliberately excluded from policy development and believe that their engagement is ineffective and fruitless due to the constraints placed upon them.

Given the above, the FUW notes with concern that the consultation states that the new and revitalised Eradication Boards should have input into policy and develop novel approaches whilst simultaneously ‘*recognising and respecting Government's priorities and red lines*’. With such a caveat it is unlikely that the Boards will be able to do little more than simply be a tool for the Welsh Government to sign off its own TB agenda whilst claiming industry support. Indeed, given that the Eradication Boards will be required to ‘*help facilitate and streamline key messages between Welsh Government and the farming industry*’ it is essential

that stakeholders are offered the respect that this position deserves in order to avoid the Boards further becoming little more than communication forums.

In its response to the 2017 Refreshed TB Eradication programme consultation, the FUW stated that it was essential that the farming unions were properly and fully included in the makeup of the new regional boards. The Union would welcome moves to extend representation above what is currently permitted in order that both farming and policy personnel are included and represented on the refreshed Boards.

The union notes with dismay the continued appetite of the Welsh Government for group stakeholder membership which involves a public appointment process. FUW members strongly opposed the use of a public appointment process for TB control citing that the industry would have no input into the appointment criteria used by Government.

The FUW is unclear about the differences between the 'TB Stakeholder Groups' proposed versus the TB Eradication Boards. Notwithstanding the comments provided previously, members believed the current geographical structure of the Eradication Boards was an appropriate model in order to represent the differing epidemiology, policy and regulatory requirements of each region. Indeed, the regionalisation of TB control and policy 2017 necessitates such an approach as potential areas of conflict could arise. Nevertheless, regionalisation should not preclude the Eradication Boards from collaborating and sharing information, ideas and concerns about current issues; as is the present format.

22. Do you believe there is an alternative approach? If so, please explain further.

Members believed that the future of the Eradication Boards should be considered in consultation with industry; regarding both group membership and structure and the FUW would welcome further discussions on this issue.

23. Establish a Technical Advisory Group. Do you agree with this proposal? If so, please suggest scientific disciplines which could add value to the Programme? Please explain your reasons.

FUW members agreed with the establishment of a TB Technical Advisory Group with the caveat that the work of this group *must* be independent, open access and available to industry. The FUW notes that the consultation suggests that the Technical Advisory Group should report to the TB programme Board and the FUW rejects this proposal on the grounds that the work of the Technical Group should be wholly transparent and independent of Government policies and 'red lines'. The FUW would welcome the establishment of a group which could be called upon by industry to provide technical information on a wide range of TB related issues.

Question 24/25: We would like to know your views on the effects these proposals would have on the Welsh language.

The Amaeth Cymru Data and Evidence Group's 2016 report entitled 'Farming in Wales and the Welsh Language' found that a far higher proportion of those in the ONS Agriculture, Forestry and Fishing employment category spoke Welsh than in any other category. Further analysis by the Welsh Government demonstrated that 43% of those in this category are able to speak Welsh.

The 43% figure compares with just 17% for all Welsh workers, meaning the prevalence of Welsh speakers in the agricultural industry is 153% higher than for Wales as a whole.

The Amaeth Cymru report also found that in communities where between 30% and 80% of the community speak Welsh, the proportion who do so within the agriculture category is significantly higher than the overall average, and higher than for all other work types; for example, in communities where the proportion who speak Welsh is between 40% and 50%, the proportion who do so within the agriculture category is 64%.

As such, any proposals which compromise Welsh farm businesses, farming communities or Welsh agriculture in general represent a significant threat to the industry within which the greatest percentage of Welsh speakers is preserved and the FUW believes that the current proposals represent just such a threat. Indeed, the Iaith y Pridd report published by Farming Connect stated that family farms are a significant part of Welsh society and culture and added that they need to be protected.

The costly, burdensome and unjustifiable proposals contained within the present consultation threaten to undermine the sustainability and viability of FUW family farms and those involved in cattle supply chains where the Welsh language is common or ubiquitous, and are in direct opposition to the aims and objectives Well-being of Future Generations Act by weakening the future resilience of the sector and ultimately reducing the land available for farming in the future.

I trust the due consideration will be given to the preceding information. Please do not hesitate to contact me pending any queries in relation to the FUW's response.

Yours sincerely

Dr Hazel Wright
FUW Senior Policy Officer

To: Economy, Trade and Rural Affairs Committee

Date: April 2022

NFU Cymru response to the Economy, Trade and Rural Affairs Committee inquiry into Bovine TB

1. NFU Cymru welcomes the opportunity to respond to the Economy, Trade and Rural Affairs Committee inquiry into Bovine TB.
2. NFU Cymru champions Welsh farming and represents farmers throughout Wales and across all sectors. NFU Cymru's vision is for a productive, profitable and progressive farming sector producing world renowned climate-friendly food in an environment and landscape that provides habitats for our nature to thrive. Welsh food and farming delivering economic, environmental, cultural and social benefits for all the people of Wales whilst meeting our ambition for net zero agriculture by 2040.
3. The importance of the farming industry in rural Wales cannot be over-stated. Welsh farming businesses are the backbone of the Welsh rural economy, the axis around which rural communities turn. The raw ingredients that we produce are the cornerstone of the multi billion pound Welsh food and drink industry which is Wales' largest employer employing over 239,000 people.
4. Welsh farmers also play a key role maintaining and enhancing our natural environment – Wales' key asset. Farming activity supports a diverse range of species, habitats and ecosystems, provides a range of ecosystem services including flood alleviation, carbon sequestration, climate change mitigation; and delivers the significant backdrop for Wales' tourism and recreation sector worth an estimated £2.5bn annually.
5. In line with this inquiry our response will focus on the consultation Welsh Government recently concluded on "A Refreshed TB Eradication Programme" and within this the four areas identified by the committee of: the bTB testing programme, informed purchasing, keepers' purchasing decisions and payments for cattle slaughtered as a result of bTB. Our [submission](#) to Welsh Government was wide ranging and covered topics beyond these four, we would be happy to share our views on additional areas as required by the committee.

Summary

6. Bovine TB continues to cast a dark shadow across the cattle industry in Wales and is one of the main threats to achieving our vision of a productive, progressive and profitable Welsh agricultural industry. Between the end of December 2020 and 2021, 10,641 animals were slaughtered in Wales as result of Bovine TB, an increase of 1% on the previous year. Shockingly between 2010 and 2020 inclusive over 100,000 animals have been slaughtered in Wales because of Bovine TB.
7. There is no doubt that the anger and frustration within the industry at the repeated failure of successive Governments to implement a comprehensive TB eradication strategy in Wales is as great as it has ever been. This has been further compounded by the Welsh Government 2021 Programme for Government that in relation to Bovine TB has stated that it will "Forbid the culling of badgers to control the spread of TB in cattle". Bovine TB is a complex disease that requires a comprehensive multi-faceted approach to control and eradicate the disease from Wales. In this respect, we believe that disease should be tackled wherever it exists – whether that be in cattle or the wildlife. However, Welsh Government appears to be unique in

its thinking that this disease can be eradicated without proactively dealing with diseased animals in both populations.

8. We believe it was wholly irresponsible of Welsh Government to propose changes to the compensation scheme at the same time as proposing broad scale changes to the testing regime. We agree on the importance of fine-tuning TB testing protocols to consider the latest available evidence and data. However, if Welsh Government move forward and change the current compensation arrangements, it will immediately remove any goodwill from industry to engage in discussions over the use of more sensitive tests.
9. Welsh Government has proposed a number of changes to pre and post movement testing. NFU Cymru believes that a full cost benefit analysis, including the likely number of bTB reactors identified, should be undertaken. The findings of this work which should be undertaken in conjunction with stakeholders and should be shared with industry prior to any decision being made.
10. NFU Cymru supports proposals that give potential purchasers of animals as much information as possible about the animals they are considering purchasing. However, it is important that any system adopted strikes the right balance between providing the necessary information without becoming overly complicated or potentially misinterpreted. We are concerned that the introduction of informed purchasing could facilitate the establishment of a two-tier market which would significantly impact some businesses, often those who are unable to improve their disease status due to their inability to control the reservoir of infection within the wildlife. Informed purchasing will only work with a reliable up to date easy to access database. We believe a working group should be established to consider the role that EID Cymru could play in supporting proposals related to TB control and eradication.
11. NFU Cymru categorically rejects any move to a tabular valuation system. In line with the Welsh Governments' own view, we believe that a TB payment system should provide fair and proportionate TB payments to farmers. The only way to achieve this is through valuation of cattle based on their individual merits, through the maintenance of the current TB compensation arrangements. Welsh Government continually highlight the need for individual farming business to increase their resilience, the need to improve productivity, business performance and the use of better performing genetic stock. However, a tabular valuation system will penalise the very farming businesses that Welsh Government is purporting to champion.
12. Finally, we must remember that behind every statistic is a farming family dealing with the emotional and financial trauma of Bovine TB on their farm. It is incumbent on all those who are involved in making decisions on Bovine TB that they fully understand the impact that this disease has on the mental health and wellbeing of farmers, vets and all those involved in supporting farming families with a bovine TB incident on farm.

NFU Cymru TB Focus Group

13. Following a discussion on the continued impact of Bovine TB on Welsh farming families at NFU Cymru Council on the 26th May 2021, the NFU Cymru President requested that a NFU Cymru TB Focus Group be set up with immediate effect. The group, made up of members from across Wales with expertise in the area of Bovine TB were tasked with providing advice, guidance, and recommendations to the NFU Cymru President on NFU Cymru Bovine TB Policy.
14. The group have now met on a number of occasions and have taken advice from policy, technical, legal, and veterinary experts. The Group have now issued a set of draft recommendations to stimulate discussion covering topics discussed in meetings to date. The Group recognise that there are a number of key areas which they have not yet had the

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opportunity to consider. The Group also highlight that a number of the recommendations should be considered as 'work in progress'.

15. The group made a conscious decision not to focus on recommendations in relation to wildlife within their initial work programme. The views of NFU Cymru are well known on this matter and the Group fully support the position of NFU Cymru in calling for a comprehensive TB eradication programme in Wales that actively tackles the reservoir of disease in both Cattle and Wildlife Populations.
16. The full report can be read as an appendix to this inquiry response, below is a summary of the key recommendations to date:
 - a. A thorough review and analysis of the current bovine TB testing protocols (including cost benefit analysis) should be undertaken. A technical advisory group that includes members of the farming and veterinary profession should consider options going forward in more detail.
 - b. The group recommend more flexibility with regards to the testing regime for herds whilst under restriction, particularly for long term breakdowns.
 - c. The Group recommend the use of trained lay testers to carry out both the SICTT and blood tests. Veterinary resource should be focussed on supporting the farmer with managing the breakdown and devising a strategy to ensure that the herd becomes clear in the shortest possible time.
 - d. WG/APHA should provide keepers with the option of receiving individual test chart results for every animal at each test. With this information there are opportunities for farmers to work with their vet on risk management. Welsh Government should consider an incentive payment to remove IRs and other animals identified as 'at risk'.
 - e. The use of novel tests is likely to identify diseased or at-risk animals earlier. This inevitably means that potentially more animals will be taken for slaughter and more herds may be placed under restriction. Whilst this may be beneficial for disease control the implications of the loss of many productive animals at the same time will have on the business should not be underestimated and the group believe that this matter requires further consideration as to how farming businesses can be supported and to have viable trading outlets whilst under restriction.
 - f. The Group see improved communications as a vital issue where there is scope for a great deal of improvement. Tailored communication strategies need to be designed e.g., for those who come under restrictions for the first time; for those that find themselves in long term herd breakdown situations and for areas of Wales where Bovine TB has not been a common issue historically.
 - g. The amount and complexity of paperwork needs to be urgently addressed by APHA/WG. The Group recommend the setting up of a working group involving members of the Focus Group and APHA / WG to look carefully at all communications between APHA and Farmers.
 - h. The Group recommend the setting up a password protected portal where cattle keepers could access in date order the letters that have been sent to them by Government.
 - i. There is a need to urgently consider how a farming business under restriction can receive timely responses to queries / licence requests from their Case vet / APHA.
 - j. The group recommend the farmers own vet be far more involved in the management of a TB Breakdown.
 - k. The Group believe there are opportunities for groups of farmers in a defined area e.g. parish or sub county level, working in partnership with local vets, APHA / WG and research bodies on an action plan for an area to better understand the disease picture, the drivers behind disease spread and a co-ordinated plan to consider how the disease could be tackled.

- l. The Group believe that APHA / WG should instigate a dedicated helpline that would provide a central point of contact for farmers in Wales to be able to seek advice and guidance on TB rules.
- m. The group recommend that Welsh Government through future capital grant schemes includes items that support good biosecurity and in particular enable effective separation of cattle and wildlife to be supported. Intervention rates should be set at 70-80%.
- n. Informed Purchasing has a role in future TB control but will need careful thought and a recognition that it could result in a two-tier market with a severe impact on some businesses. Informed purchasing will only work with a reliable up to date easy to access database.
- o. The Group emphasise the importance of both approved finishing units and orange markets as an avenue of sale for those farms who find themselves under restrictions of movement due to TB. The Group recognise that there is further work needed to investigate the barriers to the establishment of further AFUs in Wales.
- p. Welsh Government should undertake a risk assessment to investigate the possibility of raising the 42-day rule to 90 days without the need for testing. There is also the issue of timeliness with regards to the issuing of movement licenses meaning farmers missing slots to get cattle into AFU's. Consideration should be given to a general license being issued where a breakdown herd has a contract with an approved finishing unit.

The bTB testing programme

17. It is important to regularly review the TB testing protocols in light of the latest available evidence and data. However, prior to taking forward any of the proposals on testing we believe that it is incumbent on Welsh Government to undertake a thorough impact assessment of each proposed measure considering the impacts and consequences that the changes proposed could have on cattle keepers. The assessment should also consider the capacity of the veterinary profession to deal with the increase, both in the number and range of tests proposed and the estimated additional costs that would be borne by cattle keepers in Wales because of the additional testing. This work needs to be undertaken using the expertise of stakeholders and there should then be an opportunity for industry to further consider this area once this assessment has been completed.
18. NFU Cymru notes that one of the key drivers for change to the compensation arrangements is that *"the efforts to improve the sensitivity of the testing across the board will likely result in more animals being slaughtered..."*. Our views on changes to compensation are set out later in this response but we must highlight that if Welsh Government more forward and change the current compensation arrangements, it will immediately remove any goodwill from industry to engage in discussions over the use of more sensitive tests. If the sensitivity of the test is increased, then the specificity of it will be reduced i.e. the chance of false positives increases. Under this scenario, more animals would be compulsory removed (slaughtered) by Welsh Government with a larger proportion of these being false positives and farmers would not receive either fair or true compensation. We believe this is a wholly unacceptable scenario and if Welsh Government wants a meaningful review of testing arrangements, it must resist from making any changes to current compensation arrangements.
19. **Pre movement testing (PrMT)** - the majority opinion was that our members would support the re-introduction of PrMT in the Low TB area if it would help to reduce the chance of transmission. Whilst it will place additional costs on farmers, most members felt it would provide additional reassurance and a safeguard ensuring that animals being moved from herds in the Low TB area had tested negative prior to the move.
20. Members from across all TB areas of Wales unanimously rejected the proposal that a herd clearing test should not be allowed as a PrMT, as is the case in persistent breakdowns. This

proposal would in effect keep a herd under restriction for a further 60 days beyond the two clear tests necessary. Thus, placing significant additional pressure on cashflow/ housing/ animal welfare on farms that have already had to deal with the pressures of TB restrictions on their business.

21. **Post movement testing (PoMT)** - The subject of PoMT (post movement testing) was more divisive in our membership, with some appreciating the belt and braces approach of Pre and Post movement testing to further reduce the risk of disease, whilst others felt it posed an unnecessary cost, added complications and questioned the overall value of PoMT.
22. Farmers purchasing cattle are concerned about the additional costs and complications around compulsory post movement testing and ensuring that animals are tested at the correct time given that batches of animals purchased may all have different dates of pre – movement testing. In turn, farmers selling cattle in the High TB area expressed concern that a requirement to post movement test animals that move into an intermediate or low risk area (and farmers selling from an Intermediate to the Low area) will create a “two tier” market, which will have a clear impact on trade and their ability to realise a fair price for their cattle. Many members who finish cattle (i.e. sell animals deadweight to the abattoir) felt the additional cost and bureaucracy could put their businesses at risk, a concern not just for the finishing units at stake but also the suckler herds who supply them.
23. In relation to the Welsh Government proposal to introduce a farmer paid PoMT for cattle movements from an identified TB Hotspot, or an identified high-risk dispersal we would like to understand more as to how Welsh Government would define or decide when these situations would be declared. This change would have a major impact on the dispersal sale, likewise for all farmers in a designated TB hotspot, regardless of a particular herd’s TB status and history. Classifying the dispersal as ‘High Risk’ could have major implications on the number of potential buyers prepared to attend the sale and the value realised for such stock. Clearly defined parameters must be set out and published so that farmers, their advisers, Vets and APHA are all clear of the decision-making process for defining a high-risk herd dispersal.
24. NFU Cymru believes that a full cost benefit analysis, including the likely number of bTB reactors identified, should be undertaken for the proposals on PoMT. The findings of this work which should be undertaken in conjunction with stakeholders, should be shared with industry prior to any decision being made. We also recommend that a working group be established to consider the opportunity that EID Cymru may provide to facilitate such proposals, alongside other areas such as Informed Purchasing.
25. **Alternatives with regards which test(s) can be used for PrMT and PoMT** – this is a challenging area and one where achieving a balanced approach is key. Whilst there are clear advantages to increasing the level of sensitivity of the testing regime for PrMT and PoMT, it must also be acknowledged that this will reduce the specificity which will result in an increase in false positives. This can create significant difficulties, for example if a herd which is classed as TB free receives a ‘false positive’ there may be a requirement to test the whole herd and the farm may be placed under TB restrictions. The time that elapses whilst it is proved that the result of the test was because of a ‘false positive’ as opposed to exposure to genuine disease can be significant, all the while the farm is forced to operate under TB restriction. There are also many farms who require a pre movement test for moving animals within the business or to bring animals back from tack / rearing accommodation. A ‘false positive’ could mean an animal (or group of animals), for example a dairy heifer at the point of calving, is stuck away from home for a prolonged period of time. In both these examples there are clear financial and animal welfare implications.
26. We have concerns about the use of blood tests for pre or post movement testing. The experience of some farmers who have used blood tests has been poor e.g. gamma blood

samples not stored correctly between sampling and testing and the tests being void/rejected and having to be re-sampled / re-tested. We therefore have concerns about where the liability lies for the costs of resampling / re-testing, the timeliness of receiving results and the impact that delays in receiving results or the need for resampling could have on the ability of farmers to move animals / trade.

27. A change of this magnitude requires extremely careful consideration, a review of the science and evidence, a consideration of all the tests available (including the use of the current skin test under severe interpretation), how they operate (e.g. some are not standalone tests), the value of the current PrMT working in conjunction with PoMT (i.e. if your PrMT is effective should there be a need for PoMT) alongside a comprehensive cost benefit analysis.

Informed purchasing

28. Informed purchasing is a topic that NFU Cymru has considered in some detail through our TB Focus Group. In principle NFU Cymru supports proposals that give potential purchasers of animals as much information as possible about the animals they are considering purchasing. It is important that any system adopted strikes the right balance between providing the necessary information without becoming overly complicated or potentially misinterpreted.
29. At this stage, due to the challenges that some market operators face often outside of their control, we do not support the mandating of this information at present. However, we have previously expressed support for funding for market operators to upgrade facilities to provide information on the TB status of the animal at the point of sale and would support further initiatives in this area.
30. NFU Cymru members have raised concerns that this could facilitate the establishment of a two-tier market for both dairy and beef cattle with a severe impact on some businesses. Businesses that are often constrained from improving their disease status because of a government policy that allows for a reservoir of infection to remain within the wildlife population on their farm.
31. We believe that informed purchasing will only work with a reliable up to date easy to access database. To make any progress in this area, WG must wait until the multi species database, EID Cymru, is in use for cattle so that disease status of both individual animals and whole herds can be easily and accurately recorded and viewed. We believe a working group should be established to consider the role that EID Cymru could play in supporting proposals related to Informed Purchasing. This working group could also consider the role that EID Cymru could play in TB control and eradication more generally, as well as other diseases such as BVD.
32. In relation to ibTB NFU Cymru would, in principle, support exploring the possibility of adding a new map to ibTB to show the number of years currently unrestricted herds have been officially TB free. However, we would highlight the importance of ensuring the accuracy of information on ibTB both in terms of the data added to the map, the location of the breakdown, and the timeliness of data entry, given that the use of information could inform purchasing decisions of cattle keepers. We would also seek confirmation from Welsh Government that they have fully considered GDPR regulations. In this respect, we suggest it only be available via a password protected portal, making use of Government Gateway and RPW Online, to ensure it is only available to the people who have an interest in using it for the designed purpose.

Keepers' purchasing decisions

33. We have already expressed concerns at the possibility that the Welsh Government proposals could create bring a two – tier market for cattle. Many of the farmers impacted by this feel largely helpless, as they are unable to improve the disease status of their herd primarily because of the failure of Welsh Government to consider measures that actively remove the reservoir of infection in Wildlife in endemic areas of Wales. NFU Cymru note that other countries, who have adopted Informed Purchasing also have an effective strategy to tackle the disease in Wildlife. For this reason, without an effective wildlife policy in place NFU Cymru categorically rejects any measures that would penalise farmers because of their purchasing decisions.

Payments for cattle slaughtered as a result of Bovine TB

34. NFU Cymru supports the Welsh Government view that a TB payment system should provide fair and proportionate TB payments to cattle keepers. We believe that the only way to achieve this fairness, is through the valuation of cattle based on their individual merits achieved through the maintenance of the current TB compensation arrangements.
35. We respect that any compensation system must reflect the financial resources available to fund TB payments. The only route to achieving this aim should be to control the disease quickly and effectively ensuring it has the smallest possible impact on the national herd, as opposed to changing the compensation system. The fewer animals that need to be slaughtered because of bovine TB the lower the compensation bill and the lower the cost for both Government and industry. This can only be achieved through a comprehensive TB eradication strategy that tackles the disease in both cattle and wildlife populations. We would reiterate that the compensation paid to farmers for the loss of their animals does not cover the significant consequential losses associated with a TB breakdown on farm.
36. Welsh cattle keepers are doing their utmost to keep TB out of their herds, they adhere to arguably the most stringent cattle movement and testing controls in the world. Stringent cross compliance controls, veterinary improvement notices and reductions in compensation payments are already in place to penalise any keeper who does not adhere to TB controls. Our members are deeply hurt by the inference by Welsh Government within their consultation document that there is little obvious financial incentive for farmers to proactively manage a TB breakdown on their farm. This shows a complete lack of appreciation by Welsh Government for the impact that Bovine TB has on all aspects of everyday life on a farm suffering a breakdown.
37. DEFRA has published a [report](#) in June 2020 which highlights the financial impact of bovine TB on beef and dairy farms in England and Wales. The report shows the cost of a TB breakdown directly borne by cattle farms varies significantly, with a median value of around £6,600 across all farms in the survey. In England and Wales, median costs for herds of more than 300 cattle are around £18,600 whilst those for herds of up to 50 cattle are around £1,700. Median costs for chronic breakdowns over nine month's duration are around £16,000. To put this figure in context the average farm business income in Wales in 2019-20 was £26,200.
38. NFU Cymru fundamentally opposes any system based on Table valuations for TB compensation, believing such a proposal has a number of significant shortcomings. A tabular valuation system is not fair to the farmer or to Government, because a system based on averages is likely to create as many instances of over valuation as under valuation. A table valuation as per the English system takes no account of many important factors, for example:
- a. The individual characteristics of the animal e.g. size, weight, confirmation, legs and feet, calving history, stage of gestation, milk yield.

- b. Seasonal factors e.g. prices will vary depending on short term supply and demand factors.
 - c. Bloodlines/ genetic merit
 - d. Conventional or Organic status
 - e. Animal health history / vaccinations received etc.
39. A tabular system does not cater for the differences between the best quality and second and third quality animals. It is widely accepted within the livestock industry that the best animals are retained for further breeding, the next best are sold for a premium price either deadweight or through specialist store / calf sales and the third draw are sold through the general ring. For breeding stock, the relatively low number of animals in many categories that are traded does not provide enough information to give certainty to the value of animals that need to be compulsorily slaughtered and takes no account of the fact that the very best stock are very rarely traded. Tabular valuations also provide no recognition of the highest quality stock which may not be traded but from which embryos or semen may be collected and sold.
40. A tabular system will inherently reward the farmer who is lagging behind the bulk of the industry by providing a valuation in excess of the value of the animal to be taken. This same system penalises a farmer who is working hard and investing in livestock by paying less than the value of the animals. On the one hand Government are encouraging farmers to increase the genetic potential and productivity of their livestock with an agenda of driving efficiencies and increasing resilience but at the same time they propose to introduce a tabular valuation system that fails to support farmers who make this investment in their businesses. We believe that this is contradictory in Welsh Government policy terms. In fact, these proposals may well act as a disincentive to improve herd genetics, particularly in high incidence areas of Wales
41. One option put forward by Welsh Government is that Table valuations would be implemented with an increase to payment based on membership of an approved animal health accreditation scheme. We remain of the view that any system that has at its core a Tabular based valuation system is not a fair or proportionate payment system for cattle keepers suffering from a bovine TB breakdown. Whilst we believe that the role of animal health accreditation schemes needs to be actively considered in the context of a comprehensive bovine TB eradication strategy, we believe that seeking to tie the use of such schemes to a policy change that has been unanimously rejected by farmers could do significant reputational damage to the credibility of such schemes.
42. Welsh Government propose that an option may be an industry led independent group alongside an industry levy to partly fund TB payment costs. Welsh Government suggest that this would see TB payment managed in a similar way to New Zealand. However, Welsh Government has inferred that the parameters in Wales would not be the same as is allowed in New Zealand. We have significant knowledge of how the scheme in New Zealand works thanks to regular exchanges with our New Zealand counterparts and their government. In New Zealand, the government operates an outcome-based approach to policy goals with the introduction of regulation being introduced as a last resort. With respect to Bovine TB, New Zealand has a comprehensive approach to eradication with wildlife control a fundamental part of this strategy. Farmers in New Zealand therefore feel that they have a genuine opportunity to control and eradicate the disease from their herds and the countryside. Clearly, this is not the case in Wales. Welsh farmers would not be prepared to consider a levy when they continue to have very little control over the TB strategy in Wales, an extremely high and increasing regulatory baseline and a government that has categorically ruled out any opportunity to actively deal with the reservoir of diseased wildlife in Wales.
43. NFU Cymru believes that WG could be far more business orientated in seeking to realise a realistic salvage value for animals compulsorily slaughtered because of bovine TB. We would question whether WG currently has the right expertise to be able to ensure that abattoirs are

providing a fair value for animals and whether the costs that abattoirs charge WG are in line with the going rates. NFU Cymru would also question as to whether the required expertise is currently within OCVO / AHPA to ensure that costs of haulage and processing animals are charged at commercial rates and what efforts are made to ensure that animals are slaughtered in approved abattoirs that are most appropriate for the class of animal being slaughtered. NFU Cymru would suggest that WG needs to consider how it can ensure it is getting a fair and realistic salvage value and that sufficient due diligence is undertaken for procurement contracts.

44. In conclusion, Welsh Government continually highlight the need for individual farming business to increase their resilience, the need to improve productivity, business performance and the use of better performing genetic stock. Moving forward with a tabular valuation system will penalise the very farming businesses that Welsh Government is purporting to champion. This proposal in NFU Cymru's view, is nothing but an ill-conceived attempt to limit the Welsh Government's disease compensation liabilities. In our view taking decisive action to remove the disease from the wildlife population would deliver significantly more savings due to a much quicker reduction in disease levels and therefore overall compensation levels.

Other Issues

45. Improvements in communication between Government and industry in relation to Bovine TB are essential. Improving the relationship between Welsh Government, APHA, the Private Vet and the Farmer is key to eradicating this disease.
46. All too often we hear of instances where farmers are struggling to get hold of their case vet, of difficulty in understanding the vast array of letters and licences they receive and of not knowing what will happen next in relation to their TB breakdown. It is crucial that farmers feel fully engaged with the management of the TB incident on their farm, that communication is clear, consistent, and delivered in a way that they can understand. Farming families need a point of contact who they can speak with and who will respond in a timely and efficient manner to help clarify and resolve any issues or queries that they may have.
47. The Welsh Government consultation does not include a Regulatory Impact Assessment. We have expressed our disappointment that WG has yet to attempt, through the consultation or through the publication of a RIA, to set out the costs and impacts of the proposals on businesses and regions of Wales. It is vital that a full and comprehensive RIA alongside the science and evidence base underpinning all the proposals that will impact on farming businesses is completed.
48. It is vitally important when considering the impact of Bovine TB on farm and on rural Wales we consider the impact on the mental health and well-being of farmers, vets and all those involved in supporting families with a bovine TB incident on farm. It is so important that in terms of policy decisions a strategy is implemented that gives farming families a genuine hope that they can rid the disease from their farm once and for all.
49. In the course of our consultation meetings, we have become aware of farmers who feel trapped, unable to leave the industry because they cannot get clear of Bovine TB, it was felt that consideration needs to be given to a fair and equitable exit scheme/strategy for these farmers to help resolve a situation that will be impacting on their health and wellbeing.

Conclusion

50. NFU Cymru members remain deeply frustrated that the ability to tackle and get on top of this disease has, for so many years, been hampered by the fact that Welsh Government policy measures see politics, all too often, override the science. Welsh Government appears to be unique in its thinking that this disease can be eradicated without proactively dealing with

diseased animals in both cattle and wildlife populations. Bovine TB continues to be one of the biggest challenges to the industry realising its ambitions in relation to productivity and profitability. It can have a significant impact on the mental health and wellbeing of farming families, vets and all those who work in the sector. NFU Cymru will continue to work tirelessly for a comprehensive TB eradication strategy for Wales, a strategy to give hope that we can rid this disease from our countryside once and for all.

Circulation: NFU Cymru

Date: February 2022

NFU Cymru TB Focus Group Initial Report and Recommendations

Background

Following a discussion on the continued impact of Bovine TB on Welsh farming families at NFU Cymru Council on the 26th May 2021, the NFU Cymru President requested that a NFU Cymru TB Focus Group be set up with immediate effect. The President asked Roger Lewis, Pembrokeshire NFU Cymru County Chair to Chair the Group.

NFU Cymru Bovine TB Focus Group – Terms of Reference

Bovine TB and its eradication remains one of NFU Cymru key policy priorities. Its eradication will help us achieve our vision of a productive, profitable and progressive farming sector.

Bovine TB is a complex disease and requires a comprehensive and holistic approach to deliver an effective eradication programme.

Bovine TB is a notifiable disease on account of the fact that all mammalian species, including humans are susceptible to bovine TB.

Aim

To provide advice, guidance, and recommendations to the NFU Cymru President / Deputy President and NFU Cymru Council on NFU Cymru Bovine TB Policy

Actions

The Group will take advice from policy, technical, legal, and veterinary experts both within NFU Cymru / NFU and from outside organisations.

The Group will consider the NFU Cymru lobbying priorities with regards to Bovine TB taking consideration of the following factors: -

- The overriding goal and importance of eradicating Bovine TB from Wales
- The Political Landscape in Wales and current WG Bovine TB Eradication Programme.
- The wider UK political landscape with focus on England's eradication programme
- Eradication strategy and lessons learnt from other countries.
- Consideration of the health and wellbeing of farming families impacted by Bovine TB.
- The importance of maintaining viable farming enterprises for herds impacted by Bovine TB

Membership

Members of the group will be selected for their expertise on matters relating for Bovine TB. Membership of the group will be reviewed periodically.

Secretariat

To be provided by the NFU Cymru Policy Adviser

Progress

A number of meetings have been held between June and November 2021 with Industry, Welsh Government, APHA, Veterinary Representatives and Academia. The Group have decided to issue a preliminary set of draft recommendations to stimulate discussion within NFU Cymru. The draft recommendations cover topics discussed in meetings to date. The Group recognise that there are a number of key areas which they have not yet had the opportunity to consider. The Group also highlight that a number of the draft recommendations should be considered as 'work in progress'. The Group felt it important to share their work to date with the NFU Cymru President / Deputy President, NFU Cymru Council and the wider membership for comment and to generate discussion and debate.

The group made a conscious decision not to focus on recommendations in relation to wildlife within their initial work programme. The views of NFU Cymru are well known on this matter and the Group fully support the position of NFU Cymru in calling for a comprehensive TB eradication programme in Wales that actively tackles the reservoir of disease in both Cattle and Wildlife Populations.

Draft Recommendations

Testing

The group supported the need for a thorough review and analysis of the current testing protocols whilst bearing in mind that the single intradermal comparative cervical tuberculin test (SICCT) is likely to remain as the OIE test requirement for herds to become officially TB free. Any changes to testing must not impact on the ability of cattle and beef/dairy products from Wales to be able to be traded within the UK and further field.

There was broad consensus that the skin test is good at finding disease at a herd level but not so effective at identifying all infected animals in the herd and therefore not the ideal test for identifying disease in individual animals. Concern was raised in herds subject to frequent testing that there could be possible distortions with the constant introduction of tuberculin intradermally.

On a practical level the SICTT test requires the cattle to be put through the crush twice whereas some of the alternative tests would only require them to go through once at any given test which would be a significant saving both in terms of on farm resource and veterinary resource and less stress on the cattle.

The annual herd test across Wales should continue. Whilst the Group is supportive of the regionalised approach in Wales it does bring with it complexities with regards to testing requirements. The frequently asked questions available on the website is to be commended but as it gets longer with regular updates it does get harder to comprehend. We will return to how this matter could be addressed within the communication section.

In relation to the pre movement testing (PrMT) of animals it was felt that a thorough investigation and analysis (including cost benefit analysis) should be undertaken to consider the most appropriate test for the PrMT. Consideration needs to be given to the skin test and whether to use at standard or severe interpretation or whether another test altogether would be more appropriate. As part of this review consideration of the consequences of a change in test for the buyer, seller and within business moves (where a PrMT is required) needs to be considered. A technical advisory group that includes members of the farming and veterinary profession should consider the options in more detail.

Whilst respecting that a herd cannot be deemed as clear of disease without undertaking a clear SICTT test the group recommend more flexibility with regards to the testing regime for herds whilst under restriction, particularly for long term breakdowns. The farmer working closely with their own vet and APHA should have the opportunity to consider a testing regime based on the specific circumstances and epidemiological challenges facing the herd. This may involve use of a greater

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range / combination of tests and on occasion veering from the continuous 60-day skin test regime. The farmer must be made fully aware of the potential implications and consequences of adopting a bespoke approach.

The current shortage of vets does occasionally result in timeliness issues, the Group recommend the use of trained lay testers to carry out both the SICTT and blood tests. We believe that this would also have the added advantage of freeing up veterinary resource that could be better deployed supporting the farmer with managing the breakdown and devising a strategy to ensure that the herd becomes clear in the shortest possible time.

WG/APHA should provide keepers with the option of receiving individual test chart results for every animal at each test. This would potentially allow the keepers to make informed decisions as to whether animals are to be retained in the herd or not, particularly those that have previously tested as inconclusive or continually display a reaction to Bovine tuberculin. APHA should provide a password protected portal for keepers to be able to access this information. We believe with this information there are opportunities for farmers to work with their vet on risk management. The group also considered the possibility of inconclusive reactors, that subsequently become clear, being restricted to that herd for life. The group felt that Welsh Government should consider an incentive payment to remove IRs and other animals identified as 'at risk'.

The increased use of novel tests is likely to identify diseased or at-risk animals earlier. This inevitably means that potentially more animals within individual herds would be taken for slaughter and more herds may be placed under restriction. Whilst this may be beneficial from the disease control point of view, the implications of the loss of many productive animals at the same time will have on the business should not be underestimated and the group believe that this matter requires further consideration, considering how farming businesses can be supported and to have access to viable trading outlets whilst under restriction.

Communication

The Group see improved communications as a vital issue where there is scope for a great deal of improvement. Tailored communication strategies need to be designed e.g., for those who come under restrictions for the first time; for those that find themselves in long term herd breakdown situations and for areas of Wales where Bovine TB has not been a common issue historically.

Whilst recognising the statutory requirement of providing the necessary paperwork the sheer volume means that important messages are often lost to the detriment of disease control. The amount and complexity of paperwork needs to be urgently addressed by APHA/WG. The Group recommend the setting up of a working group involving members of the Focus Group and APHA / WG to look carefully at all communications between APHA and Farmers. Communication needs to be tailored to ensure that it is clearly understood by the reader. It needs to be recognised, for example, that farmers (and even vets) in areas of the country where TB has not historically been a problem will have a lesser understanding of the terminology and detailed rules associated with Bovine TB rules compared to farmers (and vets) in a high incidence area where unfortunately the disease has become part of everyday life.

The Group recommend the setting up a password protected portal (perhaps on the RPW online portal) where cattle keepers could access in date order the letters that have been sent to them by Government.

There is a need to consider the ability to contact the appointed case vet when needed. All too often farmers find that she/he is not available (not helped by a large turnover and reassignment of case vets) and queries are passed on to the duty vet who may have other priorities and takes time to return calls on matters which are often urgent. It may be that greater use of Technical/Animal Health Officers could be considered, with an AHO also assigned to a herd breakdown to help act as a

conduit and provide customer service at time when the case vet will not be available within a reasonable timeframe.

The group recommend the farmers own vet be far more involved in the management of a TB Breakdown. Dealing with a breakdown on farm should be a genuine partnership between farmer, the farmer's own vet and the APHA. There is a need to look again at how a timely and meaningful meeting can be set up between the three parties and how all three can continue to work together throughout the course of a herd breakdown agreeing a strategy to ensure the disease can be tackled as quickly as possible and a plan subsequently agreed to try and prevent recurrence. Whilst these meetings should ideally take place on farm the opportunity presented through virtual meetings could be used if needed. The overall aim must be a meaningful and practical action plan that has been jointly developed and agreed by all three parties. We recognise the role that Welsh Government have played in trying to facilitate this relationship through Cymorth TB but believe this approach needs to be reinvigorated.

The Group have also considered the possibility of a group of farmers in a defined area e.g. parish or sub county level, working in partnership with local vets, APHA / WG and research bodies e.g. Aberystwyth University on an action plan for an area to better understand the disease picture, the drivers behind disease spread and a co-ordinated plan to consider how the disease could be tackled. This is something that the Group will consider in more detail during their next phase of work.

The complexity and constantly changing rules associated with Bovine TB is a huge cause for concern. This can be in relation to many issues including dealing with a breakdown, pre and post movement testing, the rules around AFUs, contiguous testing or even moves between areas of different TB status. The Group believe that APHA / WG should instigate a dedicated helpline that would provide a central point of contact for farmers in Wales to be able to seek advice and guidance on TB rules. The helpline could operate in a similar manner to how the Customer Contact Centre operates for RPW Schemes. Alongside this would be the assistance that could be provided by Animal Health / Technical Officers for farms under restriction when the case vet was unavailable.

Biosecurity

Good biosecurity as with any disease control programme is vital, for TB control going forward, everything possible needs to be done to ensure that this can be implemented. With the current Welsh Government policy prohibiting the cull of diseased wildlife the Group believe that Government has an added responsibility to support farmers in being able to operate good biosecurity, in particular with regards to the separation of cattle from badgers wherever possible.

The group strongly recommend that Welsh Government through future capital grant schemes includes items that support good biosecurity and in particular enable effective separation of Cattle and Wildlife to be supported. Measures to stop badgers entering sheds should be a priority and separation in fields with known badger sets on adjoining land. Intervention rates should be set at 70-80% and based on actual costs.

Informed Purchasing

Informed Purchasing has a role in future TB control but will need careful thought and a recognition that it could result in a two-tier market for both dairy and beef cattle with a severe impact on some businesses. Businesses that are often constrained from improving their disease status as a result of a government policy that allows for a reservoir of infection to remain within the wildlife on their farm.

Informed purchasing will only work with a reliable up to date easy to access database. Therefore, its inception will need to wait until EID Cymru is up and running and the disease status of both individual animals and the herd status can be easily and accurately recorded and viewed. Thought also needs to be given to how it would work with cattle sold through markets and how purchasers in this important sale method can be best informed.

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Risk will also need to be considered in relation to production systems i.e., those animals sold for further breeding potentially more of a risk than those for finishing for example.

It is also important to restrict provision of information to those who have a legitimate reason to access the cattle database through a password protected data portal.

Calves/AFU's/Orange Markets

The Group emphasised the importance of both approved finishing units and orange markets as an avenue of sale for those farms who find themselves under restrictions of movement due to TB. AFU numbers are sadly lacking in Wales with many cattle having to be sold to English AFU's. The Group recognise that there is further work needed to investigate the barriers to the establishment of further AFUs in Wales. Orange markets are welcomed but it is sometimes difficult to attract buyers in sufficient numbers to these markets. Also selling calves off herds that are not officially TB free is a major problem due to the very small number of AFU's willing to take young calves under 42 days (after that they need to be tested before moving to an AFU).

Welsh Government should undertake a risk assessment to investigate the possibility of raising the 42-day rule to 90 days without the need for testing. There is also the issue of timeliness with regards to the issuing of movement licenses meaning farmers missing slots to get cattle into AFU's. Consideration should be given to a general licence being issued where a breakdown herd has a contract with an approved finishing unit. The focus group highlighted that during the course of a breakdown APHA will restrict the sale of calves for significant periods of time, this makes it extremely difficult for effective supply chain relationships to be developed between the farm and the AFU. This must be simplified.

Conclusion

The draft recommendations within this report are presented as a document that we hope will generate discussion. The recommendations are in no way comprehensive, and the group recognise that there is a need to consider these recommendations and many more in further detail in the next phase of work. The Group recognise that these recommendations will not find favour with all, in fact, even within the Group there was and continues to be differing views on many topics. We see this as healthy recognising the amount of thought and consideration that everyone gives to this disease and how to tackle it on their own farm and across Wales. The one common aim of everyone on the Group is the determination that the status quo cannot continue and as farmers we must continue to strive to eradicate this horrendous disease from our herds and our countryside. We recognise that there are extremely important topics that we have yet to provide comment on and top of this list is our concern for the mental health and wellbeing of our farmers, vets, and everyone else who is impacted by this disease. The Group are also keen to consider the role that accreditation schemes e.g. CHeCS TB could play in Bovine TB control and eradication.

We reiterate that the Group are adamant that the active removal of disease across all vectors is critical to a successful TB eradication strategy.

The Group would like to thank all those experts who have given up their time to provide evidence to the group and the willingness of all of them to attend our meetings and so willingly, positively, and actively contribute to our work.

We welcome your observations on these draft recommendations.

Summary of Recommendations

- A thorough review and analysis of the current bovine TB testing protocols (including cost benefit analysis) should be undertaken. A technical advisory group that includes members of the farming and veterinary profession should consider options going forward in more detail.
- The group recommend more flexibility with regards to the testing regime for herds whilst under restriction, particularly for long term breakdowns.
- The Group recommend the use of trained lay testers to carry out both the SICTT and blood tests. Veterinary resource should be focussed on supporting the farmer with managing the breakdown and devising a strategy to ensure that the herd becomes clear in the shortest possible time.
- WG/APHA should provide keepers with the option of receiving individual test chart results for every animal at each test. With this information there are opportunities for farmers to work with their vet on risk management. Welsh Government should consider an incentive payment to remove IRs and other animals identified as 'at risk'.
- The use of novel tests is likely to identify diseased or at-risk animals earlier. This inevitably means that potentially more animals will be taken for slaughter and more herds may be placed under restriction. Whilst this may be beneficial for disease control the implications of the loss of many productive animals at the same time will have on the business should not be underestimated and the group believe that this matter requires further consideration as to how farming businesses can be supported and to have viable trading outlets whilst under restriction.
- The Group see improved communications as a vital issue where there is scope for a great deal of improvement. Tailored communication strategies need to be designed e.g., for those who come under restrictions for the first time; for those that find themselves in long term herd breakdown situations and for areas of Wales where Bovine TB has not been a common issue historically.
- The amount and complexity of paperwork needs to be urgently addressed by APHA/WG. The Group recommend the setting up of a working group involving members of the Focus Group and APHA / WG to look carefully at all communications between APHA and Farmers.
- The Group recommend the setting up a password protected portal where cattle keepers could access in date order the letters that have been sent to them by Government.
- There is a need to urgently consider how a farming business under restriction can receive timely responses to queries / licence requests from their Case vet / APHA.
- The group recommend the farmers own vet be far more involved in the management of a TB Breakdown.
- The Group believe there are opportunities for groups of farmers in a defined area e.g. parish or sub county level, working in partnership with local vets, APHA / WG and research bodies on an action plan for an area to better understand the disease picture, the drivers behind disease spread and a co-ordinated plan to consider how the disease could be tackled.

- The Group believe that APHA / WG should instigate a dedicated helpline that would provide a central point of contact for farmers in Wales to be able to seek advice and guidance on TB rules.
- The group recommend that Welsh Government through future capital grant schemes includes items that support good biosecurity and in particular enable effective separation of cattle and wildlife to be supported. Intervention rates should be set at 70-80%.
- Informed Purchasing has a role in future TB control but will need careful thought and a recognition that it could result in a two-tier market with a severe impact on some businesses. Informed purchasing will only work with a reliable up to date easy to access database.
- The Group emphasise the importance of both approved finishing units and orange markets as an avenue of sale for those farms who find themselves under restrictions of movement due to TB. The Group recognise that there is further work needed to investigate the barriers to the establishment of further AFUs in Wales.
- Welsh Government should undertake a risk assessment to investigate the possibility of raising the 42-day rule to 90 days without the need for testing. There is also the issue of timeliness with regards to the issuing of movement licenses meaning farmers missing slots to get cattle into AFU's. Consideration should be given to a general license being issued where a breakdown herd has a contract with an approved finishing unit.



RSPCA Evidence Submission

Economy, Trade and Rural Affairs

Committee: Bovine TB

March 2022

RSPCA Cymru welcomes the opportunity to submit evidence to the Senedd's Economy, Trade and Rural Affairs Committee's enquiry on Bovine TB. This submission focuses on the bTB testing programme, informed purchasing, keepers' purchasing decisions and payments for cattle slaughtered as a result of bTB; and can be read in conjunction with the [RSPCA's consultation response to the Welsh Government concerning its Refreshed TB Eradication Programme](#).

Bovine TB is a devastating disease, but this enquiry comes at a time where we have seen some strong progress in Wales in recent years in tackling the problem, its animal welfare impacts and mitigating its devastating consequences on the agricultural community. The disease is primarily spread between cattle, and RSPCA Cymru therefore commends the Welsh Government's continued lead focus on cattle-based measures to control bTB.

This enquiry follows the Welsh Government commitment to stop any culling of badgers to control the spread of TB in cattle¹. Positively, new proposals as part of the refreshed Bovine TB Eradication Programme are primarily aimed at tightening up existing measures relating to cattle rather than badgers, especially as cattle movements are considered to be the main risk in the transmission of the disease. The RSPCA broadly welcomes this new approach - including exploring the appropriate deployment of cattle testing associated with cattle movements, providing improved communication at point of purchase for cattle keepers to allow better informed decision making and reviewing the current payment systems to provide more incentives for farmers.

The bTB testing programme

We recommend that requirements in Low TB areas are based on a herd's bTB history, so only when moving animals from a herd which has had a bTB breakdown within the last 10 years must pre-movement TB testing (PrMT) be undertaken. This time limit since the last bTB breakdown could be determined by what the data suggests regarding the herd history of animals which have been moved within the low TB area and then subsequently become TB positive. Animals required to do PrMT should be kept in subsequent isolation from the rest of the herd prior to moving off-farm, if not already required to do so. We agree that cattle moving into the Low TB Area from a higher incidence area should also require a PoMT on arrival, if being moved from a herd with recent bTB breakdowns. The longer a herd has been free of bTB the lower the risk of their cattle being undetected carriers and this could be acknowledged again through the Welsh Government prioritising risk-based PoMT.

However, in the absence of the Welsh Government adopting such a risk-based approach, we would instead recommend bringing in PoMT for movements of cattle from higher incidence areas to lower incidence areas only if the data suggests that there are a significant number of cattle passing PrMT and subsequently becoming bTB positive, likely as a result from undetected bTB infection on the farm of origin. We would also point out that if such a requirement was put in place for PoMT then any eligible animals must be kept in strict isolation from the rest of the herd until a clear PoMT is received.

¹ Welsh Government [Programme for Government 2021 to 2026](#), Rural Affairs and North Wales, p15

We recommend that decisions regarding whether cattle moving into the Intermediate TB Areas from higher TB incidence areas should have a PoMT be based on a herd risk basis, and only used as a blanket measure if data suggests a significant number of breakdowns are coming from animals undetected on PrMT which were likely to have contracted the bTB in the herd of origin. As Wales gets increasingly in control of bTB and understands the sources of infection within the national herd, we hope that interventions will be targeted so that many farmers who have been clear of bTB for many years and work hard to sustain such clearance can be rewarded for their efforts.

The Welsh Government is currently exploring the temporary introduction of PoMT of cattle originating from an identified TB Hotspot, or high risk herds. Based upon what such a policy would look like (e.g. how a hot-spot or high risk herd would be defined, how long such measures would last, what additional tests would be being used in hot-spot areas or on high risk herds to help remove infected cattle prior to movement etc) we would recommend this move, and would see it as a move towards a dynamic, quick-acting bTB control policy which is not blanket for all herds, but identifying those at risk and therefore ensuring the most effort is put in to detecting the disease where it is most likely to be.

Considering such hot-spots and high risk herds can have wide-reaching dispersal and thus potential seeding of bTB, we would suggest it is likely to be impactful in all areas. What constitutes a “hot spot” might be different in different TB areas but where a particular area or herd poses a significant risk relative to those around it, it seems reasonable for steps to be taken to mitigate that risk.

As it stands, it is not clear what the financial envelope is around any additional costs for blood testing testing (gamma or IDEXX) if this is deployed as a PrMT, and why these could not be met by the Welsh Government; or whether these additional costs arise from the additional testing cost or the resultant additional compensation payments resulting from an anticipated rise in positive tests. Notwithstanding this we would recommend that at this stage, government maintained control over which tests are used as a PrMT if it is felt (as the RSPCA believes) that the skin test at standard interpretation is not sensitive enough and that the additional cost for this needs to be seen as an investment for long term bTB control.

We have long campaigned that the current skin test is not adequate to be used at an individual animal level and only gives an accurate indication of whether a herd is infected. We would highly recommend moving to a more appropriate test for individual animals with a higher sensitivity since the implications of moving an undetected, infected animal into a currently uninfected herd is significant. We appreciate false positives will have repercussions for those farms which suffer a breakdown as a result, and will have some repercussions for the Welsh Government, too, in terms of allocating resources to identify whether there is further infection in the herd, so specificity is not to be disregarded. We would recommend that there should be clear plans for situations where a false positive is suspected, particularly where such a positive is found on a farm with a long history of being bTB clear.

Should the Government go down the route of passing on additional testing costs, there will need to be clearly communicated protocols regarding what the Welsh Government will cover in the event of a positive being found at PrMT using a lower specificity test, including compensation, further testing of the herd, and what tests must be used in the herd. Indeed, we would welcome clarity from the Welsh Government as to what is meant by *“additional cost to testing, which could not be met by Government”*² - and, in such a situation, its contingency proposals to ensure costs associated with testing can be sufficiently met.

We consider the following approach, which has previously been suggested by the Welsh Government, to be an essential change - ‘in an unrestricted herd, an animal is not allowed to move between TT1 and TT2 of the skin test, or between a blood test and receipt of results, with the exception of: i. Any clear

² https://gov.wales/sites/default/files/consultations/2021_11/refreshed_tb_consultation_document.pdf

testing animal direct to slaughter, or a slaughter gathering under licence; ii. Any animal licenced by the Animal and Plant Health Agency (APHA).’

The Welsh Government has also proposed to expand the TB (Wales) Order 2010 to include sampling and testing on samples taken to ensure authority is sought from the Welsh Government to collect a sample, perform a test, perform a test on any sample and to ensure results from such tests are immediately reported. In principle we do agree with this proposal, however we would urge the Welsh Government to work with vets (and any others that might be taking and testing such samples) to ensure the process by which this permission is sought is simple, avoids bureaucracy and does not stand in the way of proactive producers and their vets doing additional bTB testing on their farm to identify high risk animals which they may then choose to manage differently and cull out of the herd at an opportune time with minimal cost and disruption implications to the producer.

Informed purchasing and keepers’ purchasing decisions

With regard to informed purchasing, the Welsh Government has proposed adding a new map to ibTB showing the number of years unrestricted cattle herds have been Officially TB Free (OTF) along with mandate provision and display of TB information at point of sale. Regarding the inclusion of numbers of years a herd has been free of bTB on ibTB we feel this data is readily available and therefore it should be incorporated to ensure potential buyers have as much data available to them as possible, and can make an informed choice. Regarding the proposal mandating information display at the point of sale, we would strongly recommend this too. We believe the information proposed by Welsh Government would be suitable, but Welsh Ministers may also consider encouraging information be displayed concerning whether the herd is doing any additional testing, and if so what, and the date of the last of such tests; in addition to whether animals have been acquired from higher-risk herds and the last time such animals were introduced to the herd.

While we recognise the significant business disruption of a bTB breakdown, especially if several animals in the herd have to be culled, and that sometimes they need replacing quickly, we believe that there should be implications for cattle keepers who fail to take notice of TB information and make a purchase regardless of highlighted risks. We believe it is in the long term interests of all that higher risk (and likely lower cost animals) are not purchased without effective steps being taken to mitigate the risk. Previous enforcement action taken on farmers in Wales for mis-representing cattle status or test information clearly shows there are some farmers willing to risk the bTB free status of cattle in Wales. Only strong enforcement action and clear implications of ignoring TB information can ensure that all cattle keepers follow the rules and so ensure the Wales cattle herd moves towards a bTB free status.

Proposed impacts on cattle keepers who fail to take notice of TB information may only need to be seen if additional measures are not taken when buying in higher risk cattle. These might be higher sensitivity but lower specificity PrMT and/or PoMT and stringent biosecurity measures to keep bought in animals from higher risk herds separate until the producer can be more confident they are truly clear of bTB. This sort of proposal would ensure that those trying to sell higher risk cattle still have a fairly open market, so long as reasonable, effective steps are taken to fully manage the risk their cattle pose to other herds.

Payments for cattle slaughtered as a result of bTB

The Welsh Government has made three proposals with regard to Bovine TB payments, including table valuations with an increase to payment based on membership of an approved animal health accreditation scheme, payments to be determined by an industry-led independent group and an industry levy that would partly fund TB payment costs.

All three seem to be reasonable proposals, the first being the easiest and quickest to establish. The second and third would take longer to establish; the third would require setting up an external group

while the second would only be viable once enough certification bodies were available, these had been assessed as for their quality of bTB accreditation scheme and assessed as to how well they ensure compliance of those who are signed up to their scheme. Although the drawbacks of the first option include increased costs to pedigree herds who end up having to cull cattle for bTB control, such implications may give additional incentivisation to such herd owners to do all possible to maintain bTB free status.

The third option, however, is appealing in its manner of allowing industry to set its own rules and guidance within certain thresholds which must be followed. This was also recommended by Sir Charles Godfray in 2018³ and appears to have had some success in New Zealand. If such groups could be created and used to determine local control policy, strategy and delivery, including compensation payments and incentives to engage, it could be a way of giving farmers more control and encouraging communities to hold their own to account. We have stated in the past that we believe such a system would help increase compliance with industry recommended best practice and would help engage those who may be dismissive or fatalist when their neighbours and colleagues are involved in the setting of such standards. Nevertheless, if this is not favoured, we believe the second option would be a good balance between providing industry with a choice of schemes to be members of, whilst having overview of accreditation of schemes to ensure overall equality between what is expected and asked of producers.

Regardless as to which of the three avenues is eventually pursued by the Welsh Government, the presence of a robust plan, and compliance with the components of the plan, should be a precondition to receiving the benefits of state funded compensation should disease occur.

³ Professor Sir Charles Godfray et al - Bovine TB Strategy Review, Report to Defra / Rt Hon Michael Gove MP, Secretary of State, October 2018