

Written Response by the Welsh Government to the report of the Environment and Sustainability Committee entitled Inquiry into Glastir.

November 2012

Earlier this year I concluded that on the basis of what I had heard about Glastir, that I should provide everyone with an interest in the scheme an opportunity to formally to tell me what they thought about Glastir, good and bad. My Stocktake of the scheme was a very positive experience and I was grateful to all those who participated and contributed to the findings. I was particularly encouraged by how the majority of the respondents recognised that Glastir was the only realistic way forward, in terms of delivering the key outcomes Glastir is designed to achieve.

For a number of reasons, Glastir did not have the best start in life. The frequency and number of changes, even those that were recommended by stakeholders and that benefitted the farming community, often did nothing more than cause confusion and add resentment towards the scheme. I was clear that one of the main outcomes needed from my Stocktake was a period of stability so that farmers could be absolutely sure what it was they were signing up to when joining the scheme. I made it clear at the end of the Stocktake that I would not introduce any further changes to the scheme, unless absolutely necessary.

Since my Stocktake, views towards Glastir have changed quite dramatically it would seem and the industry is now viewing Glastir in a much more positive light. The first payments under Glastir Entry and Glastir Commons have been issued to farmers this month and as farmers in our old agri environment schemes see the extension arrangements put in place to ease the transition to Glastir come to an end, many more farmers are approaching my officials to find out exactly what Glastir has to offer.

Glastir Commons is building on the phenomenal success of its first year and some commons are also looking to increase their commitments to environmental delivery by joining Glastir Advanced. Both Glastir Advanced and Efficiency Grants (formerly ACRES) remain in high demand. Glastir Woodland Creation is also proving popular and farmers signing up for this element of the scheme are, like their fellow farmers signed up to other elements of the scheme, making a valuable contribution to climate change targets and other environmental objectives.

I am grateful to the Environment and Sustainability Committee for its 'Inquiry into Glastir' and for my opportunity to provide oral evidence during the Committee's scrutiny session during this summer's Royal Welsh Show. I'm particularly pleased to note that the inquiry has come to similar conclusions to those reached as part of my Stocktake of Glastir and believe that taken together, the two reports represent a fair and helpful commentary on how we can continue to improve Glastir.

In fully accepting the majority of the recommendations and agreeing in principle to the remaining recommendations, it is apparent that I and my officials are travelling in the right direction. To this end I thank the committee for its support for Glastir.

Recommendation 1. The Welsh Government to develop and publish an initial strategic communications plan for Glastir by January 2013. Within its communication plan the Welsh Government should identify the actions it will undertake to communicate with those farmers who have already entered Glastir, and to ensure that prospective entrants to Glastir are communicated with appropriately. If this communications work is to be undertaken by different agencies the plan should clearly identify those with lead responsibility for the different actions.

Response: Accept

Additional resources have been deployed to deliver on this recommendation. A strategic communication plan for Glastir covering the needs of both existing and prospective entrants to Glastir will be published in January 2013. In the meantime, considerable communication activity is ongoing through mechanisms including Gwlad magazine, Gwlad online, Farming Connect and the Farm Liaison Service.

Financial Implications: None. Costs will be met from within existing budgets.

Recommendation 2. The Welsh Government to provide the Committee with an update on progress with implementation of its strategic communications plan for Glastir, and in particular on actions to inform farmers about capital works payment mechanisms and Glastir Advanced (previously the Targeted Element). It would be helpful for the Committee to receive this update in advance of the Government's annual report on Glastir in 2013.

Response: Accept

The strategic communications plan will cover all elements of the scheme including those specifically mentioned by the Committee. The Committee will receive an update on progress, as requested.

Financial Implications: None. Costs will be met from within existing budgets.

Recommendation 3. The Welsh Government to investigate whether the uptake of some options under Glastir Entry has been negatively affected by a lack of on-farm support and publish the results of such a review by January 2013.

Response: Accept in principle

As with most option based schemes, there are some prescriptions which are more popular or practical than others. A significant number of new options introduced following the Rees Roberts review, have so far attracted little uptake. However, these options were introduced in late 2011 and have only been fully tested in one application round thus far. The Welsh Government will review the uptake of all options at the end of 2013, to assess whether any poor uptake reflects lack of information, on farm-support or other reasons e.g. unsuitability for a broad based entry level scheme. This will inform any changes made to Glastir under the next Rural Development Plan (RDP).

Financial Implications: Cost neutral. Any additional costs from changes that occur as a consequence of this recommendation will be met from within the overall budget for Glastir.

Recommendation 4. The Welsh Government to provide an update on progress with provision of front-end support to farmers, by January 2013, identifying how much of this support was provided on-farm.

Response : Accept in principle

The Welsh Government will publish its programme of farmer support for next year's applicants to the Glastir Entry scheme in January 2013.

Financial Implications: None. Costs will be met from within existing budgets.

Recommendation 5. The Welsh Government to report the outcome of its review of record-keeping requirements for Glastir, and any changes it proposes as a result, to the Environment and Sustainability Committee by the end of November 2012.

Response: Accept

Officials have reviewed the record-keeping requirements and implemented the changes. Details will be made available to farmers in Gwlad. I will be separately writing to the committee to provide an update on these changes before the end of this month as requested.

Financial Implications: None. Costs will be met from within existing budgets.

Recommendation 6. The Welsh Government to ensure as part of its communication plan that changes to the way in which capital payments are made under Glastir are clearly explained to all stakeholders.

Response: Accept

As part of the Glastir Stocktake, the Welsh Government has committed under the next programming period, to increase the capital works completion period by three months, to allow two full winters in which tree planting and hedgerow restoration can be completed. This will be explained through Gwlad and stakeholder communication channels at the appropriate point.

Financial Implications: None.

Recommendation 7. The Welsh Government to provide further clarity on the timetable for the periodic review of payment rates, and to set out clearly what criteria it will use in deciding whether or not to.

Response: Accept

The Welsh Government does not feel that it would be appropriate to introduce a set time schedule to review payment rates or points allowance. However, the Welsh Government will continue to monitor closely the Farm Business Survey (FBS) for any significant change in farm income and make changes when required, to ensure that re-imburement is in line with economic factors. Members should be reminded that Glastir payments are based on income foregone and costs incurred and therefore a reduction in gross margins being recorded by the FBS might also require a reduction in Glastir payments.

Financial Implications: None. Any additional costs will be drawn from existing budgets.

Recommendation 8. The Welsh Government to consider the scope for reviewing the overall design of payment mechanisms within Glastir, taking account of the EU and World Trade Organisation rules applying to the scheme but also of the work of CCW and other UK countryside agencies in this area.

Response: Accept in principle

The Welsh Government will seek to make the best use of Pillar 2 payments within the scope of the rules set out within the next Rural Development Regulations.

Financial Implications: None.

Recommendation 9. The Welsh Government should work with the forestry sector to assess the impact of Glastir on that sector and determine how support measures for the commercial forestry sector will be integrated into the work of the new Natural Resources body. The Committee believes that measures should be in place within one year of the Natural Resources body being operational.

Response: Accept

The Welsh Government is committed to continuing to work closely with the commercial forestry sector. Glastir Woodland Management provides the opportunity for commercial forestry to receive payments to provide environmental goods and services. Significant concessions have been made to the restocking requirements to reduce the extent to which they exceed the regulatory minimum.

Until 1 Jan 2014 Natural Resources Wales (NRW) will be delivering Glastir Woodland Creation on behalf of the Welsh Government. The Glastir Woodland Management scheme is delivered by the Welsh Government. From 1 Jan 2014, NRW will therefore not be providing any direct support for the forestry sector.

Currently, Forestry Commission Wales is participating in a number of working groups developing the new RDP 2014-20. As part of that work, the Welsh Government has developed a proposal for a new scheme, using the working title 'Forestry Sector Business Development Scheme'. This is aimed at all businesses including the larger commercial concerns to help improve profitability. NRW will continue to advise on the delivery and management of grants, to deliver a range of outcomes.

Financial Implications: None. Any additional costs as a consequence of this recommendation will be drawn from existing programme budgets.

Recommendation 10. The Welsh Government to undertake to fully consult stakeholders about amending the options within Glastir when it reviews the scheme following the introduction of the new Common Agricultural Policy (CAP).

Response: Accept

Glastir has been designed to cross over to the next RDP and complement the CAP Pillar 1 payments without significant changes. Following the introduction of the new regulations there will be an opportunity to review and introduce some changes, as accepted within the Stocktake report. The Welsh Government will continue to consult with stakeholders on such matters.

Financial Implications: None. Any additional costs will be drawn from existing budgets.