



Welsh Government Consultation

Brexit and our land: Securing the future of Welsh farming

30th October 2018



CLILC • WLGA

Introduction

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities and the three fire and rescue authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. We welcome the opportunity to respond to the Welsh Government's consultation on the basis of support for managing Welsh land after Brexit. Local authorities in Wales play a key role in the promotion of the economic, social and environmental well-being of their communities, in line with the Local Government Act 2000 and the Well-being of Future Generations Act 2015.
4. The WLGA is proactively and extensively engaged with its members on Brexit and its potential implications, both on Welsh local authorities and their localities. WLGA is an active contributor on a range of fora, discussing Brexit and its potential implications at a national level and within specific technical working groups on specific sectors and issues.

Summary of key points

5. The following box draws out the top ten main points WLGA would like to make in response to this consultation. They are highlighted here in summary form so they are not buried within our answers to the specific questions. **They are seen by WLGA as fundamental matters that must be addressed before getting into detailed consideration of the two proposed replacement schemes. Our answers to questions about those schemes therefore must be viewed in that context.**

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| <ol style="list-style-type: none">i. There is insufficient information, at this time, to enable a full assessment of the proposals in <i>Brexit – and our land</i>. Given the uncertainties that surround Brexit, further work (e.g. modelling) is needed before the proposals can be properly appraised.ii. Changes to support systems will create further uncertainty and risk in a crucial period for farmers and rural communities, compounded by the absence of information about levels of funding for agriculture and rural |
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development beyond current programmes

- iii. **If and when new arrangements *are* introduced in Wales it is important that they do not disadvantage Welsh farmers and communities.** The other UK nations are developing their own replacement schemes and Wales must not find itself at a competitive disadvantage
- iv. **WLGA would then favour a minimum transition period of seven years from 2021**, as provided in the draft UK Agriculture Bill, to ensure the transition period at least mirrors that in England
- v. **There should be a stronger focus on support for primary food production.** The second principle that 'food production is vital' is not reflected throughout the document: nowhere is the phrase 'food security' mentioned
- vi. **Smaller-scale agricultural operations and those with environmental/productivity constraints are at particular risk** from the proposals. There should be explicit support for active farmers in such areas, including tenant farmers. The time and cost of bidding for support could force many smaller, marginal farmers out of business, diverting limited resources into paying for advisers. Animal welfare and biosecurity must not suffer if financial pressures escalate.
- vii. **Devolution must be respected.** Wales must retain the ability to develop its own distinctive solutions to support agriculture and rural development, whilst avoiding an 'unequal playing field'
- viii. **Social and cultural networks in agricultural areas need to be supported as well as the economy and the environment.** Farming families provide a strong social network and provide the basis for many rural organisations and businesses, as well as forming a heartland for the Welsh language
- ix. **Future support for rural development is not adequately addressed.** There is a risk that this vital issue becomes 'lost between stools' of work on *Brexit - and our land* and the development of the Shared Prosperity Fund

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| <p>x. A robust language impact assessment must be produced as part of the planning for a Welsh Government White Paper in the Spring</p> |
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General comments

6. The Welsh Government has taken a bold and ambitious step in outlining its future vision for land management and support beyond Brexit. At the point of preparing this consultation response however, there remain many fundamental uncertainties regarding Brexit. These include the details and terms of our exit and future relationship with the EU. Depending on how these unfold, there will be both direct and indirect implications across different sectors of the Welsh economy, with potential changes to trade and customs etc. The extent to which these factors will impact upon different parts of our land-based industries, and indeed within sectors (e.g. sheep, beef, dairy), will vary.
7. **New / changed approaches to agricultural support systems adopted by the other nations of the UK and by the ongoing EU will be a major influence on the competition farmers face in future. It is important that new arrangements do not disadvantage Welsh farmers.** The EU will be seeking to protect the interests of its Single Market and will be pursuing support for EU farmers under its Common Agricultural Policy, albeit with further modernisation and reform.
8. Uncertainty over replacement funding for agriculture and rural development is part of a wider question over what will replace EU funding in Wales post-Brexit. As with the debate around replacement EU Structural Funds, replacement funding for agriculture and rural support in Wales post-Brexit cannot be considered in isolation from wider policy and fiscal arrangements within the UK and the devolved nations.
9. The Welsh Government has outlined its position clearly in its paper on UK fiscal and funding reform post-Brexit and the WLGA is in full support of that position. **Replacement EU funding for agriculture and rural development for Wales should be in addition to the block grant and be based on the same levels of funding as Wales would have received if the UK remained in the EU.** The coming years are likely to be an extremely challenging and volatile period for farmers and rural communities. **Until the funding situation is clarified, proposals to make further substantial changes in support systems add to the risks faced – not only by farmers directly but also by these rural communities. Wider**

community impacts resulting from any decline in farming activity would place increased pressure on a range of local government services.

10. Plans for future funding of rural development activity, traditionally financed through the Common Agricultural Policy, should form an integral part of a wider discourse on future funding and investment. To date, agricultural and rural development funding has ensured a broad suite of support across land-based industries, across the supply chain and beyond into support for rural communities. Whilst the focus of the current consultation is on supporting land-based industry, our understanding is that future rural development funding is to be considered separately, as part of the conversation around regional investment after Brexit. Suggestions that the proposed UK Shared Prosperity Fund will provide support for such activity seem unrealistic, however. The signals are that the SPF will be focused on ERDF-type interventions, informed by Local Industrial Strategies prepared with industry at a Local Enterprise Partnership/Combined Authority/regional level in England. **There is a real danger that replacement funding for rural development is lost between these land-based proposals by the Welsh Government and the discussion around future regional investment post-Brexit**, which seems predominately about replacement EU Structural Funds.
11. There is a similar risk that replacement ESF funding, that has supported interventions in relation to **skills and economic inactivity**, is lost in the debate around replacement EU funding. In order to avoid a silo-based approach to replacement EU funding **we strongly advocate a place-based approach to all replacement EU funding, aligned with wider domestic funding programmes, to enable the development of integrated approaches that can address the needs and circumstances of different part of Wales.**
12. Another key area of uncertainty concerns the **devolution** of agriculture and rural development policy and support post-Brexit. Leaving the EU means that we will be leaving EU policy frameworks that have established the UK policy context for the past 40 years. For agriculture and rural development funding and support, leaving the Common Agriculture Policy creates a substantial funding and policy vacuum. It remains unclear how this will be addressed. We are concerned by the scenario of the EU policy and funding frameworks for agriculture and rural development being replaced by UK Frameworks post-Brexit that do not recognise the current devolved arrangements across the UK. The EU policy and funding frameworks for agriculture and rural development have enabled the four nations to design and develop funding and policy programmes that reflect their own specific needs and circumstances. This has taken the form of

separate Rural Development Plans within an overall UK Framework. **Replacement UK arrangements, including the UK Agriculture Bill, must continue to enable the four nations to develop their own distinctive solutions to support agriculture and rural development.** Further, the UK Government must provide adequate levels of funding for all four UK nations to deliver future agriculture and rural development support in line with the promises made during the Referendum that no UK nation would be worse off outside the EU in terms of funding received. The funding provided should be the same as the four nations would have received if the UK remained in the EU.

13. The five principles upon which the *Brexit - and our Land* policy are based are sound (keeping land managers on the land; maintaining viable food production; ensuring a resilient and prosperous industry; provision of public goods; widened access to schemes). However, **the consultation document is unclear on how the detail of the proposals adheres to, and contributes to, the principles.** How, for example, do we ensure that support is targeted towards those who actively work on and manage the land?
14. Stability and long-term planning certainty is essential for our existing land managers. The document signals a radical departure from existing support mechanisms, and will support businesses that are viable or have the potential to be. The document is implicit therefore in its suggestion that unviable farms without the potential to be viable will not be supported (under the economic resilience scheme). Whilst we agree with the principle of ensuring value for money and proper utilisation of public funds – **we have strong concerns on the ability of the policy to mitigate the potential negative impacts of both the policy itself and the possible effects of Brexit on Welsh farming, particularly in relation to smaller-scale operations and those with environmental/productivity constraints.** ‘Cutting corners’ could result in an increasing number of issues around animal welfare and biosecurity.
15. The proposals for support to enhance productivity and the creation of a Public Goods Scheme will go some way to address these concerns – however there must be a safeguard to ensure that businesses under threat are not left behind. **There are concerns over the willingness and capacity of farmers to make bids for the new financial support schemes and about the additional time pressures and costs this could impose (especially if external support is needed).** A full economic impact assessment of the proposals is essential as they are further refined following this consultation and further work is undertaken on them as part of preparing

a more detailed consultation in the form of a Welsh Government White Paper expected to be published next Spring.

16. Farming is a key pillar of Wales' rural economy, and is recognised in the document for its role in supporting the Welsh language. **The loss of direct support to farmers will disproportionately impact on Wales, and within Wales, on traditional small family farms in upland areas and will have a negative impact on sustaining Welsh language communities.** As a result, appropriate safeguards to protect the livelihoods of these communities need to be part and parcel of our future policy, to ensure the future cohesion and resilience of our rural communities – and that there are no adverse impacts upon the Welsh language, thus adhering to the Well Being of Future Generations Act goal of *"a Wales of vibrant culture and thriving Welsh Language"*.

QUESTION 1 (Chapter 4): We propose a new Land Management Programme consisting of an Economic Resilience scheme and a Public Goods scheme. Do you agree these schemes are the best way to deliver against the principles? If not, what alternatives would be best?

17. Overall, the basic principles of the Economic Resilience scheme and the Public Goods scheme are credible proposals in the transition away from a subsidy-oriented approach. The existence of the "twin pillars" is a sensible approach to ensure a more appropriate balance between economic and environmental objectives, provided they operate together in harmony. **Timing, however, will be critical: there are risks in making such major changes at a time of great uncertainty.**
18. Social and cultural networks in agricultural areas need to be supported as well as the economy and environment. It is important to remember that farming families tend to be at the heart of rural community networks, providing a firm basis for many rural organisations and activities and support for the heartlands of the Welsh language. Rural development extends beyond skills training and land management and there should be support for the maintenance and enhancement of rural communities. Some financial assistance has been available under the Rural Development Programme (covering e.g. community transport, community energy) but there is also a need for complementary community health initiatives, measures to protect/enhance local services and address out-migration of young people etc.

19. The Well-being of Future Generations Act requires this type of all-round approach. The replacement Programme should not focus exclusively on a 'more prosperous' and 'more resilient' Wales but should also consider the other five goals. The links identified in the diagram on page 25 of the consultation document are a good start but the examples used reflect the document's focus on agriculture as opposed to sustainable communities (e.g. cohesive communities are seen in terms of 'keeping land managers on the land').
20. Mention is made of RDP support via schemes such as LEADER on page 22 where it is suggested future provision will be considered alongside the replacement for EU socio-economic support (the proposed Shared Prosperity Fund). As mentioned in para. 10 above, it is critical that the social, community dimension of rural support does not 'fall between two stools'.

QUESTION 2 (Chapter 4): Does Welsh Government need to take action to ensure tenants can access new schemes? If so, what action would be best?

21. Given that '*a significant proportion of agricultural land in Wales is subject to some form of tenancy agreement*' (page 24) it is necessary and sensible to ensure that tenants can access any proposed new schemes (without this leading to upward pressure on their rent, which would be counter-productive). There are already provisions within existing schemes to ensure a person who actively farms the land and maintains it in good agricultural and environmental condition can claim financial support as a tenant. Similar arrangements will need to be in place for any successor scheme.
22. Beyond ensuring access to future support for tenant farmers, the consultation document gives no regard to the potential implications of the proposals on farm tenancies as a whole. Smaller, less productive farms could struggle to survive under the new proposals without significant reform of their business model. Whilst the Welsh Government's policy proposals do offer pathways to transform the business either via enhanced productivity, diversification or the production of public goods etc. - it is a major risk that some farm tenancies may not be renewed due to the scale of the changes required, timescales, poor/inadequate succession planning etc. Beyond the ability of the farm to adapt is the speed and depth upon which Welsh Government can provide support. An additional factor may be the implications of policy reform on land prices. Any reduction in land value could put increased pressure on tenancy agreements, with smaller farms being bought out by larger enterprises.

QUESTION 3 (Chapter 5): From your experience of current programmes, what do you feel would work well for the future?

23. Funding from the Common Agricultural Policy is set by the EU for 7-year periods, providing farmers with a clear indication of the level of support they can expect to receive in the coming years. The UK Government has confirmed that agricultural support will remain the same for the duration of the current Parliament, but it is not yet known how future funding settlements will be set, how many years they will cover, and when devolved administrations will be told about / receive their share of the funds. Long term clarity over the level of funding should be an important feature of any successor arrangements.
24. The basic principle of paying for environmental works that would otherwise not be undertaken (because the products are public goods, where no market exists or can be created) is a good one. Development of the concept of 'public money for public goods' builds on some of the thinking that has underpinned agri-environment schemes under the current programmes. It will continue the shift that has been taking place away from direct payments towards these sorts of measures. As above, funding certainty and an adequate lead-in period to allow sufficient time for adaptation and change will be critical.

QUESTION 4 (Chapter 5): Do you agree with the focus of the Economic Resilience Scheme being on growing the market opportunities for products from the land throughout the supply chain, rather than restricting support to land management businesses only?

25. In principle, yes. This would be consistent with the approach set out in Welsh Government's Economic Action Plan, which includes 'food' as one of the foundation sectors. The plan also recognises that: "forces such as decarbonisation, automation, artificial intelligence and other forms of digitalisation are already transforming industries and individual firms, breaking down the traditional boundaries between different sectors of the economy" (p.ii). Changes being introduced in one part of the 'system' require responses throughout the system and to focus economic resilience on land management businesses alone would be to ignore this inter-connectivity.
26. However, there is insufficient clarity on how the scheme would ensure sufficient focus on primary production for it to be compatible with the Second Principle for reform. Primary production is the core component within the food system, and should feature as the key pillar of the Scheme. Nowhere in the document, or the scheme proposals is the phrase "food security" mentioned.

QUESTION 5 (Chapter 5): Are the five proposed areas of support the right ones to improve economic resilience? Are there any areas which should be included but currently are not?

27. The five areas of support cover all the main issues. Energy efficiency / increased use of renewable energy (for building and transport) could have been mentioned explicitly as one of the potential areas for support in para.5.31 on page 33. (The section does refer to 'technology, tools and techniques that reduce the business' carbon footprint'. Diversification into large scale renewable energy is mentioned in para 5.33 too).
28. Given the comments in response to Q4, there could be more information about provision of support to other parts of the supply chain (e.g. food processing; retail). There is mention of 'a more value-added supply chain' as part of 'improving productivity' but retaining more added value within Wales should be an integral part of increasing market potential. It has implications for knowledge, skills and innovation too.

QUESTION 6 (Chapter 5): Of the five proposed areas for support, which are the priorities, both in terms of funding, and the sequence of delivery? For example, are certain measures needed in advance of others?

29. This will very much be on a case by case basis, as different businesses will have different needs – and depending on the post-Brexit landscape, will be more/less exposed to changed trading arrangements and market opportunities. A customised package of the relevant elements of support will need to be drawn together on an individual basis, linked to a clear and integrated plan of action along the whole supply chain where relevant.
30. Skills development will be needed to underpin all the other areas of support and will need to be progressed in parallel so that appropriately skilled workers are available as interventions start to bear fruit. Development of new skills, linked to innovation, is likely to be a vitally important element of this support given the pressure to find technological solutions as labour shortages (including losses of migrant labour) become an increasing issue.

QUESTION 7 (Chapter 5): Should we be investing in people, for example to bring in new ideas, skills and people into land management and the supply chain in Wales? If so, how should we look to do this?

31. Each region has a Skills Partnership which has developed an Employment and Skills Plan, and these will be updated over time. The plans are intended to inform funding

decisions in relation to training provision. Whilst Food & Farming are recognised in a number of the plans – it is critical that there is a greater link with industry so that the needs and requirements of industry are adequately reflected in the plans, but also that the industry is aware and engaging across the spectrum of skills provision and support. In that way there should be a flow of young entrants into the labour market trained in the skills that are required. Re-training needs for the *existing* workforce will also need to be factored in (e.g. increased use of IT in relation to precision farming).

QUESTION 8 (Chapter 6): We have set out our proposed parameters for the public goods scheme. Are they appropriate? Would you change anything? If so, what?

32. The parameters appear broadly appropriate. The issue of measurement is covered as part of parameter 4 (evidence-based public goods). This will be one of the greatest challenges – being able to identify and put a value on improvements that have been made against a baseline. With measures associated with, for example, climate change mitigation, the benefits might not be realised for many years and would be incredibly difficult to capture. However, there is a vast array of research that can be drawn upon to help to gauge the expected impact of different types of interventions. There will, of course, be the potential for differences of opinion about the impact, using conflicting sources of evidence. There will therefore be a need to be some agreed metrics for establishing the effect of different measures. There may also be a need for a body that can adjudicate when there is disagreement.

QUESTION 9 (Chapter 6): This scheme is meant to offer land managers the opportunity to access a significant new income stream as the BPS comes to an end. How could we improve what is being proposed to attract land managers whilst still achieving our vision and objectives?

33. As these are 'public goods' they are of benefit to everyone. Perhaps more could be done to publicise the benefits of the work to be undertaken by land managers? If metrics are agreed (as per Q8 above) these could be highlighted as part of a high-profile campaign to raise awareness amongst the general public.

QUESTION 10 (Chapter 6): Are there any other public goods which you think should be supported? If so, why?

34. The list of public goods provided covers the main categories. Health benefits are mentioned as part of 'heritage and recreation' but also link to other headings including

air and water quality. Improvement in 'amenity' could also be considered as part of heritage and recreation. The generation and collection of better environmental data is another outcome that could be considered a public good, capable of being used to improve policy over time.

35. The reasons for excluding food and timber (and energy generation) are understood as these are 'excludable' and markets exist for them (so they are not public goods in the strict sense of the term). However, it is important not to lose sight of the fact that farming and food production do generate public goods themselves in terms of community viability, support for the wider economy and maintenance of the Welsh language.

QUESTION 11 (Chapter 6): A number of public goods could potentially take several years, sometimes decades, to be fully realised. e.g. carbon sequestration through broad leaf trees. To deliver on these, land managers may need to enter into a long term contract. How do you see such agreements working? What do you see as the benefits or disadvantages to such agreements?

36. As suggested in the response to Q.8 above, some appropriate, broad metrics will need to be developed and agreed. These will need to reflect latest research regarding the impact different measures can have. So, for example, research on the relationship between broad leaf trees and carbon sequestration could inform the way payments are made for planting such trees. The payments made would have to be determined in light of the level of resources available and the relative priority given to this type of activity as opposed to others. The priority would reflect the estimated benefits such interventions can generate over their lifetime compared to alternative, competing actions, so that value for money considerations are taken into account. These comparisons would need to be made on a 'level playing field', recognising that some benefits may take longer to materialise but, over the duration of the intervention, result in better overall outcomes.
37. Given that this will be breaking new ground, it is important that there is confidence in and support for the assessments that will be used before they are introduced. This suggests that phasing in will need to be a gradual – and not a rushed – process.

QUESTION 12 (Chapter 6): A collaborative approach to delivering public goods may in some instances provide better value for money than isolated activity. How could the scheme facilitate this approach? How could public and private bodies contribute to such partnerships?

38. The Well-being of Future Generations Act *requires* public bodies to consider collaborative opportunities at the earliest stages of planning interventions. There will therefore be a need for public bodies to specify outcomes they are aiming to achieve and invite potential partners to enter dialogue on the best ways of achieving them. Equally, land managers could be encouraged to discuss initiatives they are planning to take forward with a range of public bodies to see if they have any proposals or suggestions that could add value.
39. Once options have been assessed, the ones considered likely to deliver the best results can be selected. Getting the metrics discussed above right will be crucial as they will provide a framework within which proposals can be assessed. As part of any partnership 'deal', partners would have to enter an agreement that sets out how payments will be distributed, based on respective responsibilities.

QUESTION 13 (Chapter 6): Some actions can deliver multiple public goods in the same location. For example, peat bog restoration can have benefits for carbon sequestration and flood risk reduction. However, some locations could be suitable for multiple public goods from different activities. For example, one location may be suitable to either plant trees for carbon sequestration, or to revert to wetland for biodiversity. How could locations for single, multiple or competing benefits be prioritised?

40. It does not automatically follow that actions with multiple benefits will be better than those with a single benefit. It depends on the type of benefit(s) generated, the extent, and how the benefit(s) is (are) measured. This goes back to the issue raised in response to previous questions, about the need for agreed metrics. The anticipated benefits of an action will need to be set out using agreed metrics (e.g. planting x number of trees will result in y reduction in CO₂). Decarbonisation is one objective but there are others, such as biodiversity enhancement, improvement in air/water quality. There is already a range of evidence from research on these matters that can help in agreeing such metrics (and the consultation document parameter 4 states that the scheme will include only those public goods where there is an evidence-based connection between land management actions and delivery of a specified outcome). Importantly the consultation recognises that outcomes can be social as well as economic and environmental.
41. The difficulty will be agreeing on another set of metrics that assign value to outcomes. Here we are effectively trying to 'compare apples and pears': how do you value a reduction in CO₂ compared to an increase in biodiversity? If such metrics can be agreed

though, with expert input, they would help us to choose (crudely) between options. For example, in the case of competing proposals, these metrics might tell us the value of carbon sequestration associated with one action will be relatively limited compared to the value expected from another action, designed to improve biodiversity in the area. Likewise, the expected value where there are multiple benefits would need to be compared against that for an action that would produce a single benefit. Decisions on these metrics will be crucial as they will act as signals to land managers who inevitably will choose the most lucrative actions.

42. Therefore, as well as applying the metrics, a number of other important (and more site-specific) considerations will need to be applied – for example:
- Which of the possible actions is best suited to site conditions?
 - What are the respective costs of the different options?
 - What conditions already exist in the area – e.g. is there already plenty of wetland but no trees – or vice versa?
 - What is the current situation – or baseline – against which impact will be measured?
 - Has any consultation taken place with relevant stakeholders to establish local preferences?
43. This activity will be complex – it will not be possible to adopt a ‘one style fits all’ approach. Once more, this suggests the need for a substantial period of consultation, debate and agreement before such systems are ready to put into practice.

QUESTION 14 (Chapter 6): Given that support for the delivery of public goods will be a new approach in Wales, there will be a requirement for a significant amount of training and advice for the sector. How best could this training and advice be delivered? Which areas of the sector need the most attention?

44. Any change needs to be managed carefully. Land managers, their representative bodies and other stakeholders affected by the new approach will be looking initially for involvement and, then, for certainty. Therefore, it is important that there is ongoing communication and dialogue as the new approach is developed. This will help to develop a sense of ownership, as opposed to the scheme being ‘imposed’. This involvement is needed in advance of any training.
45. Once a system has been agreed (in light of feedback) and there is certainty, training and support will be needed, using established and familiar channels, such as Farming

Connect. Working through intermediary bodies, such as the farming unions will also be important. Once they have a good understanding of the scheme they can help to explain it to their members.

46. The Public Goods Scheme represents a fairly radical departure from traditional approaches. Therefore, those intending to seek funding under this scheme might be expected to need more training and support than those taking advantage of the Economic Resilience Scheme alone. However, even with the latter, support is likely to be needed, for example, in developing the 'business justification' (p.30).

QUESTION 15 (Chapter 6): Private investment in the purchase of public goods is already happening, but at a relatively small scale. How could the new scheme promote greater involvement from the private sector? What are the barriers to this type of investment?

47. The 'market failure' associated with public goods arises because these goods are 'non-excludable', so it is difficult to charge people who benefit from them once provided. This 'free rider' problem leads to under-provision. This remains the main barrier to securing private investment. However, if a successful way can be found to pay land managers for delivering public goods it may be possible to encourage other private sector bodies to invest. This could involve, for example, collaboration with private sector partners willing to enhance schemes, provided they are able to secure an acceptable rate of return on their investment. For example, businesses in a rural community may be willing to invest in an active travel route linking to the coastal path if they are likely to result in an ongoing increase in business/profits.
48. Alerting potentially interested private sector investors at an early stage of planning of investments by land managers would be a good way of identifying if there are any 'added value' projects.

QUESTION 16 (Chapter 8): What are your comments on the phased transition period and our ambition to complete the changes by 2025?

49. A phasing of the process of transition makes sense. Phasing out the Basic Payment Scheme overnight would create too much disruption and could cause business failure for those who are not adequately prepared for new systems. Stability, and long term planning certainty is key to ensure businesses have the information and skills to adapt. It is also important that the current schemes are allowed to come to a natural end under existing terms and conditions.

50. The suggestion of focusing on the Economic Resilience Scheme initially also makes sense. The target date of 2025 for Public Goods Scheme appears ambitious. Much will depend on ongoing dialogue with UK Government and the other devolved nations and on the EU's future support plans. We need to avoid a situation where new systems are being trialled in advance in Wales if this will put farmers at a competitive disadvantage and at greater risk. As a result we would favour a minimum transition period of 7 years from 2021 as provided in the draft UK Agriculture Bill to ensure that the transition period in Wales mirrors that in England to avoid placing Welsh farmers and rural communities at a disadvantage.
51. Key issues are the level of future funding that will be available and how rural development funding will be dealt with as part of the transition period and beyond. Whilst the level of funding will depend on UK Government decisions, Welsh Government could make a clear statement now about providing support for rural development. As mentioned in para. 10 above, suggestions that the proposed UK Shared Prosperity Fund might be able to support such activity seem unrealistic given the signals that the SPF will be focused on Local Industrial Strategies prepared with industry at a Combined Authority/LEP/regional level.

QUESTION 17 (Chapter 8): What is the most appropriate way to phase out the Basic Payment Scheme to start implementation of the new schemes?

52. Reducing payments proportionately would seem a fairer mechanism than absolute reductions or changing capping rates which would affect some farmers disproportionately.

QUESTION 18 (Chapter 8): How can we simplify the current administration and delivery of the Basic Payment Scheme during the phased transition period?

53. As Local Authorities are not directly involved in administering or delivering the Basic Payment Scheme, or in applying for it, it is difficult for us to provide an informed view in relation to this question.

QUESTION 19 (Welsh Language standards): Will the proposed land management programme have any effects (either positive or adverse) on:

- **opportunities for persons to use the Welsh language;**
- **treating the Welsh language no less favourably than the English language?**

54. It is difficult to say at this stage. It is as yet unclear what the challenges to our land-based industries will be. The scheme tries to maintain flexibility of approach and provides multiple avenues for support. **However, it does not go far enough to recognise the need for a safeguard to protect the livelihoods of rural communities.** It is critical, that if it becomes apparent that there will be adverse impacts on certain sectors of agriculture that will disproportionately impact on the livelihoods of Welsh speaking communities – that our domestic policy evolves and reflects the needs to safeguard and protect not only the environmental and economic interests of our Nation, but also our language and culture. As a result, a robust language impact assessment of the proposed schemes will be required as further work is undertaken as part of planning for the publication of the WG White Paper in the Spring.

QUESTION 20: Do you wish to make any further comments?

55. Apart from undertaking a robust language impact assessment of the proposed schemes as they are further developed, we would also advocate that the Welsh Government undertakes a robust economic impact assessment and a robust rural proofing of its proposals as further work is developed leading up to the publication of the White Paper in the Spring.

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