



WLGA Consultation Response

Sustainable Farming & Our Land

30th October 2019



CLILC • WLGA

INTRODUCTION

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales. 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 priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. The WLGA welcomes the opportunity to respond to the Welsh Government's consultation on Sustainable Farming & Our Land. This response has been informed by the knowledge and expertise of Local Authority Members and Officers and the views ascertained from discussions at meetings of the WLGA Rural Forum and a recent Rural Conference held for all Local Authorities and our key partners, including both Farming Unions in Wales.
4. However, whilst we welcome the opportunity to comment on this consultation document and appreciate the urgency of developing policy in this area, we believe opportunities may have been missed for true co-production. The WLGA would welcome opportunities to influence the production of any draft proposals, rather than responding to pre-determined proposals. As a result we would welcome the opportunity to be involved in the proposed co-design programme following the end of this consultation.

Summary of key points

5. In comparison to the first Welsh Government Brexit and Our Land consultation document issued last year, we welcome the change in tone, the language and terminology used and consultative nature of this second consultation document.
6. We also welcome the fact that some of the key issues we raised in our response to the first consultation have been taken on board by the Welsh Government, in particular the commitment to undertaking the necessary modelling and impact assessments before finalising the proposals. We welcome, in particular, the explicit commitments to undertake economic impact assessments, a Welsh Language impact assessment to consider the impact of the proposals on the Welsh language and Welsh Speaking

communities and the commitment to rural proofing the proposals in terms of their impact on rural communities and rural businesses.

However, we remain concerned about a number of fundamental matters that we highlighted in our response to the first consultation which remain unresolved as follows:

7. **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 development beyond current programmes.
8. **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.
9. **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'.
10. **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.
11. **Future support for rural development is not adequately addressed.** There remains a real risk that this vital issue becomes 'lost between stools' of work on *Brexit and Our Land* and the development of the *Regional Investment After Brexit in Wales* and the proposed *UK Shared Prosperity Fund*.

General comments

12. 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, as with our response to the first consultation last year, 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.

13. **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, for implementation in the new EU Programming Period of 2021-2027/28.
14. 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.
15. 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.**
16. 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, including LEADER, 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.

17. 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.**
18. 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.
19. **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.

20. 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*".
21. In general, the WLGA welcome that more detail has been added to the Welsh Government's plans for a Sustainable Land Management scheme, and believe that an outcome-based approach to this is favourable in helping to provide environmental protections and improvements.
22. However, whilst we recognise that farming has a critical role to play in protecting and improving Wales' landscape and ecosystems, **it should again be emphasised that food production remains the primary output of most farms, and that is food production which is at the core of rural communities and economies, supporting a large network of businesses and supply chains, as well as providing food security in fluctuating and complex global food markets.** In this respect, whilst wider UK trade negotiations and international regulations will dictate to a large degree, any support provided in relation to food production—it still needs to be at the heart of any rural policy in Wales.
23. There is little reference to the role of common land in the proposals. Common land should be better recognised for its role in supporting rural communities and green infrastructures, and the challenges of managing it should be acknowledged within the document.

Sustainable Land Management

24. **It should be acknowledged that many farmers already implement a range of sustainable farming and land management practices,** and that part of the funding and support offered to Welsh farmers should include acknowledging and promoting this to the wider public, encouraging consumers to buy products that are produced sustainably in Wales.

25. Broadly, the proposals for Sustainable Land Management (SLM) framework are strong, and the outcome-based approach, supported by evidence identified through the Natural Resources Policy, and the priority themes within Area Statements, is a good approach to take to enable the long-term sustainability of farms and economic growth, whilst supporting wider conservation and environmental objectives. The structure of benefits, outcomes and actions is a useful tool to show how to work backwards from outcomes to actions taken to achieve them. Local authorities should be engaged in any sustainable farm review process, to ensure that services and infrastructure are able to support any priorities and proposals within the plans. This will also allow them to develop Local Development Plans, Well-being Plans and Section 6 biodiversity plans, which align with the broader SLM outcomes proposed.
26. Whilst it is recognised that support should focus on activities that are not already 'rewarded by the market', **there should be recognition that there are opportunities to support farmers which may increase the market reward, whilst also adding to Welsh Government's broader objectives.** For example, providing support for renewable energy initiatives may increase productivity and profit for farms, but that this could also help to achieve the WG's targets relating to decarbonisation. The definition of market reward and what it encompasses must therefore be clarified.
27. Whilst the SLM outcomes are positive, **food security must remain a key consideration**, particularly due to the unknown outcomes of Brexit, international fluctuations in the price of foods, fuel prices and climate change. Therefore, the definition of sustainability within SLM must consider food security, as well as productivity. There may also be unintended consequences of focusing on environmental outcomes, with the potential for shops and consumers to move to cheaper, foreign products which may cause increased environmental degradation in other parts of the world, which may impact on the Globally Responsible Wales wellbeing goal.
28. Farmers want to earn a fair price for their produce first and foremost. Focus on environmental outcomes may be seen as an acceptance that many farming businesses may fail post-Brexit. Farmers will want more clarity on mechanisms to support food production, even if just in the short term following no deal or transition period. More detail is still required how Welsh farmers will align with other UK farmers, as any additional conditions placed on Welsh farmers may put them at a disadvantage.

Sustainable Farming Scheme

29. The idea of a multi-year contract is useful in providing stability and the opportunity for long-term financial planning for farms, with 'additionality' providing incentives for more sustainable practices, with the potential to drive innovation and good practice in farming.

30. Any Farm Sustainability Review process must be seen to be a collaborative and positive one, in which guidance and practical advice are given. Any intrusive review of farms must be approached very sensitively, and rigid and prescriptive approaches to assessment may not accurately reflect the complex and multi-faceted businesses that farms are. Those carrying out any reviews would also need to have the experience, knowledge and skills to do so in a way that gives confidence to farmers that they understand how farms work and the pressures they face.
31. We are concerned by the amount of bureaucracy and associated administrative costs associated with progressing an application for support from the proposed scheme i.e. working with a dedicated adviser through all the proposed phases of scheme entry (outreach, expression of interest, farm sustainability review and a farm sustainability plan and multi-year contract). We are keen to explore any opportunities for streamlining and simplifying these proposed processes with key partners as part of the proposed next stage of co-production of the scheme following this consultation.
32. The proposal for opening any scheme up to all types of farm, and not just those currently eligible for BPS, is welcomed. The inclusion of tenant farmers would help to encourage younger farmers to enter the industry and may help to further drive innovation. As a condition of any incentive, both farmer and landowner must benefit from introducing any SLM measure, to encourage uptake and encourage longer-term initiatives. The emphasis on planning is a positive one, however the level of support offered to farms must be appropriate and long-term, and it should not become an administrative burden.
33. County farms are highly sought after by tenants, and provide a good opportunity to deliver local authority decarbonisation and environmental outcomes, such as those identified in *Prosperity for All: A Low Carbon Wales* and in recently developed Area Statements. SLM conditions and incentives could be attached to lease agreements, providing an opportunity to develop flagship best-practice farms, for learning and training of other farmers could take place.

Advisory service

34. Any advisory services should be fit for purpose, proportionate and refined in structure. It would ideally be independent from Welsh Government or NRW, to ensure impartiality and to secure trust and cooperation with farmers. Links between the advisory services and WG and NRW should focus on ensuring alignment with broader SLM outcomes, not on specific cases and delivery. It would also require an adequate number of highly skilled and knowledgeable staff, who are able to work flexibly with farms and respond to their specific needs. If support is not responsive enough, there is a danger that farms will lose faith in a scheme and revert to established methods of working. The skills and expertise required to undertake farm reviews and provide support extend well beyond the remit of any existing organisation in Wales, and it's therefore unclear how any single existing organisation could take on such a role.

35. Any advisory services offered to farmers should be bilingual and a strong preference should be given to employing Welsh-speaking advisors, particularly those who are likely to be working in areas with a high proportion of Welsh speakers. Preference should be given to suppliers who offer services and support through the medium of Welsh.

Industry and Supply Chain

36. Any support offered to the agricultural supply chain could have significant benefits to local economies and reinvigorate local communities in rural Wales, particularly if aligned to broader decarbonisation and sustainability targets in Welsh Government policy and legislation. Linking it to improving efficiency and the SLM outcomes makes sense, but it is important that any support offered is practical, targeted and specific, rather than a general information service, as this may not be seen as a good use of resources. The potential increase in forestry activity in line with SLM outcomes, may mean that this is an area for which additional supply chain support may have a strong impact.

Regulatory framework

37. As mentioned in the Brexit and Our Land consultation, there will need to be a significant transition period to any new regulatory framework and payment scheme, to allow businesses to adapt accordingly.
38. It is difficult to comment some of the specific options provided in this document, without more detail. Of the options given, the WLGA sees option A – gradual and phased approach, as being the most appropriate and the easiest to manage. Options B and C appear more complex and leave a greater potential for confusion and ambiguity.

For further information please contact:

Lowri Gwilym
Team Manager, Europe & Regeneration

lowri.gwilym@wlga.gov.uk

Tel: 029 2046 8676

Ben Sears
Environment & Sustainability Support Officer

ben.sears@wlga.gov.uk

Tel: 029 2046 8600

Welsh Local Government Association
Local Government House
Drake Walk
Cardiff
CF10 4LG