

**National Assembly for Wales**  
Rural Development Sub-Committee

Legacy report

March 2011



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## **Rural Development Sub-Committee**

The Rural Development Sub-Committee is established by the National Assembly for Wales to consider and report on issues affecting Rural Development. It is a sub-committee of the Sustainability Committee and its remit is to scrutinise the Welsh Government on the Government's areas of responsibility that the sub-committee considers impact on rural development.

### **Powers**

The Committee was established on 5 July 2007 as a Sub-Committee of the Assembly's Sustainability Committee. Its powers are set out in the National Assembly for Wales' Standing Orders, particularly SO 12. These are available at [www.assemblywales.org](http://www.assemblywales.org)

### **Committee membership**

<i>Committee Member</i>	<i>Party</i>	<i>Constituency or Region</i>
Rhodri Glyn Thomas	Plaid Cymru	Carmarthen East and Dinefwr
Joyce Watson	Labour	Mid and West Wales
Brynle Williams	Welsh Conservative Party	North Wales
Kirsty Williams	Welsh Liberal Democrats	Brecon and Radnorshire

The following Member(s) were also a member of the Committee during this Assembly:

Alun Davies	Labour	Mid and West Wales
Mick Bates	Independent Liberal Democrat	Montgomeryshire
Mike German	Welsh Liberal Democrats	South Wales East
Elin Jones	Plaid Cymru	Ceredigion
Alun Ffred Jones	Plaid Cymru	Arfon

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# 1. Introduction

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## Role and Remit

1. The Rural Development Sub-Committee was established in July 2007 as a sub-committee of the Sustainability Committee. It was agreed to establish this as a permanent sub-committee to consider matters relevant to rural development.
2. The sustainability committee was keen to establish a rural development Sub-committee, to ensure that sufficient time could be dedicated to these key issues. In recognition of the range of issues facing rural Wales it was agreed that the Committee's work would not exclusively cover agriculture.
3. The Committee met 68 times during the third assembly. The Sub-committee considered a range of topics and produced 14 reports. Copies of all the Sub-committee's reports, agendas, papers, minutes and transcripts of meetings can be found on the National Assembly website.
4. The Committee would like to thank to all those who provided written and oral evidence during the course of the third assembly. This has been very valuable in informing the work of the Committee.
5. We would also like to thank all those other Members who have been involved in the work of the Committee, in particular Alun Davies who chaired the Committee between 2007 and 2010. Furthermore, we would like to thank Andrew RT Davies AM who has substituted for Brynle Williams since September 2010 and has provided a valuable contribution to the Committee. We send our best wishes to Brynle, and wish him a speedy recovery.

## The need for a future Rural Development Committee

6. Rural development is intrinsic to addressing some of the major challenges that Wales will face in the forthcoming years, in particular around mitigating and adapting to climate change, dealing with carbon emissions, and delivering food and environmental security.
7. In addition to being an important policy area, discussions with members of the rural community at events like the Royal Welsh Winter Fair, highlighted the value to people of the present Sub-committee,

and the engagement it was able to have with the issues facing rural Wales. For example, Gwenda Thomas from the Farm Welfare Advisory Group praised the committee for the visit and meeting undertaken for the Glastir inquiry, while Wyn Williams of Dunbia and Peter Morris from the National Sheep Association spoke of the value of the EID inquiry.

8. During a committee evidence session reviewing the work of the Sub-committee, the National Farmers Union Cymru told the Sub-committee that:

“First, on behalf of the NFU, I thank you, members of the sub-committee and the staff working for the sub-committee over the full term of the third Assembly, for undertaking inquiries and for producing reports on a wide range of issues of vital importance to agriculture and the rural economy in Wales. The sub-committee has produced a number of well-written and researched reports that have highlighted the concerns of our industry and have provided sensible recommendations to the Minister on the way forward on a wide range of topics and policy issues. ... We believe that it is vitally important that this sub-committee is retained by the fourth Assembly.”

And the FUW said:

“As is stated clearly in our evidence, it is important to emphasise, as Ed has already done, the importance of this sub-committee and the fact that it gives credence to the importance of agriculture and rural development to Wales’s economy, which has been underestimated for a long time, but is becoming more properly recognised as time goes on.”

9. As well as ensuring the views of the rural community are heard within the Assembly, the Sub-committee has sought to ensure that the views of Wales as a regional Government in Europe has had a voice through lobbying in Brussels and making submissions to the relevant committee inquires in both the House of Commons and the House of Lords. Rural development is an area where the Assembly needs to influence decisions at a European level, and the Sub-committee has been able to effectively do this.

10. During the course of the Fourth Assembly, a number of important decisions will be made around funding for farmers, namely the reform of CAP and finalising the Glastir scheme. The outcomes of these



decisions will have a profound impact on rural Wales. In order to make sure Wales has a strong voice in Europe, and in negotiations with the next Government over future agri-environment schemes we believe a Committee with a remit to look specifically at Rural Development is important.

11. Therefore, we believe that a significant amount of time should be invested in the Fourth Assembly to scrutinising rural development policies and legislation through the establishment of a Sub-committee by the relevant parent committee. This will help to ensure that the same profile as has been given during the Third Assembly to rural affairs is given to it during the fourth with the aim of ensuring full engagement with a significant section of the population.

## 2. Legacy to Successor Committee(s)

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### Successful Evidence Gathering

12. The Sub-committee has tried to reach a wide audience and has gathered evidence in a number of ways. We undertook a number of visits to rural communities across Wales, and received a great deal of positive feedback about this approach. In particular, the Committee found the format of considering a topic in a day, by undertaking a fact finding visit in the morning and a formal meeting in the afternoon, was an effective method of scrutiny. Both EID and Glastir inquiries were conducted through this method.

13. Due to the nature of the Sub-committee – being both reasonably small and with a specific focus- the committee was also able to react quickly and focus on pertinent issues facing rural Wales such as Tb Eradication, EID and the Dairy Industry. This flexibility has been well received by stakeholders and the public. Additionally the Sub-committee considered a petition from Powys Community Action Group, about the proposed closures of schools in Powys – expanding this to consider the impact of rural school closures.

### Ongoing Work

14. Throughout the inquiries conducted by the Sub-committee, there were a number of reoccurring themes around the need to increase local procurement, the benefit of Welsh branding and the need for an ombudsman to regulate the supermarkets. It is likely these themes will be prevalent in a future committee considering rural affairs.

15. During the Third Assembly the Rural Development Sub-committee considered a number of issues around funding for farmers, initially through the review of Axis 2 of the Rural Development Plan, and subsequently through the inquiry into Glastir and the reform of the CAP. As the work is still ongoing in developing these policies and setting the agenda for the future, we would recommend a future committee takes forward these key areas.

### *Glastir*

16. The Sub-committee first wrote to the Minister on Glastir, after a short inquiry in February 2010. Once launched the scheme initially only received 2904, which was significantly lower than the number of

participants in other agri-environmental schemes. Given the disappointing number of applications, the Minister established a review group for Glastir which reported in March 2011. The Committee meet with Rees Roberts, the Chair of this group in late March. There is still a great deal of concern about this scheme, and a future committee ought to consider further reviewing this scheme and inputting into the possible redesign.

### ***Reform of CAP***

17. The Sub-committee published their report on the reform of the CAP in July 2010. The work on formulating a new policy is ongoing and it would be prudent for a future committee considering rural affairs to monitor this work and take part in the debate. The Committee submitted a summary of their report to the Environment, Food and Rural Affairs Committee, and the Select Committee on the European Union in the House of Lords.

18. The Sub-committee also visited Brussels as part of this inquiry to talk with key stakeholders across Europe, which was very beneficial. During an evidence session with the farming unions, it was suggested that there was a significant failing on the part of the Welsh Government to engage sufficiently early in this discussion at a European and UK level. George Lyons, MEP produced an influential report on CAP reform which formed the European Parliament's view on the policy. We would recommend that a future committee meets with George Lyons, possibly during the autumn term, to discuss the ongoing work in this field.

### ***Meat Hygiene Services***

19. The Sub-committee produced a report on Meat Hygiene and Animal Welfare in May 2010. This considered the merger of the Meat Hygiene Service (MHS) with the Food Standards Agency (FSA) which happened on 1 April 2010 and the FSA's proposals to move towards full cost recovery from the industry.

20. The FSA issued a consultation on a *new approach to charges for official controls on meat in Wales: delivering efficiency and reform*, in November 2010, which closed in February 2011. This consultation sought views on the proposals for the charging for meat official controls in meat plants. The results of this consultation should be published in May 2011.

21. Given the concerns expressed by the Sub-committee in their initial report, and the potential impact this decision may have on the viability of many small to medium size abattoirs in Wales, this is an area which a future committee should consider to evaluate the impact on Wales.

### **Areas the Committee was unable to reach**

22. Through discussions with stakeholders and other relevant bodies, the Committee identified a number of topics for their forward work programme. However, we were unable to cover all of these topics because of the timing of the Glastir review and the need to consider the reform of CAP in a timely fashion.

### ***Farm Advisory Services***

23. Farm advisory services, currently largely provided through Farming Connect, comprise a range of fully and part funded advisory, training and support services covering areas such as business management, environmental compliance, diversification, planning, whole farm plans and skills development programmes. Given the important role attributed to the service in the delivery of several of the Government's action plans and policies, the Sub-committee intended to look all aspects of farm advisory services in Wales.

24. Furthermore, the use of Farming Connect could be explored with regards to the development of supply chains, development and diversification. Professor Terry Marsden told the Sub-committee that in a recent farm survey conducted by Cardiff University 41% of farms did not use Farming Connect, illustrating the potential for further linkages to be developed between the industry and the advice available on growing businesses and diversifying. Professor Marsden also suggested that there was a role Farming Connect could play in communicating about forward contracts (cost-plus pricing) to relevant groups.

### ***Review of Red Tape in the Farming Industry***

25. Following the progress report from the Minister for Rural Affairs on the work of Red Tape Review stakeholder group in June 2009, the Sub-committee intended to undertake a short review of red tape within the industry, to consider possible reforms which could lead to a reduction in bureaucracy. Little has been published from this group,

and it has been suggested this is an area which an Assembly Committee could usefully look at in future.

### ***Independent Appeals Process***

26. During the first Assembly, the Welsh Assembly Government established an Independent Appeals Panel for farmers to adjudicate in matters relating to agricultural subsidies and to assist in reducing the burden of paperwork on farmers.

27. The Sub-committee received evidence about the penalties being imposed on farmers due to small mistakes being made on the paperwork, and the significant impact this can have in the viability of farms. Correspondence from Gareth Vaughan, president of the Farmers Union Wales stated:

“Examples include families affected by personal tragedies losing significant sums due to minor errors on paperwork, despite these being the direct result of exceptional circumstances, and farmers losing their entire incomes for periods of more than a year due to inadvertent minor errors being made while filling out complex forms.”

28. The Sub-committee felt that it would be useful to review the independent appeals process given the time that has passed since its establishment and the potential changes to the agricultural subsidies payments system which could arise as a result of the CAP reform process.

### **Horizon scanning**

#### ***Forestry***

29. The Woodlands for Wales strategy was published in March 2009, and the Minister for Rural Affairs made a further statement on 1 February 2011 regarding Forestry in Wales. This is a significant area of devolved competence in Wales, in particular to rural Wales, and has not yet been considered by an Assembly Committee in any detail. Given the proposals by the UK Government for English forestry and the consideration being given to including the Forestry Commission Wales into a new environmental delivery body, we would recommend that an Assembly Committee considers this policy area early in the 4<sup>th</sup> Assembly.

### ***Supermarket Ombudsman***

30. The UK Government indicated that a Bill to establish a supermarket ombudsman is likely to be published in the second session of Parliament, and a future committee may wish to consider this Bill, to ensure that the ombudsman is established with due consideration to Welsh issues.

### ***Animal Health Cost Sharing***

31. The Minister for Rural Affairs wrote to the Committee in January 2010 regarding the draft animal health bill. This draft bill mainly contained proposals for the implementation of the 'responsibility' elements of the Responsibility and Cost Sharing Agenda in England, but did contain some provisions which would be exercised by Welsh Ministers regarding payments for slaughter, vaccination and sampling. The UK Government set out in their coalition agreement a commitment to investigate ways to share responsibility for preparing for and dealing with outbreaks of disease with livestock keepers.

32. The Minister issued a written statement on 14 March 2011, which set out the devolution of Animal Health and Welfare Budgets from DEFRA. This transfers responsibility for this area to Wales.

33. A future committee with the responsibility for agriculture/rural affairs should monitor future proposals in this area with a mind to take forward scrutiny of an emerging legislation/policy in this field.

### ***Rural Health Provision***

34. In agreeing to consider a wider remit than just agriculture, the Sub-committee aimed to consider a number of policy areas relating to rural life. One significant area not covered by this committee is Rural Health Provision. The One Wales Government issued a Rural Health Plan in December 2009, and announced the provision of a £1m Rural Health Innovation Fund in April 2010. This fund was aimed at developing innovative solutions to improving and integrating services to deliver care in rural communities. Given the challenges facing areas of rural Wales in accessing healthcare, it would be timely for an assembly committee to undertake a review of this plan, and the related funding to ensure that the services are being delivered effectively to rural communities.

### ***Closure of Agricultural Colleges and Training for Rural Skills***

35. The Committee were keen to consider the provision of training for rural skills, given the reduction in agricultural colleges in Wales.

36. Evidence has been received through a number of the Sub-committee's inquiries such as the dairy industry, food, local authority farms, and the future of the uplands about the importance of ensuring a flow of skilled young people into the food and agricultural industries in Wales. We are concerned that with a reduction of agricultural colleges in Wales this flow of skilled people into rural Wales may not happen. A future committee could investigate how we can ensure that the flow of young trained people into the industry is not affected by a reduction in the provision by agricultural colleges.