

Cyfoeth Naturiol
Natural Resources

Cyfarwyddwr Cyffredinol • Director General



Llywodraeth Cymru
Welsh Government

Mr Darren Miller
Chair
Public Accounts Committee
National Assembly for Wales

8 January 2015

Dear Mr Miller

**PUBLIC ACCOUNTS COMMITTEE: 2 DECEMBER 2014
WELSH AUDIT OFFICE REPORT ON GLASTIR**

Following the Public Accounts Committee session on 2 December, I was asked to provide additional information on a number of points. I am pleased to provide this information below.

A note on the revised targets that Glastir is expected to achieve and how they will monitor the delivery against those, whether they are biodiversity targets or otherwise

Welsh Government outlined the strategic targets for Glastir under the next RDP programme in July last year. These targets, which are currently being negotiated with the European Commission, are:

- 1) To increase the level of investment into measures to mitigate green house gas emissions with the aim of contributing towards a reduction of net emissions from the land based sector in line with our international obligations.
- 2) To increase the level of investment into measures for climate change adaptation with the aim of building greater resilience into both farm and forest businesses and the wider Welsh economy and environment to ongoing climate change.
- 3) To increase the level of investment into measures to manage our water resources effectively with the aim of contributing towards an improvement in water quality in Wales and to meeting our obligations under the Water Framework Directive.

4) To focus increased resources on an identified list of priority species and habitats with the aim of contributing towards a reversal in the decline of Wales's native biodiversity and to meeting our obligations under the EU Biodiversity 2020 agenda.

5) To put in place measures and investment which maintain and enhance the characteristic components of the landscape and historic environment of rural Wales and to encourage increased public appreciation and access to the countryside.

6) To use agri-environment investment in away that encourages positive environmental outcomes but also contributes towards farm and forest business profitability and the wider sustainability of the rural economy.

In line with WAO findings WG also agreed that it would look wherever possible to quantify some of the benefits it expected Glastir to deliver once the budget available was determined. As I mentioned at the PAC, officials are currently working with the modelling team at the Centre for Ecology and Hydrology who lead the Glastir Monitoring and Evaluation Programme to develop realistic quantitative forecasts and targets. These will be published once the work has been completed and the new RDP approved by the European Commission. Progress towards these targets will continue to be monitored as part of the RDP Monitoring and Evaluation programme,

The average length of time an inspection takes

The average time taken to complete a Glastir Inspection (Entry/Advanced) in 2014 is four days, based on preparation time, the physical inspection and write up of the Inspection Report

The number of cross-compliance penalties and the total fines over the past few years

Details are provided in the table below.

Years	CAP element	Applied reductions/exclusions (€)	Claimants sanctioned with a 1% reduction	Claimants sanctioned with a 3% reduction	Claimants sanctioned with a 5% reduction
2009	Direct Aid (SPS)	€ 1,492,652	64	285	152
	Pillar 2 (Rural Development)	€ 84,769	50	204	88
2010	Direct Aid (SPS)	€ 544,762	72	112	101
	Pillar 2 (Rural Development)	€ 71,132	50	89	76
2011	Direct Aid (SPS)	€ 568,783	44	105	101
	Pillar 2 (Rural Development)	€ 57,299.61	37	79	67
2012	Direct Aid (SPS)	€ 494,924	25	126	92
	Pillar 2 (Rural Development)	€ 50,323	16	55	37
2013	Direct Aid (SPS)	€ 456,364	25	100	88
	Pillar 2 (Rural Development)	€ 47,949	13	42	33

A note on how many applications for land to be left unfarmed have been turned down

Having considered the context of this question within the PAC transcript I have interpreted this question as asking how many applications were turned down because farmers were not offering/or willing to do additional work beyond existing practice.

The Glastir Entry scheme (basic level) application process is farmer-led. Farmers have to commit to undertake activities amounting to at least 34 points per hectare of their farmed land. So long as this minimum criterion is met an application would not be turned down. Because this is a farmer-led scheme it is not possible to assess the detailed level of change from current activity being offered for each individual application. This would require detailed baseline collection of all field management activity and stocking rates prior to entry for all farms that potentially might apply (i.e. the whole farm population). However, by analysing the activity undertaken it is possible to provide a relative benchmark at overall scheme level of the additional value provided compared to the previous Tir Cynnal Entry Level scheme.

As the Welsh Audit Office have set out in their report, one guarantee of additionality in an agri-environment agreement is the inclusion of payments for capital items. Under the predecessor Tir Cynnal scheme less than 5% of farms were required to undertake any capital works for a scheme payment of similar level to that offered under Glastir Entry and the total value of capital works delivered under the scheme was under 1% of the value of payments made. Under Glastir Entry (based on an analysis undertaken by Welsh Government for all entrants in the first two years of the scheme) more than 85% of farms were required to undertake capital activity and 36% of total scheme payment value was for capital works.

Under the Glastir Advanced (higher level) farms are selected and approached by Welsh Government with the offer of an agreement to participate in the scheme based on a farm visit which assesses what additional work would be required by the farmer to deliver towards the environmental objectives being targeted on the farm. All signed agreements require active farming for sustainable land management outcomes. Farmers not willing to undertake this work would not be offered a contract. Therefore it is possible more fully to assess to what extent applications are not progressed due to unwillingness by farmers to undertake additional work. In 2014 around 20% of farmers visited by a contract manager to draft a programme of works were not willing to undertake the necessary additional activities and therefore did not enter into agreement with Welsh Government for 1 January 2015.

An overview of the steps being taken to assist online applications

The online Glastir applications have a number of features to aid completion. These include instant validation, drop down menus and context-sensitive help. There is also more detailed step-by-step guidance available to access at any stage of the application. If customers have any queries, they can contact the Customer Contact Centre. The Customer Contact Centre staff are able to view all customer applications in real time, to enable them to talk the customer through any problems.

Customers who are unable to access broadband or who need more intensive support are able to book a face-to-face appointment at a Welsh Government divisional office. Customers can access the internet and the technical guidance required to register with RPW Online and complete their online application. This support is in addition to the service that agents and farming union representatives provide to help their members benefit from the advantages of online applications.

We are also working with colleagues to raise awareness of the Superfast Cymru and the Access Broadband Cymru schemes among the farming community.

The Glastir Advanced and Glastir Organics scheme application rounds were launched online during Autumn 2014 with great success. 99.75% of applicants were able to complete their applications without recourse to paper copies.

Yours sincerely

GARETH JONES