

Agenda – Climate Change, Environment and Rural Affairs Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 4 October 2018

Meeting time: 11.00

For further information contact:

Marc Wyn Jones

Committee Clerk

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1 Introductions, apologies, substitutions and declarations of interest

2 Scrutiny of the Cabinet Secretary for Energy, Planning and Rural Affairs

11.00 – 12.30

(Pages 1 – 31)

Lesley Griffiths AM, Cabinet Secretary for Energy, Planning and Rural Affairs

Tim Render, Director, Land, Nature and Food

Christianne Glossop, Chief Veterinary Officer for Wales

Keith Smyton, Head of Food Division

Attached Documents:

Research Brief

Paper – Welsh Government



3 Paper(s) to note

3.1 Correspondence from the Chair of the Constitutional and Legislative Affairs Committee to the Cabinet Secretary for Energy, Planning and Rural Affairs – UK Agricultural Bill

(Pages 32 – 34)

Attached Documents:

Letter from the Chair of the Constitutional and Legislative Affairs Committee

4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for item 5

5 Discussion of oral evidence session

(12.30 – 12.40)

Document is Restricted

Cabinet Secretary for Energy, Planning and Rural Affairs

Climate Change, Environment and Rural Affairs Committee, 4 October 2018

Introduction

1. This paper is submitted ahead of my appearance before the Committee on 4 October. I set out below updates on several of the main areas of activity within my portfolio.

Brexit

Engagement

2. Regular quadrilateral meetings continue to take place with the UK Government, Scottish Government and Northern Ireland. The latest meeting took place on 17 September. In addition to the usual items on key issues such as operational readiness, subordinate legislation, common frameworks and funding, meetings provide an opportunity for updates on the Agriculture and Fisheries Bills.
3. Roundtable meetings continue to provide a valuable opportunity to listen to the needs of stakeholders arising from Brexit. This helps inform our discussions with the Secretary of State for Environment, Farming and Rural Affairs at the regular Quadrilateral meetings.

Negotiations

4. Negotiations are underway between the EU and the UK on the Withdrawal Agreement and, in parallel, on a non-binding political declaration outlining the broad scope of the future relationship. More detailed negotiations on the future relationship will not commence until the UK has left the EU and becomes a 3rd country in April 2019.
5. Discussions about the UK position for these negotiations on the future relationship with the EU take place in a cross-UK Ministerial forum which met for the first time in May. At these meetings, Rebecca Evans AM, Minister for Housing and Regeneration, is the lead Minister for the Welsh Government. I also attended the meeting on the 17 September to articulate Wales' position on agriculture, food and fisheries products and future fishing opportunities.
6. These Ministerial meetings are informed by official level discussions under 24 different headings. Some of these, like agriculture, food and fisheries products, fall squarely in my portfolio. My officials have already participated in discussions with Whitehall and Devolved Administration counterparts to discuss areas such as fisheries, energy, agricultural, food and fisheries products, sanitary and phytosanitary measures. We also have a strong interest, and will play an active

role in, other cross-cutting discussions including customs, goods, mobility, horizontal measures (regulation) and transport.

Frameworks

7. My officials and I continue to participate in discussions with the UK Government and Devolved Administrations on the development of common frameworks. This includes raising the issues highlighted by the Committee in its recent report.
8. The Welsh Government was fully involved in the first tranche of detailed UK-wide discussions on common frameworks. A second stage of discussions has been proposed covering the 24 potential legislative framework areas that were set out under the recent Inter-governmental Agreement. The discussions will need to build on the initial series of meetings in order to explore further where frameworks may be needed in specific areas.
9. The UK Agriculture Bill is the first Bill to provide the legislative elements of a UK common framework. This is one aspect in establishing an overall UK framework for agricultural support and we will continue to work with the UK Government and the Devolved Administrations on the non-legislative, intergovernmental components.

Agriculture Bill

10. I have asked the UK Government to include powers for Welsh Ministers in an Agriculture Bill which was introduced to the UK Parliament on 12 September. The Bill provides a legal basis for future support to farmers after Brexit, as we transition away from the Common Agricultural Policy. The powers being taken for Welsh Ministers are intended to be transitional until our own primary legislation can be brought forward, to design a 'Made in Wales' system which works for Welsh agriculture, rural industries and our communities.
11. The Welsh provisions in the Agriculture Bill broadly mirror those proposed by the UK Government for England. These include:
 - New financial powers for future schemes
 - Collection and sharing of data
 - Powers to intervene in exceptional market condition
 - Setting of marketing standards
 - Modification of retained EU law relating to the financing, management and monitoring of payments to farmers, including the CAP Basic Payment Scheme
12. There are a small number of additional powers being taken in Wales. In addition to a small number of technical differences, our powers also include an emphasis on supporting rural communities and businesses involved in supply chains.

13. In general, these are enabling powers which provide for Welsh Ministers to bring forward Wales-specific regulations to the Welsh Assembly for scrutiny. Regulations will not be brought forward until the policy development process has concluded. In “Brexit and our Land” we committed to bring forward a white paper in spring 2019.
14. The Intergovernmental Agreement on the European Union (Withdrawal) Bill and the Establishment of Common Frameworks sets out how the UK Government and Devolved Administrations will work together to create a fully functioning statute book across the UK when we exit the EU.
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15. The introduction of the Agriculture Bill is the first test of the principles in the Agreement of collaboration, cooperation and respect for devolution. The joint statement between the UK and Welsh Government on agriculture support which was published alongside the Bill demonstrates the considerable engagement and collaboration that is taking place to establish a UK common framework for agriculture support. The statement makes clear the majority of this framework will be managed through non-legislative, intergovernmental coordination. As a result, Wales will not be constrained in its design of new schemes and will be able to implement what is best for Wales.
16. While the Welsh Government is generally supportive of the Bill as drafted, there are two outstanding issues which have not been resolved to our satisfaction relating to the World Trade Organisation (WTO) Agreement on Agriculture and the Red Meat Levy. Further work to resolve our outstanding concerns will continue during the Bill’s passage through Parliament.

Environment principles and Environmental oversight body

17. I have given a commitment to close the environmental governance gap caused by leaving the EU at the first proper legislative opportunity. In the autumn, I will publish my Environmental Principles and Governance consultation and continue further engagement with stakeholders on this matter.
18. In the meantime my officials and I continue to participate in discussions with the UK Government to gain a better understanding of its proposals, although these have been developed for the gaps in England, which are not the same as those in Wales. We will continue to engage with Defra and the other devolved administrations to discuss whether a UK-wide response is required and, if so, how that may be constituted.
19. I can assure the Committee, I am committed to addressing these gaps and will consider all potential options to address them, which will respect the devolution settlement and compliment our progressive legislation for sustainable development and our natural resources.
20. I also commit to continuing to apply the core EU environmental principles post exiting the EU until legislation is in place. In addition, our principles in both the

Well-being of Future Generations (Wales) and Environment (Wales) Acts will continue to apply.

UK Government's Technical Notes on Brexit

21. The UK Government has started to issue a number of Technical Notices designed to inform citizens and businesses of the outcome of no deal scenario and the preparation they need to consider for such an outcome.
22. The first batch of Technical Notices were published on the 23 August and consisted of 25 Technical Notices of which 6 relate to my portfolio:
 - Payments to Farmers
 - Funding for Rural Development Programme
 - Genetically Modified Organisms (GMO)
 - Organic Food Production and labelling
 - Civil Nuclear (Euratom)
 - Government's Guarantee for EU - funded programmes
23. The Organic Food Production and labelling Technical Notice advised the organic industry on the expected consequences of leaving the EU without a deal, covering:
 - Organic logos
 - Export
 - Organic control bodies (OVBs)
24. The second batch of Technical Notices is scheduled to be published on 13 September. Currently, a total of 31 Technical Notices are being considered, however, this number could increase or decrease subject to agreement on content by UK Government and Devolved Administrations.
25. It is evident a no deal' exit from the EU will cause significant disruption and damage to our economy, jobs, trade, services and a range of other sectors. The First Minister issued a press statement on 23 August stating a no deal would be a catastrophic for Wales and must be avoided at all costs.

EU Exit Correcting Legislation

26. We are working with the UK Government and the other devolved administrations to ensure there is a functioning statute book on exit.
27. There is a substantial volume of EU derived legislation applying to my portfolio. Whilst the UK Government's Withdrawal Act will convert and save this legislation into UK law, a large number of amendments are needed to enable the legislation to function on exit day.
28. Currently, we are looking at correcting over 900 pieces of legislation, which will be addressed either in UK correcting legislation or in Welsh legislation. We

estimate we will be correcting over 100 pieces of Welsh legislation in approximately 25 Welsh pieces of EU Exit SIs.

Brexit and our land Consultation

29. Our consultation proposes two broad and flexible schemes:

- Economic Resilience is designed to increase productivity at a farmer level by investing in efficiency, diversification, skills and training. This will enable producers to cut costs where possible and also to adapt to new market opportunities. Also included are proposals to increase efficiency and resilience throughout the supply chain through activities such as expanding / diversifying processing capacity. As well as the proposals to boost resilience at a farm level, the scheme also proposes industry level support in the form of new insurance measures to address volatility risks.
- The Public Goods Scheme has been proposed to create a meaningful new income stream for farmers to produce those environmental services for which there is no conventional market support. Many farmers will be able to access both schemes, but the Public Goods scheme becomes even more important for those individual farm businesses that cannot compete on sustainable food production once the market has been disrupted by Brexit.

30. The consultation closes on 30 October. We are receiving responses at an increasing rate but it is too early to offer an analysis of the responses received so far. We are holding nine open meetings during September and October to encourage open discussion and seek as wide a range of opinions and responses as possible. In addition, farming unions are undertaking membership consultation meetings which will help to increase awareness and boost the response rates

31. Last month, the Farmers Union of Wales (FUW) launched a postcard campaign urging their membership to reject our proposals outright. The campaign stated the Welsh Government proposals were to replace income support (ie the Basic Payment Scheme) with a public goods scheme. The Economic Resilience Scheme was omitted from the information and as such we felt the FUW's campaign was misleading its members. The Economic Resilience Scheme is our main proposal for boosting the productivity of food producers in Wales. As well as omitting Economic Resilience from the postcards, no alternative proposals were offered.

32. I have confirmed repeatedly that this is a genuine consultation and the Welsh Government is seeking views and ideas from across the industry. A campaign that rejects proposals and does not offer any further ideas stifles the consultation and does not allow any of us to progress.

33. I subsequently wrote an open letter and associated factsheet to 16,000 farm businesses in Wales to clarify a number of issues that were being misunderstood or misrepresented within the industry.

Marine and Fisheries

34. Leaving the EU presents the first opportunity for a fisheries policy to be set in Wales with the best interest of Welsh fishermen and coastal communities at its heart.
35. Fisheries Management is an area which is heavily regulated by EU legislation. It is currently managed through the Common Fisheries Policy which is a set of rules for managing European Fishing fleets and for conserving fish stocks. It is designed to manage a common resource and provides equal access to EU waters and fishing grounds and the opportunity for fishing fleets to compete fairly.
36. In Wales, for historic reasons, the fleet is primarily (approx. 95%) small, under 10m vessels. The fishing industry is reliant on non quota shellfish species, the vast majority of which (90%) is exported to the EU or other countries via EU trade deals. The Evidence and Scenarios Roundtable Sub-Working Group, and the Welsh Centre for Public Policy, have clearly highlighted the importance of ongoing barrier free market access. As mentioned earlier in the paper, the First Minister has recently announced funding to help the fisheries and aquaculture sectors prepare for EU exit.
37. I set out detail during the Government Debate on Brexit and the Fishing Industry on 3 July.
38. As stated in my evidence paper of July, we will need to introduce a Welsh Fisheries Bill following exit from the EU to replace legacy European legislation, most of which will be saved by minimal amendments which make its 'operable' rather than optimal, when any implementation period ends. In particular we will need to take action in relation to the setting of fishing opportunities in Wales, control and enforcement and science and evidence.
39. We stand ready to work with Defra on their proposals for English fisheries and to ensure any proposals do not adversely impact on devolved priorities.

Compulsory catch and release byelaws for Salmon and Sea Trout

40. Proposals made by Natural Resources Wales (NRW) to introduce compulsory catch and release byelaws for Salmon and Sea Trout, on both rod / line and net fishing, received significant objections from both anglers and netmen. Therefore, I made the decision to call for a local inquiry under paragraph 2(1) of schedule 26 of the Water Resource Act 1991, to provide independent scrutiny and advice on the proposed byelaws. The Planning Inspectorate has been notified of the decision and will be appointing an inspector to lead on the process, with the aim of holding the inquiry in late 2018.
41. A letter has been issued by the Planning Inspectorate to all objectors to inform them of the decision to go to a local inquiry and further correspondence will follow once confirmed dates and arrangements have been finalised. I wrote to all AMs to inform them of the decision to opt for a local enquiry.

Agricultural pollution incidents

42. With regard to cross sector working, my Marine and Fisheries officials are participating in the Wales Land Management Forum to look at agricultural pollution incidents. They are liaising closely with agricultural colleagues within my Department to ensure the significant impact illegal slurry disposal has on fish stocks is alleviated. We are participating in a task and finish group, established by NRW, to solve the issue of protected bird species (mainly goosanders and cormorants) predated an endangered protected fish species (salmon and sea trout).
43. The group hopes to conclude in Spring 2019 with recommendations to the NRW Board. My officials are liaising with DEFRA, NRW and North Atlantic Salmon Conservation Organisation to ensure promotion of the 2019 International Year of the Salmon takes place in Wales. In addition we are watching with interest the work of Visit Wales to meet with stakeholders to discuss how best to promote river and coarse angling in Wales. River angling contributes significantly in economic value to the economy of Wales.

Food and Drink in Wales

44. The current Food and Drink Action Plan for Wales is serving the industry well and is widely recognised as a success, providing clear focus and energising activity. We continue to have considerable success. In 2014 we set a headline target to grow the turnover value of the food and farming priority sector to £7 billion by 2020, a 30% increase. This was seen rightly as challenging but by 2015 we had grown to £6.1 billion, all from a starting point of £5 billion, and by the end of 2017 we hit £6.5 billion.
45. The food and drink industry has had a lot of success in growing exports in the last year. Provisional figures for Welsh food and drink exports were worth £527 million in 2017 and indicate a healthy 21% growth in value from the previous year representing real growth in volume and value.
46. The Food & Drink Wales Industry Board and Welsh Government continue to work closely and successfully with industry. Members of the Board have supported the promotion of Welsh food and drink to international buyers and from across the UK. My officials are organising our signatory celebration of Welsh food and drink at the Taste Wales / Blas Cymru in March 2019.
47. We have had considerable success in growing the perception and reputation of Welsh food and drink. There were 153 Great Taste winners in 2018, including twelve 3* Awards, up from five in 2017. There are now 15 registered EU protected food name products originating from Wales, with two more applications in the pipeline. Welsh Government continues to support investment in food and drink businesses in Wales through the Food Business Investment Scheme and the Rural Business Investment Scheme. Support is provided for micro, small and

medium sized food and drink companies, which are at the heart of innovation and growth of the industry now and in the future.

48. On 18 July I announced my intention to develop a successor to the current Food & Drink Action Plan. I am pleased this will be prepared in collaboration with the Food & drink Wales Industry Board. The successor Plan and Strategy will build on the success of the current Action Plan to provide an ambitious framework for future growth.
49. My officials are engaging with businesses and stakeholders to scope what the successor plan and strategy should include and we have heard clear support for the identification of food as a Foundation Sector within the Welsh Government's Economic Action Plan. A number of broad themes have emerged during our engagement, such as continual support for business growth and supply chain development, the promotion of Wales as a Food Nation and further developing how the food industry can benefit the people of Wales and wider society by contributing to wider agendas such as decarbonisation, waste reduction, promotion of fair work and making quality produce.
50. Both consumers and businesses have identified the importance of the 'value of Welshness' in their products, and there are opportunities to promote the quality food offer in Wales as an intrinsic part of tourism development, improving the Welsh food offer at visitor attractions and for greater penetration into the food service sector. In parallel we are engaged in a major programme of work to define the sustainable brand values that characterise the production of food and drink in Wales which could ultimately provide us with a competitive advantage in markets.
51. Brexit is a significant challenge because the food and drink industry supply chain is based on international trade. People do not often consider where their food and drink comes from but food products made in Wales may contain imported ingredients and much of the manufacturing machinery is imported.
52. I have a sector readiness programme underway which includes actions supplementing the food and drink action plan. We have every intention of exporting more and our initiatives which have already been established such as the Fit for Market programme will continue to support this.
53. The Committee may wish to note that the National Procurement Service will publish up to date information on the amount of contracts awarded to Welsh food and drink companies in its October newsletter. It is the intention of the National Procurement Service to make this information routinely available in the future.

Energy

54. The Environment (Wales) Act 2016 sets a decarbonisation framework for Wales with a minimum of 80% reduction by 2050 and a supporting carbon budgeting framework. 38% of Wales' emissions came from the energy supply sector in 2015. Since 2010, electricity generation from renewable sources has trebled. In

2016 renewables generated an amount equivalent to 43% of the electricity consumed in Wales.

55. The transition to a distributed energy system is an opportunity to drive more locally owned developments and retain more benefits in Wales. Alongside the ambitious 70% target for renewable electricity, we set a target for a gigawatt of locally owned electricity by 2030, and an expectation for all new developments to have an element of local ownership from 2020. We recently published a call for evidence on the topic and will shortly be publishing our response.
56. To meet the 2030 targets and our Decarbonisation goals we need transformational change. This needs to be developed and owned at the local or regional level to be acceptable and effective. We will need local and regional approaches to energy planning alongside energy input to national infrastructure planning. The recent work by the Institute of Welsh Affairs in the Swansea Bay City Region shows the scale of ambition possible. We are working with local government to develop an approach to support local and national planning.
57. Following the UK Government's announcement in relation to not financially supporting Swansea Bay Tidal lagoon the Cabinet Secretary for Economy and Transport in his statement announced a marine energy summit which will take place in Swansea during November. The summit will consider the marine community holistically as we need to ensure we strengthen the links between our marine users to establish how they can support each other.
58. The UK Government is consulting on whether to widen the scope of eligibility for energy intensive industries for exemption from a proportion of the indirect costs of renewable electricity support schemes – Contracts for Difference, Renewables Obligation and if introduced, small-scale Feed-In Tariffs.
59. The consultation seeks to consider addressing concerns of sector distortions where some businesses might fall below the current eligibility threshold for relief. It considers whether the current 'business level test' threshold of 20% electricity intensity should be lowered to address the distortions. Sectors which are eligible for exemption are set out in Annex 3 of the EU Commission's Energy and Environmental Aid Guidelines. They are typically heavy manufacturing, electro industries, and food companies.
60. In all options set out in the consultation the UK Government maintains the principle of 'the market pays'. This means, whilst some businesses will benefit from an exemption, the additional costs will be picked up by non-qualifying businesses. To maintain competitiveness for Welsh businesses, including the food industry, the UK government should be considering a range of funding options rather than just considering requiring other consumers to pay the costs involved with exemption.

Severe Weather

61. The summer months have seen a period of exceptionally hot and dry weather on the back of prolonged winter and cold and wet spring. The recent change in weather has resulted in an improved situation in terms of water availability, however, I acknowledge the prolonged dry period's impact on fodder availability for this coming winter is likely to be significant for some farmers.
62. With this in mind, I put in place a number of derogations in our Glastir scheme to support farmers to access grazing, forage and water which they may not have had access to normally. I have also decided to make available a new loan facility to farm businesses later this year. I expect approximately 90% of farm businesses in Wales will receive their Basic Payment Scheme (BPS) payments on 1 December with the loan facility to be utilised for the remaining 10% of farm businesses where the BPS claims are yet to be validated and unable to be paid.
63. I am acutely aware of the difficulties faced by farmers caused by the extreme weather of the last year and its subsequent impact on farming families. For this reason, I have asked my officials to work closely with the agricultural charities to decide how best we can support their work. In order to help address immediate financial difficulties, I will be making a donation of £500,000 to help provide short-term support to those families in Wales who are least able to meet living costs.
64. I am committed to monitor the situation and my officials continue to meet with key industry stakeholders on a regular basis to ensure we are keeping abreast of the position on the ground.

Natural Resources Wales

65. Clare Pillman was appointed as NRW's Chief Executive earlier this year. Claire is implementing a programme of action which includes an independent review on key business areas, governance arrangements and the underlying culture and behaviour which have influenced these. I have received a clear commitment that she is fully committed to learning lessons and making sure NRW makes the necessary improvements to do the right things in the right way.
66. Following the resignation of the Chair, I am in the process of appointing an interim Chair. A recruitment scheme for a new Chair is planned at the beginning of next year. In the interim Dr Madeleine Havard, NRW's Deputy Chair, is stepping up to Acting Chair. In addition, it is the intention to recruit five new Board members to commence their roles on 1 November.
67. As regards the Biomass No 2 UK Ltd biomass development in Barry, following a request by a third party for a screening direction, officials are considering whether an Environmental Impact Assessment (EIA) is required for the planning application currently before Vale of Glamorgan Council. I am unable to comment on this specific case to avoid prejudice to the decision but I anticipate a decision being made very soon.

68. This case has raised complex issues about the need for EIA to accompany applications to amend conditions. This took some time to work through. However, this time and work will result in clearer guidance on EIA procedures which will benefit all those working with the planning system. It is essential to ensure the decision complies with the law so it is fair to the developer but importantly ensures the environment is properly protected. My officials met members of the Docks Incinerator Action Group to listen to their views and these will be taken into account when a decision is made.
69. In July NRW issued the marine licence which licenced the disposal of arisings from capital dredging to the Cardiff Grounds disposal site. The marine licence is to deposit dredged material from the sea bed at Bridgewater Bay in the Bristol Channel, into the Cardiff Grounds Disposal Site. This is an established disposal site for marine dredged materials off the coast of south Wales. The source of the sediment is from the construction site of the Hinkley Point C power station off the Somerset coast in England.
70. The material is being dredged from the Severn Estuary, which is designated as a Special Area of Conservation (SAC). From a conservation point of view, it is preferable that material dredged in the estuary remains in the SAC as it supports wildlife and habitats. Our habitats do not have hard borders and material in the estuary will mix between the English and Welsh waters. Keeping the material in the SAC is subject to the suitability of the material, which has been demonstrated though testing. NRW advises the licence holder has received necessary approval that the material is safe and suitable for disposal at sea. All additional conditions have been discharged and the deposit of dredged material commenced on 10 September 2018.
71. At the time of drafting this paper a possible legal challenge was scheduled for 17 September at Cardiff Civil Justice Centre where campaigners are seeking an injunction to stop the deposit of dredged material.

Bovine TB

72. We are now eleven months into our refreshed TB Eradication Programme, launched in October last year. We want to ensure we have the most meaningful disease statistics in order to provide the most complete disease picture before reporting on progress. As such, I intend to make a statement in April 2019, when we have a complete calendar year picture of the disease, covering January-December 2018. This will be consistent with the publication of the national disease statistics and will coincide with the publication of the Quarter 4 2018 TB Dashboard.
73. It is important we allow sufficient time for the measures to take effect before we draw any meaningful conclusions about the success of any single policy, although each policy is subject to ongoing review and I have recently approved the implementation of additional measures in the Intermediate TB Area North to address a spike in new TB incidence.

74. A report on the delivery of the badger intervention operations undertaken in 2017 was published on 13 July 2018. I am aware that people have been stating the cost per badger. This is a complicated operation and it is simplistic to simply divide the cost by the number of badgers euthanised. The ten longest running TB breakdowns farms have been paid over £11 million in compensation since 2009. This sum does not include the costs of skin and gamma testing or breakdown management. I have also recently agreed to provide financial support to the Gower Badger Vaccination Group for the vaccination phase of the Gower Wildlife Project. This is an industry led project and is a shining example of collaboration and partnership.

75. In terms of the disease statistics, the latest published data covers the twelve months to May 2018, due to the two to three month time lag in publication. These figures show a 4% increase in new TB herd incidents on the previous twelve month period. It should be noted that the trend in new TB herd incidents is often volatile. Short term changes should be interpreted with caution and in the context of long term trends. I am able to report the longer term trend in new TB incidents is downwards and, the latest statistics show since 2009 there has been a 33% decrease in new herd incidents.

76. We continue to observe other eradication programmes globally and keep informed of scientific developments to ensure we are delivering the most effective targeted programme we can.

Animal Welfare

77. Lucy's Law is a campaign to ban third party sales of puppies. The associated petition has gained over 100,000 signatures and was debated in Parliament on 21 May. The campaigners claim regulating commercial third party sales is ineffective to prevent harm and a ban is therefore necessary.

78. The Animal Welfare (Licensing of Activities Involving Animals) Regulations 2018 will apply in England only and are intended to come into force in October 2018. I intend to build on the improvements made since the Animal Welfare (Breeding of Dogs) (Wales) Regulations 2014 were introduced and my officials are currently looking at the options. In addition, I continue to endorse the work of the Pet Advertising Advisory Council covering issues such as the responsible advertising and sourcing of all pets, including kittens.

79. Last year I launched a public consultation on the introduction of a licensing or registration scheme for Mobile Animal Exhibits (MAEs). I also asked for views on banning the use of wild animals in circuses. The Welsh public and third sector organisations have overwhelmingly lobbied for this practise to be banned. Many of the calls for a ban focus on the perceived animal welfare issues, and there is a strong body of opinion that the welfare needs of wild animals in travelling circuses cannot be met. However, there are wider ethical considerations that go beyond the question of whether the welfare of the animals is compromised.

80. It is increasingly difficult to justify keeping wild animals in travelling circuses and requiring them to perform unnatural tricks. In February I announced I was exploring opportunities to bring forward legislation to ban the use of wild animals in circuses and this was included in the First Minister's July announcement of the Bills the Welsh Government will bring before the Assembly over the next 12 months. I will soon launch a public consultation to seek views on draft legislative proposals.

81. Work on developing a licensing scheme for MAEs is underway. I intend to introduce the licensing scheme in parallel with a ban on wild animals in travelling circuses so that all animals used in MAEs, including domestic animals, are kept at a standard that meets the requirements of the Animal Welfare Act 2006. A separate consultation on that scheme will take place in due course.

Lesley Griffiths AM

Cabinet Secretary for Energy, Planning and Rural Affairs

September 2018

Lesley Griffiths AM
Cabinet Secretary for Energy, Planning and Rural
Affairs

24 September 2018

Dear Lesley

UK Agriculture Bill

At last week's meeting of the Constitutional and Legislative Affairs Committee, members considered your written statement of 12 September 2018 regarding the Introduction of the UK Agriculture Bill. Members also discussed the accompanying joint statement by the UK Government and the Welsh Government regarding the Agricultural Framework Progress Update of September 2018.

We have noted that, through the UK Bill, Welsh Ministers will be provided with substantial delegated powers in a number of significant areas. These areas include new financial powers for future agricultural schemes, the setting of marketing standards, supporting rural communities, and the modification of retained EU law relating to the CAP Basic Payment Scheme.

We have also noted that the UK Bill will give Welsh Ministers broad powers to give financial assistance to the agriculture industry in Wales without the need for primary legislation that may be fully scrutinised by the National Assembly. In highlighting this point, we acknowledge that the Assembly will have scope, albeit limited, to consider the UK Agriculture Bill as part of the legislative consent process.

While a number of these powers will mean that subordinate legislation made by Welsh Ministers under the UK Agriculture Bill will be subject to the affirmative procedure in the National Assembly, we have noted that, as drafted, the UK Bill will enable Welsh Ministers to bring forward subordinate legislation using the



negative procedure in a number of key areas. These include the modification of legislation that governs the basic payment scheme, and changing the EU Regulation on the financing, management and monitoring of the common agricultural policy. On this point, we would be grateful for your reasoning as to why you have asked the UK Government to include such powers in the Bill.

We further noted that it is not your intention to bring forward regulations (subject to the UK Bill being enacted) until the Welsh Government's policy development process has concluded. In your statement, you have reiterated the commitment in "Brexit and our Land" to bring forward a white paper in spring 2019. As the Committee responsible for scrutinising delegated legislation in the National Assembly, I would be grateful if you would keep us informed of the timetables for bringing forward these regulations.

Both your written statement and the Joint Statement state that the Welsh Government and the UK Government are of the view that the majority of the future agricultural framework will be managed through non-legislative, intergovernmental working. We would be grateful if you could elaborate on why this is the case and provide details of the minority of areas which you believe will require legislative under-pinning.

You may be aware that this Committee is in the process of finalising a written agreement with the Welsh Government (led by the Cabinet Secretary for Finance) that will represent the agreed position of the National Assembly for Wales and the Welsh Government on the information that the Welsh Government will provide to the National Assembly with regard to its participation in inter-governmental meetings, concordats, agreements and memorandums of understanding. Therefore we would also be grateful to receive information about any inter-governmental deals currently being discussed in respect of agriculture.

Finally, we note that you are continuing to work with the UK Government to resolve your outstanding concerns (namely provisions relating to the World Trade Organisation (WTO) Agreement on Agriculture and the Red Meat Levy) before bringing forward advice to the Assembly on legislative consent. We look forward to considering any Legislative Consent Memorandum for this UK Bill when such a Memorandum is laid before the Assembly.

This letter is copied to the Chair of the Climate Change, Environment and Rural Affairs Committee.



Yours sincerely,

A handwritten signature in black ink that reads "Mick Antoniw". The signature is written in a cursive style with a horizontal line underneath the name.

Mick Antoniw

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.
We welcome correspondence in Welsh or English.

