

Cynulliad Cenedlaethol Cymru | National Assembly for Wales
Y Pwyllgor Materion Allanol a Deddfwriaeth Ychwanegol | External Affairs and
Additional Legislation Committee
Gwydnwch a pharodrwydd: ymateb gweinyddol ac ariannol Llywodraeth Cymru i
Brexit| Resilience and preparedness: the Welsh Government's administrative and
financial response to Brexit
EAAL(5) RPB09
Ymateb gan Ymddiriedolaeth Genedlaethol | Evidence from The National Trust

Introduction

The National Trust is Europe's largest conservation charity with 5 million members and is the UK's largest private landowner and farmer with some 250,000 hectares of land and 1,800 agricultural tenancies.

In Wales we are the guardians of 18 of the finest castles, houses, gardens and heritage sites and ten of the 14 mountains that reach 3000ft or more in Wales. We care for 157 miles of Wales's coastal land as part 46,000 hectares of land overall that we manage. We look after one-eighth of the Sites of Special Scientific Interest in Wales and 30,000 hectares of our land is priority habitat managed primarily for nature. Some 450 full time equivalent staff posts, 2,200 regular volunteers and 240 farmer tenants look after these special places and help more than 1.3 million visitors enjoy our coast, countryside and built portfolio each year. In 2017-18 our conservation expenditure in Wales will total £10.5m.

We are playing our part in securing the sustainable use of natural resources and have introduced pioneering and innovative renewable energy and efficiency measures to reduce our use of fossil fuel energy in Wales by 48%.

Our vision is for land management that has a low environmental impact that protects and safeguards natural resources – nurturing and harvesting them, not mining or wasting them – helping to inspire the nation to connect with its natural environment as a whole.

Under our new strategy, we are committed to developing innovative ways of managing land on a scale which are good for farmers, the economy and the environment – the overall goal being to secure the recovery of nature. Brexit poses both a challenge to an opportunity for that vision.

As a significant land owner we work with Visit Wales and Wales Historic Environment Group (including the EU Transition Group) to help shape policies,

management and funding of the historic environment and other tourism assets to help deliver sustainable growth. In 2017 we have engaged with the Welsh Government Environment and Rural Affairs Roundtable Land Use working group to assist the Cabinet Secretary and Welsh Government officials with expertise and leadership to:

- Help shape Welsh Government's future land use strategy for rural Wales
- Identify a range of policy opportunities to inform delivery of the land use strategy

1. What are the main issues facing your sector as a result of the UK's withdrawal from the European Union, and how should the Welsh Government respond to these?

We believe that the UK's withdrawal from the European Union presents an opportunity to establish an ambitious and environmentally responsible land management policy. We need to create a situation in which sustainable and forward-looking land based businesses can thrive and deliver what the nation and the public want, within a framework of protection and restoration of all aspects of our precious natural and historic environment.

Another opportunity which withdrawal presents is to develop bespoke approaches to environmentally responsible heritage based tourism that not only grow jobs and skills, especially in rural areas but also can deliver health and well-being benefits. Our upland communities in particular face challenges in maintaining heritage assets and maximising economic and social gains through their sympathetic use and reuse. In our market towns and more urban areas, local authorities lack the resources to maintain heritage parks and other assets.

A third area of opportunity is in the area of renewable energy and energy efficiency. In Wales we have with the benefit of EU funding been at the forefront of renewable energy/energy efficiency development within heritage environments. A good example is the tidal heat exchanger at Plas Newydd, Anglesey. Withdrawal provides the opportunity to simplify and overcome obstacles preventing the wider uptake of both tried and tested and innovative solutions to reduce CO2 and other greenhouse gases utilising heritage assets.

We face a number of immediate issues as a result of the UK's withdrawal from the European Union

(i) Risks and potential opportunities to farm businesses, and impact on National Trust rental income –

- Many National Trust tenants in Wales farm upland and marginal land for livestock production. We see risks to those farming communities, most acutely within the sheep sector, and the very people who act as stewards for the majority of our countryside.
- Risk of reduction in farming employment and amalgamation of farm holdings with associated risk of depopulation.
- Lack of certainty around the shape and timescale for post-Brexit agricultural policy and support, impacting on the work needed to plan and build the long-term resilience of the natural assets which underpin farm businesses
- Damage to value of Welsh Lamb and Beef brand arising from any decline in environmental and animal welfare standards

Potential for

- Better opportunities for younger farmers and new entrants to access land
- Growth of resilient farm businesses underpinned by regeneration of natural resources
- Better local supply chains

In response to these issues, we believe Welsh Government should

- Continue to seek assistance, expertise and leadership from external stakeholders
- Continue to invest public funds to avoid shocks and help to secure a long-term future for farming by protecting the land and nature on which it depends, and safeguarding the countryside's beauty and heritage which draws in people to visit and enjoy it.
- Increase investment in knowledge transfer to equip farmers with the skills required to assess and manage their farm business risks and develop new farm business opportunities
- Continue to support the development of new land management schemes that regenerate natural resources

- Understand the Brexit risk profile (social, economic, environmental and cultural well-being) of a given area and model how this may be mitigated by new land use policy
- Include transition assistance e.g. some “pump prime” funding to help farmers reach a baseline or prepare for new environmental markets, loans to help introduce new technology and consider new products for different markets
- Include a combination of different mechanisms (e.g. contract-based multi-annual payments, advice, tax reliefs, capital grants and loans) and wider policy levers (e.g. regulation and codes of practice backed by institutions) to help farmers adapt to and capitalise on a new policy environment.

(ii) Environmental risks and opportunities relating to a lack of funding

- Risk of farming intensification or under-management of land, with increased risk of failure to improve condition of priority habitats and species, archaeological sites and natural resources (soils, water, carbon).
- Impacts on sustainable land management and loss of the positive steps being taken through current agri-environment schemes.
- Reduction in revenue from the National Trust’s let-estate with knock-on impact on our capacity to deliver and support sustainable land management across all National Trust land in Wales.
- Loss of funding to reverse the decline in priority habitats and species and to address climate change adaptation and mitigation.
- Loss of funding to jointly address cross-border environmental challenges/to take advantage of opportunities with neighbouring countries.

Potential for

- Opportunity to deliver value-for-all public money in the ways sustainable land management is implemented and in the benefits it delivers to wider society.

- Enrichment of nature value of fridd habitat through increase in tree regeneration and cover

In response to these issues, we believe Welsh Government should

- Continue to develop post-Brexit strategies and economic models for farming and land management that recognise the vital and integral role played by natural resources
- Transition toward new arrangements at a pace that allows time for land managers to adapt, and for new policies to be piloted
- Start from the principle of public money for public benefit as the justification and most equitable means to achieve taxpayer value, with the majority of funding supporting the most effective and efficient approach to environmental land management
- Seek continued access to LIFE funding or develop a domestic equivalent that would enable the restoration of habitats and species; and address climate change adaptation and mitigation needs;
- Seek continued access to Horizon 2020 and to Interreg funding streams to enable Wales to continue to benefit from research and/or cross-border collaborations in areas such as climate change, renewable energy, cultural heritage, tourism and sustainable agriculture, forestry and fishing.

With RSPB and Wildlife Trusts, we will be publishing research in November 2017 on the scale of need that any funding will need to address. This will cover what will be needed to meet nature and heritage targets and based on a model of every hectare of land in the UK. Alongside other funding to help farmers to adapt and with rural development funding, we will be calling for a continuation of the overall levels of UK funding of at least £3bn per year.

(iii) Risks and potential opportunities from post-Common Agricultural Policy (CAP) place-based land management systems

- Failure to develop schemes that support sustainable use of natural resources
- Failure to incorporate previous experience and best practice
- Overly complex scheme, relevant objectives not communicated clearly to local stakeholders, impractical / highly technical monitoring
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Potential for

- Farming and land management to become more sustainable and remain productive whilst restoring nature and the resilience of ecosystems and the benefits they provide, improving the social, economic, environmental and cultural well-being of Wales.
- Landscape or catchment scale delivery of policy.
- New land management schemes based on clear, long-term outcomes
- Opportunity for new place based land management support, tailored to sites/areas, shaped by local stakeholders, focussed on results (payments for outcomes, not outputs) and with viable levels of financial support to land managers

In response to these issues, we believe Welsh Government should

- Bring forward an integrated land use policy and support system to deliver sustainable use and management of natural resources.
- Continue to encourage or allow for collaboration – farmer to farmer, farmer to agency
- Incorporate learnings from Rural Development Programme and stakeholder input into new place based land management systems and support schemes
- Retain responsibility for Wales’ agricultural and environmental policy and operate this within a framework of common principles and standards across all four nations, agreed jointly by all four countries to avoid a race to the bottom and to address cross-border issues.
- View the natural and historic environment with parity, approaching public support on a whole farm and no detriment basis i.e. not damaging an environmental asset whilst being paid to maintain another, achieving one environmental objective not prejudicing another.

- Support the development of new environmental markets which would pay for products that go beyond but complement top quality food production, helping secure additional private funding for farming and land management. There is opportunity to develop new income streams from market based approaches. For instance, work by the National Trust and Green Alliance on the potential for “natural infrastructure schemes” shows how this concept can be put into practice. Using a hypothetical scheme in NW England, it would enable upland farmers to earn new income and make a profit (estimated profit above costs of £15k per year for 15 years) by entering into private water management contracts with businesses and organisations in areas susceptible to flooding.
- Commit to long-term thinking and engage farmers in the journey: move to a system which buys results and sets a destination, not just activity. As part of this, we would like to see farmers, land managers, investors and planners given a clear end date for any transition.

(iv) Risks from post-Brexit CAP and other regulatory changes

- Watering down of environmental and animal welfare regulation leading to decline in standards
- Continuation of prescriptive approach to achieving regulatory goals eg nitrate pollution – and failure to develop outcome based models
- Loss of State Aid exemptions for heritage and cultural projects that can aid economic growth

Opportunity to

- Test new approaches that go beyond what might be possible under current EU frameworks. Welsh Government is starting to explore this through the Sustainable Management Scheme and the scoping consultation ‘Taking Forward Wales’ Sustainable Management of Natural Resources’ (2017).
- Facilitate new approaches to funding heritage based tourism development, building on the TISS scheme

In response to these issues, we believe Welsh Government should

- Invest in Natural Resources Wales to ensure that they can effectively undertake regulatory duties relating to environmental protection and can take on additional enforcement functions from the EU.
 - Work with UK government to ensure that all existing EU environmental law related laws required to be coherent with environmental law (including preambles, principles and jurisprudence) are converted into domestic law.
 - Work with UK government to ensure that domestic laws made through secondary legislation to implement EU obligations are saved.
 - New domestic governance arrangements will be required to ensure equivalent provision of the regulatory, monitoring, oversight, accountability, enforcement and other functions currently provided by EU institutions.
 - Work with the UK government to ensure that state aid exemptions are retained for heritage, culture, sport and recreation projects.
 - Future regulations should be clearly related to and underpin outcomes, with 100% of any public payment being conditional on meeting higher but more manageable baseline standards for wildlife, soil and water and so on.
- (v) Risks from reduced funding for heritage based tourism and economic growth
- Failure to maximise the employment, social, health and well-being benefits arising from environmentally responsible heritage based tourism development

Opportunity to

- Maximise domestic and international tourism derived economic growth through developing environmentally responsible heritage

based tourism especially in areas of deprivation. Past examples include Aberdulais Falls in Neath Port Talbot;

- Maximise the ability of the natural and built heritage to reduce CO2 and other greenhouse gas emissions, to increase energy efficiency and to generate renewable energy. When implemented in areas of high deprivation this also presents the opportunity to help reduce fuel poverty of occupiers of traditional buildings.
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In response to these issues, we believe Welsh Government should

- Develop funding mechanisms free of the constraints of EU requirements that facilitate the environmentally responsible restoration and reuse of natural, cultural and built heritage assets across Wales to maximise its contribution to numerous policy objectives
- Build on and develop the TISS, Rural Development Area Wales and other existing grant schemes.

2. What advice, support, or assistance have you received from the Welsh Government to date in preparation for Brexit?

- Farming Connect Advisory Service – access to business efficiency and skills development programme, and the ‘Farming for the future’ roadshows
- Environment and Rural Affairs Brexit Roundtable Land Use Working Group. This has provided some helpful insights into Welsh Government thinking about post-CAP land use, and the forum has been a useful networking opportunity with good potential to stimulate collaboration between participating stakeholders.
- The National Trust’s in-hand farming business is not eligible to apply for the Welsh Government Farm Business Grant as the National Trust has a total turnover exceeding £1 million.

- Otherwise we have not received specific support or assistance from the Welsh Government to date in preparation for Brexit.

3. What financial considerations have arisen as a result of UK's withdrawal from the European Union and what should be done to prepare for these?

Please see response to question 1 regarding financial risks to the National Trust arising from risks to farm businesses and environmental funding.

4. What advice or support would you like to see from the Welsh Government that will help you and your sector to prepare for Brexit?

- Clarity around the shape and timescale for the development of post-Brexit agricultural policy and support and for allied funding streams to replace LIFE
- Specific farm business planning advice relating to trading scenarios post-Brexit
- Advice regarding maximising the socio-economic and well-being benefits of investment in heritage assets and heritage based tourism
- Increase investment in knowledge transfer to equip farmers with the skills required to assess and manage their farm business risks and develop new farm business opportunities.