

## Introduction

1. The CLA (Country Land & Business Association) is a well-established representative organisation with headquarters in London and a national office in Wales. We work closely with both the UK Government and the Welsh Government as a consultee-of-choice on issues concerning agriculture, land-use and the rural economy.

2. We devote ourselves to addressing our members' interests in rural affairs: the gamut of land based interests and also those affecting the rural economy in general. A key part of our role is consistently to engage with government and political representatives in Westminster and Cardiff. To ensure that the rural dimension is considered in policy and legislative developments

3. We represent 30,000 members in England and Wales, around 10 per cent of whom are in Wales. The needs of the rural community are often under-represented in UK politics. Our membership footprint accounts for the ownership/management of around half of the rural land in both countries. About 80 per cent of land-use in Wales is consigned to farming and rural business.

4. Leaving the European Union will have a major impact on our members' interests: bringing about fundamental change in support for agriculture, regulation, trade-deals and the international movement of labour.

## Welsh Government's Approach

5. Following the referendum result of June 2016 to leave the European Union, it was encouraging to see the pace at which Welsh Government took the initiative and set out their position with a clear vision of their desired future relationship with the European Union.

6. Securing Wales' Future (along with its daughter papers) takes into consideration a broad number of economic issues, setting out a proposition for a future relationship with Europe that could work for Wales. Unfortunately, as more and more information becomes available from the UK Government, such as the recent announcements about Customs Union, it is increasingly difficult to see how this vision will be achieved.

7. As an organisation, we would also question the vision that it tends to focus on maintaining the boundaries of economic



development around urban connotations. We are concerned with the lack of focus on rural Wales and its rural businesses.

8. Around one-third of the Welsh population live in or around rural communities, and our exclusive CLA research in 2017 found that Welsh landowners currently invest over £1.3 billion per year into the rural economy and in the right circumstances there is significant room for growth. The needs of the rural community must be considered within the Brexit Debate.

9. While in the European Union, the Common Agriculture Policy has been the primary mechanism through which we support our land-based businesses. This has provided much needed support and investment to a highly fragile sector, but in doing so has isolated farmers from wider economic development. Might Brexit be an opportunity to look again at removing the need to separate farm businesses so much from other innovative and growing businesses?

10. As key stakeholders on land based issues, we acknowledge the personal commitment of Cabinet Secretary Lesley Griffiths in keeping stakeholders within her portfolio updated on progress. The regular Roundtable meetings have been informative and enabled stakeholders from a range of interests to come together and share knowledge, research and expertise to assist Welsh Ministers and Officials in their work on Brexit. The Roundtable, and the numerous subgroups that sit underneath this have been extensive in deliberating and developing innovative ideas for post Brexit Wales. The co-production approach advocated by the Cabinet Secretary, and the response of stakeholder across traditional divides to come together to develop a 'team Wales' response has been one of the most positive outcomes from the Brexit journey to date.

11. However, Since Secretary of State Gove was appointed to DEFRA, we have seen a transformation in pace in terms of direction and detail relating to the vision for farming and land use in England; there have been a number of key note speeches and announcements, particularly in relation to protecting the current CAP budget up until 2022 for England. While, arguably, the long awaited launch of the DEFRA 25 year plan replicated the early discussion with Stakeholders in Wales around the Environment (Wales) Act, it does show a level of progress and momentum that we are currently missing in Wales in relation to the land based sector. We are also aware that the Command Paper for the UK Government draft Agriculture Bill is imminent, it is not clear what timeline or key dates that we are expecting in Wales on similar matters.

12. It seems that Welsh Government progress has been stalled by the lack of clarity on the issue of how the European Union (Withdrawal) Bill will work.

## UK Government's Approach

13. In early 2017, Prime Minister Theresa May set out her 'Plan for Britain', including the 12 priorities that the UK government will use in negotiations. These offered some certainly which, from a business perspective, was welcomed. As time has moved on, however, it is far from clear the extent to which these statements continue to offer any comfort at all as the negotiations develop. For Welsh sheep farmers, the importance of access to the Single Market is well documented, and impact of tariff or non-tariff barriers could have a catastrophic impact on the traditional face of Welsh farming. The vagueness of commitments and the pulling apart of widely accepted and understood terms like access to / member of / customs union / agreement) makes it difficult for business to make any plans based on what we hear. Farming businesses in particular need time to prepare for change as livestock is bred a year in advance of sale at market.

14. From our discussions and engagements with civil servants in Westminster, we are concerned that there is little awareness of devolution, and even where there is some acknowledgement, little true understanding of the workings of the devolutionary settlement. In meetings, we have seen a desire to 'control' Brexit and fix issues within their understanding and their sphere of influence.

## The European Union (Withdrawal) Bill

15. The means through which EU law is 'returned' is currently central to the debate. While agriculture and farming amount to less than 1% of UK GVA in 2015, it is often highlighted as the sector which best illustrates the complexities of the process of leaving the European Union. As such, many farming stakeholders have become more intimately involved in the pros and cons of the debate.

16. The Welsh Government set out its interpretation that EU law which is devolved should return to Wales and the First Minister has been clear on this, often alongside the First Minister in Scotland. It is positive to see the first Minister showing a pragmatic approach on recognising the need for cooperation through frameworks, as set out in the comment below taken from his Written Statement dated 15 June 2017. "The Welsh Government readily accepts that, after we have departed the EU, there may be a need to develop binding UK-wide policy frameworks, in some devolved areas, in order to prevent friction within our own internal UK market."

17. The CLA holds a neutral position on the issue of how power is returned from the European Union; our concern is around the uncertainty that political squabbling can create for businesses on

the ground. However, we do consider that it is important that the needs and contributions of each part of the UK are recognised. Each country has its own distinct challenges and opportunities and must be allowed to respond to these within the overarching policy framework. A formal platform through which to do this is essential.

18. Whilst the Welsh Government has set out their vision and asks regarding the Withdrawal Bill it is becoming increasingly clear that this is not on the same footing as the UK Government.

19. The UK Government are expecting all EU legislation to become retained UK law, with devolved issues returning to the respective authorities at a later date. As the European (Withdrawal) Bill made its way through the House of Commons with little amendments, it will be interesting to see how the concern surrounding the much contested clause 11 will be resolved, and in parallel how the possible introductions of a Continuity Bills by the Welsh and Scottish Government will work alongside this. From a business perspective, the shape of the post brexit legislative regime is becoming less clear as time goes on - there is little clarity as to where the powers will lie.

20. Whilst this matter may be the subject of ongoing debate, there does seem to be common agreement that a framework is necessary to ensure some level of consistency and avoid the creation of any internal trade-barriers either directly or indirectly.

21. However, the term 'framework' has become over used and unhelpful. Over recent months CLA has been represented on the Secretary of State for Wales' Expert Implementation Group which has been considering the 64 areas of law identified by the UK Government where EU law will transect with the Welsh devolution settlement. Of these areas, it is striking how many of these affect farmers, foresters and land based businesses. The interpretation that each of these areas will require a separate solution or 'framework', either in terms of legislation; agreement or a distinct approach between Westminster and Cardiff, feels both cumbersome and simplistic at the same time.

22. The process of deciding the best outcome for each EU derived rule is enormous - What should we do with the rules regarding packaging, labelling and storing of chemicals? How best to take forward rules regarding organic certification? Does this need to be the same in England and Wales? To say that each of these is a 'framework' overlooks some of the key questions that businesses on the ground have and that are actually important to their business. Who will enforce the new rules? What will replace the EU agencies that are involved in elements of the process? What will the paperwork look like? Who will be responsible for administrating this? It is only when we move on to these practical questions will

businesses and stakeholders really start to understand how Brexit will impact their business.

23. As a stakeholder, our primary discussions on frameworks have been with the UK government - via the Secretary of State for Wales.

## Inter-Governmental Approach

24. We are concerned with the intergovernmental relationship and disparity between the UK and Welsh Government approach. Whilst the Constitutional debate that seems to be taking place is interesting, this is not what our members and rural businesses need. They need continuity and are looking to the government for a clear vision and plan for the future.

25. The Welsh Government's document, Securing Wales' Future does refer to "current intergovernmental machinery which will no longer be fit-for-purpose," and, it says, "new ways of working" will need to be forged. We would support the view that the current ways of working will require appropriate attention in order that the devolved government do have meaningful practical role post Brexit

26. Opportunities exist to improve inter-parliamentary dialogue. As things stand around Brexit dialogues, the elected bodies do not take part in each-other's consultation exercises and seldom do members of the UK Parliament and devolved Assembly give evidence in each-others' Committee Inquiries. It does seem sensible that this gap may be bridged in some way at some point.

27. Currently the Joint Ministerial Committee does not have a formal constitutional status. Its terms of reference which indicate it could play a dominant part in post-Brexit proceedings, would suggest that the performance of the body must be improved. There are opportunities for a JMC to become the ultimate arbiter in resolving disputes; providing a helpful and useful precedent when looking at agreements and frameworks as needed. In November 2017, the Water Protocol for England and Wales was formally adopted by the Cabinet Secretary and the Secretary of State for Wales. Within this, the JMC was recognised as a practical and logical way forward in discussing and resolving issues that arise in relation to the protocol that affect both sides of the border. Giving both nations an equal voice in terms of issues arising from the terms of the protocol. Might this offer a sensible precedent for other areas of debate?

## Conclusion

28. Brexit is a vastly complicated and quickly evolving subject and we understand the time constraints placed by Governments and Scrutiny Committees in keeping ahead of this fluid process. While the Committees initial views give a rounded overview of Brexit collating the work of the Welsh Government and view of numerous stakeholders, we need to be taking steps forward in clearing up the uncertainty surrounding the practicalities of Brexit, instead of focusing on the past.

29. There needs to be a proactive approach in an effort to create a future vision for Wales and the Committee must use its role to push the Government forward. We must challenge the Government to answer the key questions that could give more certainty to business and move away from the constitutional debate. There needs to be discussions on forms and procedures, including replacements for current EU bodies that will no longer be relevant. This needs to be done in a cost effective way, so that any benefit that derives from leaving the EU will not be squandered in frameworks and institutions and these have yet to begin.