



Sustainability Committee

Alun Davies AM
Deputy Minister for Agriculture, Fisheries, Food and European
Programmes
Welsh Government

25 October 2011

Dear Alun

We would like to thank you for attending the Environment and Sustainability Committee meeting on 13 October as part of our scrutiny of the Welsh Government Draft Budget Proposals 2012-13.

The Committee would like to make a number of comments for your consideration. We are also writing to the Minister for Environment and Sustainability. Both letters are being copied to the Finance Committee to inform its overarching strategic scrutiny of the Draft Budget, and they will be published on our website.

Budget priorities

We discussed with you in the evidence session how the £1.5 million reduction in your budget would affect the expenditure plans for your priority policy areas. You indicated that your budget is based on the Welsh Government's Programme for Government and therefore reflects the priorities set by that. You also indicated that you are confident that you will be able to fully meet all the commitments outlined in the Programme for Government. We remain concerned about the real impact of the reduction in the budget, especially on the delivery of the Rural Development Plan given your assertion that: "I cannot pretend that there will be no impact at all".

Bae Caerdydd
Cardiff Bay
CF99 1NA

- 1. We would urge you to ensure that sufficient funding has been allocated to the priority areas outlined in your paper to fulfil all the commitments under them.**
- 2. We strongly recommend that you make public and publicise widely, at the earliest opportunity, plans to manage any negative impacts to your priority areas which become apparent:**
 - during the current budget process; and**
 - once the relevant financial year has started.**

Marketing and Promotion of Welsh Food

We discussed with you at the evidence session the impact of the £275,000 reduction in the budget SPA for developing and marketing the Welsh food and drink sector. We welcome your establishment of a review of the sector, a sector skills panel and the indication of your intention to revise the food strategy. We remain concerned, however, about the impact of the reduction in funding for this area.

- 3. We would urge you to produce the new strategy as soon as possible so that the reduction in the budget for the current strategy does not negatively impact on the sector.**
- 4. Whilst we consider that it is important that you to ensure that sufficient funding is made available for the new strategy, we recommend that that the funding currently available is not its only driver.**

Developing, Managing and Enforcing Welsh Fisheries and Aquaculture

We discussed with you in the evidence session the impact of the reduction in real terms on the revenue and capital budget lines for developing, managing and enforcing Welsh Fisheries and Aquaculture will have on your ability to deliver your obligations with regards to fisheries legislation. We welcome your reassurance that you do not foresee that these reductions in the budget will impact upon your ability to meet the obligations of the Welsh Government under European legislation and the Marine and Coastal Access Act. However in light of the on-going reforms and changes in this policy field we remain concerned about the long-term impacts of these reductions.

5. **We would urge you to keep under careful review the budget allocated for the management and enforcement of fisheries in Wales to ensure that the Welsh Government has the capacity to meet any new obligations placed upon it.**

Sustainability Impact Assessment

We asked you during the evidence session whether a sustainability impact assessment had been completed for your budget. You have kindly supplied us with a copy of extracts from the Rural Development Plan 2007-2013 Mid Term Evaluation Report covering Sustainability. We are concerned, however, that no sustainability impact assessment has been carried out on the budget itself, especially as the main areas of reduction are to the delivery of the Rural Development Plan.

6. **We will be recommending to the Finance Committee that they urge the Minister for Finance to ensure that sustainability impact assessments are carried out for all budgets in the 2012-13 budget round and that any changes made as a result of the assessment are shown in the figures provided to the relevant committees for scrutiny.**

Equality Impact Assessment

We asked you during the evidence session whether an equality impact assessment had been completed for your budget. You have kindly supplied us with a copy of extracts from the Rural Development Plan 2007-2013 Mid Term Evaluation Report covering Sustainability. We are concerned, however, that no equality impact assessment has been carried out on the budget itself since the budget round in 2010, especially as the main areas of reduction are to the delivery of the Rural Development Plan.

7. **We will be recommending to the Finance Committee that they urge Minister for Finance to ensure that equality impact assessments are carried out for all budgets in the 2012-13 budget round and that any changes made as a result of the assessment are shown in the figures provided to the relevant committees for scrutiny.**

Further information

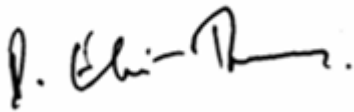
You kindly agreed to provide us with the following information:

- A copy of the sustainability impact assessment carried out by the Welsh Government on the draft budget 2012-13 and details of any changes made as a result of that;

- Further information on the young entrants scheme;
- Updates on progress on the development of a new food strategy; and
- Further information on the review of enforcement activities on marine and fisheries legislation.
- Changes to the Axis 2 budget as a result of the Rees Roberts Review.

Thank you for assisting the Committee in its work, and we look forward to receiving your response to the points raised in this letter as soon as possible.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Elis Thomas'.

Dafydd Elis Thomas
Chair of the Environment and Sustainability Committee

c.c. Jocelyn Davies AM
Chair, Finance Committee