Llywodraeth Cymru Welsh Government

James Evans AS/MS Senedd Cymru Cardiff Bay Cardiff CF99 1SN

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30 October 2023

Dear James

During Business Statement and Announcement on 10 October 2023, I offered to share the update sent to stakeholders setting out the actions we have taken to address the initial feedback we received on the Habitat Wales Scheme.

Further to my offer, a copy of the communication referred to is attached for your information, which I will be making available to all Members. In doing so, I am pleased to update we have now received over 850 applications. I would continue to encourage farmers and land managers to look at the scheme and apply ahead of the window closing on 10 November 2023.

Yours sincerely

Lesley Griffiths AS/MS Y Gweinidog Materion Gwledig a Gogledd Cymru, a'r Trefnydd Minister for Rural Affairs and North Wales, and Trefnydd

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Dear All,

Thank you for the highlighted issues, individual enquiries, and general feedback since the opening of the Habitat Wales Scheme (HWS) Expression of Interest (EoI) window.

I appreciate last week did not go as smoothly as we would have wanted and apologise for any confusion and concerns this has caused you and your members.

We have taken immediate steps to resolve the two main issues identified:

- We have issued an 'Addendum' to scheme guidance which allows farmers to request the removal of field parcels from habitat classifications under Exceptional Circumstances. This has added considerable flexibility and makes the scheme accessible to more farmers.
- 2. We have written to all Glastir contract holders whose contract contains Glastir Entry options and explained the action we'll be taking to ensure this Glastir Habitat land will be included in their HWS contract, should they be selected. Whilst we would wish to have avoided this omission from the Eol data, no farmers will lose out as a result of the action we're taking.

We did consider pausing the Eol window to resolve the HWS habitat data as a result of the issues highlighted last week, but the fix of such a large mapping data set would have taken around 3 weeks to correct and re-publish on RPW online.

You will be aware; our priority is to ensure HWS contracts can be issued by the end of the year. If we were to pause and extend the Eol window from the current 10 November closing date this would have a significant knock-on effect on our ability to meet this deadline.

Once the Eol window closes we will need to consider any request to remove land from habitat classifications and include land from the Glastir Entry options, before we complete the scoring and triage the successful Eols against the available scheme budget.

All contracts must be issued by 31 December to ensure NRW consents for the management on designated sites within a current Glastir contract are maintained in the future. These consents will expire if there is a break in contract between Glastir and HWS.

Based on current timescales we will start issuing contracts from early December, and ensure all contracts are issued by 31 December for a contract period start date of 1 January. Whilst applicants will have 30 days to accept their contract from the date of issue contract holders will still be required to meet all scheme requirements from 1 January. Once HWS contracts are issued we will monitor the situation and keep the contract acceptance deadline under review.

We are closely monitoring the number of EoIs received and as of this morning we have received 190 EoIs from individual farm businesses and 27 EoIs from commons grazing associations.

We have received individual queries regarding the eligibility of land in the habitat classification HS07 (Existing Trees, Scrub (including Streamside Corridors) and Woodland) for BPS. As you are aware, land afforested or taken out of production under an EU RDP scheme has, subject to certain conditions, including having been used to activate SPS entitlements in 2008, been eligible for BPS. This provision remains under Retained EU Law and is available for those afforesting land under the Woodland Creation Grant and Small Grants – Woodland Creation, which includes a 12-year requirement to maintain the trees and stock exclude the planting area.

Land included in HWS HS07 is not eligible for BPS as there is no stock exclusion requirement (take land out of production). As we move beyond Glastir Entry/Advanced we have been asked to consider greater flexibility with regards to how woodland and other habitats are managed. We have responded to this by introducing more flexible requirements in the HWS. Whilst we appreciate this means that some land will no longer be eligible for BPS, farmers still have an opportunity to obtain additional land or sell/lease out BPS entitlements for the 2024 scheme year.

We will respond to other individual and general scheme enquiries later in the week.

Regards

Hugh Morgan Head of Rural Payments Wales