



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Yr Is-bwyllgor Datblygu Gwledig
The Rural Development Sub-committee**

**Dydd Iau, 8 Tachwedd 2007
Thursday, 8 November 2007**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Alun Davies	Llafur (Cadeirydd yr Is-bwyllgor) Labour (Sub-committee Chair)
Mick Bates	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Alun Ffred Jones	Plaid Cymru The Party of Wales
Brynle Williams	Ceidwadwyr Cymreig Welsh Conservatives

Eraill yn bresennol
Others in attendance

Siân Andrews	Tîm Cyllid, Uned Fusnes Materion Gwledig a Threftadaeth Finance Team, Rural Affairs and Heritage Business Unit
Lorraine Barrett	Aelod Cynulliad, Llafur Assembly Member, Labour
Norma Barry	Pennaeth Is-adran, Is-adran Datblygu Bwyd a'r Farchnad Head of Division, Food and Market Development Division
Huw Brodie	Cyfarwyddwr, Adran Materion Gwledig Director, Department for Rural Affairs
Dr Christianne Glossop	Prif Swyddog Milfeddygol, Swyddfa'r Prif Swyddog Milfeddygol Chief Veterinary Officer, Office of the Chief Veterinary Officer
Elin Jones	Aelod Cynulliad, Plaid Cymru (Y Gweinidog dros Faterion Gwledig) Assembly Member, Plaid Cymru (The Minister for Rural Affairs)
Rory O'Sullivan	Pennaeth Is-adran, Is-adran Polisi Cefn Gwlad Head of Division, Countryside Policy Division

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Joanne Clinton	Dirprwy Glerc Deputy Clerk
Dr Virginia Hawkins	Clerc Clerk

Dechreuodd y cyfarfod am 10.40 a.m.
The meeting began at 10.40 a.m.

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introduction, Apologies, Substitutions and Declarations of Interest

[1] **Alun Davies:** Yr wyf yn galw'r cyfarfod i drefn. Mae gennyf rai cyhoeddiadau i'w gwneud yn gyntaf. Os bydd larwm tân, rhaid inni adael yr ystafell drwy'r allanfa dân. Dylid diffodd pob ffôn symudol a BlackBerry yn ystod y cyfarfod.

Alun Davies: I call the meeting to order. First of all, I have some announcements to make. If there is a fire alarm, we will have to exit the room through the fire exit. Every mobile phone and BlackBerry should be switched off during the meeting. The

Mae'r Cynulliad yn gweithredu drwy gyfrwng y Gymraeg a'r Saesneg, ac mae cyfieithu ar y pryd ar gael. Mae'r Saesneg ar gael ar sianel 0 os ydych am ddefnyddio'r offer er mwyn clywed y cyfarfod yn well.

Assembly operates through the media of English and Welsh, and a simultaneous translation is available. English is available on channel 0 should you wish to hear the meeting better.

[2] Hoffwn groesawu'r Gweinidog. Dyma'r tro cyntaf iddi fod yma fel Gweinidog. Y tro diwethaf y daeth i'r pwyllgor hwn, yr oedd yn aelod ohono. Fe'i croesawaf i'r pwyllgor ac fe'i llongyfarchaf ar ei phenodiad i'r Llywodraeth. Diolch iddi am gyuno i ddod ym y bore yma.

I welcome the Minister. This is the first time that she has been to this committee as Minister. The last time she attended this committee, she was a member of it. I welcome her to committee and I congratulate her on her appointment to Government. I thank her for agreeing to attend this morning.

10.41 a.m.

Yr Is-bwyllgor Datblygu Gwledig yn Craffu ar y Gyllideb The Rural Development Sub-committee's Scrutiny of the Budget

[3] **Alun Davies:** A wnaiff y Gweinidog gyflwyno'r gyllideb am ryw ddwy funud?

Alun Davies: Would the Minister please introduce the budget for some two minutes?

[4] **Y Gweinidog dros Faterion Gwledig (Elin Jones):** Diolch am y gwahoddiad i ddod i'r cyfarfod y bore yma. Mae'n bleser cael bod yn ôl yn eich plith, fel pwyllgor. Cyhoeddwyd y gyllideb ar ddechrau'r wythnos hon ac felly dyma gyfle'r pwyllgor i gael cyflwyniad gennyf ac i ofyn cwestiynau am y rhan honno o'r gyllideb sy'n gyfrifoldeb i mi.

The Minister for Rural Affairs (Elin Jones): Thank you for your invitation to attend this morning. It is a pleasure to be back among you, as a committee. The budget was published at the beginning of the week so this is the committee's opportunity to hear a presentation from me and to ask questions on that part of the budget that falls within my responsibility.

[5] Gwelwch fod cynnydd yn y gyllideb dros gyfnod o dair blynedd o £49 miliwn, bron. Mae holl amcanion Llywodraeth Cymru'n Un wedi eu hariannu, ond tynnaf eich sylw at rai penodol. Y cyntaf yw'r arian ychwanegol newydd ar gyfer rhaglen i waredu y diciâu ymhlith gwartheg, a ariennir gan £27 miliwn dros dair blynedd. Mae ymrwymiad yn 'Cymru'n Un' i sefydlu cynllun newydd-ddyfodiaid i ffermio, ac mae £2 miliwn o arian ar gyfer y rhaglen hon yn 2010-11. Fy mwriad yw creu cynllun tair blynedd ar gyfer newydd-ddyfodiaid a fydd yn cychwyn y flwyddyn nesaf. Bydd agweddau cychwynol y cynllun hwnnw er mwyn datblygu a hyfforddi ffermwyr ifanc, yn gyntaf drwy raglen Cyswllt Ffermio a ariannwyd o dan y cynllun hwn, ond bydd hefyd agweddau ariannol ar ei gyfer wrth i'r ffermwyr sy'n rhan o'r cynllun ddatblygu tuag at y drydedd flwyddyn.

You will see that there is an increase of nearly £49 million in the budget over three years. Every objective of the One Wales Government has been funded, but I draw your attention to some specific ones. The first is the new additional funding for a programme to eradicate bovine tuberculosis, funded by £27 million over three years. 'One Wales' contains a commitment to set up a young entrants' scheme for farmers, and there is £2 million of funding for that scheme in 2010-11. My intention is to create a three-year scheme for new entrants that will begin next year. The initial aspects of that scheme will look at developing and training young farmers, initially through the Farming Connect programme, which is funded under this scheme, but there will also be financial aspects for it as those farmers who are part of the scheme develop towards the third year of the scheme.

[6] Mae'r cynllun datblygu gwledig yn

The rural development plan is currently being

cael ei asesu ar hyn o bryd gan Gomisiwn Ewrop, ac ariannwyd hwnnw yn llawn gan y gyllideb hon. Caiff yr ymrwymiad a wnaed ym mis Mawrth gan Lywodraeth y Cynulliad, i ariannu lefel Tir Mynydd ar lefel o £29 miliwn y flwyddyn hon a £25 miliwn yn dilyn hynny, ei barchu o fewn cytundeb 'Cymru'n Un' ac yn y gyllideb hon. Daw'r rhan helaeth o'r gyllideb hon o dan gynllun datblygu gwledig Comisiwn Ewrop. Felly, unwaith y bydd y cynllun hwnnw wedi ei gymeradwyo, bydd diffyg hyblygrwydd. Mae hyblygrwydd o ran gweddill y gyllideb, ond daw mwyafrwm sylweddol y gyllideb hon o dan y cynllun datblygu gwledig.

assessed by the European Commission, and that has been fully funded under this budget. The commitment made by the Assembly Government in March, to fund Tir Mynydd at a level of £29 million this year and £25 million following that, has been kept to, both in the 'One Wales' agreement and in this budget. A vast majority of this budget comes under the European Commission's rural development plan. So, once that plan is approved, there will be a lack of flexibility. There is flexibility in terms of the remainder of the budget, but the vast majority of this budget comes under the rural development plan.

[7] Tynnaf eich sylw at un agwedd arall o'r gyllideb, sef y gwariant ychwanegol i ddiweddarau system technoleg gwybodaeth yr adran sy'n talu grantiau i ffermwyr. Caiff hwnnw ei ariannu dros y tair blynedd nesaf. Felly, mae hwnnw'n wariant ychwanegol sylweddol y mae'n rhaid i'r adran ymgymryd ag ef er mwyn sicrhau bod y system TG, sy'n darparu taliadau i'n ffermwyr, mor effeithiol â phosibl a'i bod yn caniatáu i'r taliadau gael eu gwneud cyn agosed i'r amser â phosibl ac o fewn system sydd mor effeithiol â phosibl i'r ffermwyr sy'n derbyn y taliadau hynny yn y pen draw. Dyna fy sylwadau.

I draw your attention to one other aspect of the budget, namely the additional expenditure on updating the IT system of the division that pays out grants to farmers. That will be funded over the ensuing three years. So, that is substantial additional expenditure that the division has to undertake in order to ensure that the IT system, which makes the payments to our farmers, is the most effective possible, and enables payments to be made as close to the target time as possible and in the most efficient system possible for the farmers who, ultimately, receive those payments. Those are my comments.

[8] **Alun Davies:** Diolch am fod mor gryno yn eich cyflwyniad, Weinidog. Brynle, a hoffech drafod manylion mwy cyffredinol y gyllideb?

Alun Davies: Thank you for being so succinct in your presentation, Minister. Brynle, do you want to discuss the more general details of the budget?

[9] **Brynle Williams:** How much of the draft budget, Minister, is committed to expenditure and how much is left to discretionary spend?

[10] **Elin Jones:** I am failing slightly to understand your question. The budget is allocated towards the different budget heads that you have before you. Are you asking me how much of it is already committed?

[11] **Brynle Williams:** Yes, and how much of it is discretionary? There will be a surplus in there somewhere, to be moved around according to your discretionary powers to spend as and when you want. So, I am trying to establish how much there is for that.

[12] **Elin Jones:** I do not think that I have made this budget with the intention of having any surplus funding to re-allocate. If that is the case, it will be subject to discussions within-year. As I said earlier, the rural development plan budget is £800 million over three years, and close to £200 million of that is European funding while the rest is Assembly Government funding. When it is accepted at European level, we will be committed to spending within that rural development plan. Therefore, there will be no flexibility to move outside of that plan. We carry schemes forward. We have existing agreements with farmers, under Tir Gofal and

Tir Cynnal, which continue, and there are commitments that go on from one year to the next. However, if there is an underspend on any schemes, it is subject to discussion within-year and we will look to reprioritise as is necessary, but I do not plan my budgets on the basis of anticipated underspending—or overspending, for that matter. I hope that this budget before you will be as accurate as possible, circumstances prevailing, and will allow us to spend this amount of money on these budget heads.

[13] **Lorraine Barrett:** On that question, Brynle mentioned discretionary spending, but what about contingency plans? You must have some manoeuvrability in the budget for any emergencies or unforeseen circumstances.

[14] **Elin Jones:** I do not have any reserve funding here. You can see that there is no reserve allocation within my department, and I guess that it is the same for all departments. The Assembly Government as a whole carries a reserve budget and, if we need to make an application for that, we can do so, but that would then be a matter for the Minister for finance to consider, and you will know from looking at that reserve budget that it is a pretty low one for the forthcoming year.

10.50 a.m.

[15] **Brynle Williams:** Moving on from that, Minister, if I may, looking through the budget, I have concerns about whether there is a budget line for the genotyping of ewes—I cannot find one. I have recently been told—and I should declare an interest, Chair, as a working farmer—that there will be no money for genotyping ewes this year at all. I do not know whether that is fact or fiction, but it seems that we have lost 10 years of work if there is no money in the budget for genotyping ewes for scrapie.

[16] **Elin Jones:** The ewe genotyping budget is coming to an end at the end of this financial year. It was originally a three-year scheme, and in March 2006 it was extended for another two years by the then Minister, and he sought state-aids approval to do that. However, the scheme is coming to an end in March of this financial year. This is not new information for the committee—the fact that the scheme was coming to an end has been in the public domain for quite a while now, and therefore this budget carries no provision for that scheme's continuation into 2008-09.

[17] **Alun Davies:** Brynle's question takes us from the general to the specific, and I propose to continue that line. Mick, you indicated that you would like to ask a question.

[18] **Mick Bates:** Thank you for coming here this morning to discuss this, Minister. I would like to move to another animal disease control and welfare issue, that of TB. There are two budget lines—the TB slaughter payments costs and receipts line, and the TB eradication line. I would like first to look at the TB slaughter payments costs and receipts line. Is the level of expenditure identified likely to be adequate, given that slaughter numbers have increased steadily in recent years—although the numbers slaughtered in 2006 were less than in 2005?

[19] **Elin Jones:** The budget for TB slaughter payments is, to an extent, demand-led, because if TB slaughter has to be undertaken compulsorily, then it is paid for by Government. We will come on later to the incidence of TB, but we have assessed the expenditure as £11,600,000 for the forthcoming years. I have in mind that, if we are successful in our TB eradication programme, that might mean that we are identifying more TB animals early in the programme. Therefore it may have a short-term effect of increasing TB slaughter payments, but the long-term effect will, hopefully, be a sharp decrease in that budget line. However, this is a case that I have discussed with the Finance Minister, and, obviously, if there is greater pressure on that TB slaughter payment line, then I will need to speak to him again about accessing further funding.

[20] **Mick Bates:** May I just clarify whether a contribution is made by the UK Government, and whether there would be any consequential increases in the BEL if there were further increases in the disease?

[21] **Elin Jones:** There are contributions from Animal Health towards our TB slaughter and compensation work in Wales. The testing that is done is paid for by Animal Health—which is part of DEFRA—and that will continue to be the case.

[22] **Mick Bates:** Does that contribution increase, then, as more testing is done?

[23] **Mr Brodie:** What we have done in the TB eradication line is set out the increase in funding, and we will have to have discussions with Animal Health UK, which will maintain its current level of activity. One of the key purposes of extra funding is to enable us to pay them for a step up in the surveillance work, along with other things that we may be asking them to do as part of the eradication strategy.

[24] **Mick Bates:** If I may, Chair, I will come to the eradication strategy in a moment. I was trying to get to the bottom of £11.6 million line, the existing line. Is there a contribution from the UK Government as part of that £11.6 million?

[25] **Elin Jones:** No. That is Assembly funding only. For the purposes of TB control—the programmes that have existed—the work undertaken by Animal Health is mainly funded by DEFRA. Therefore, that does not appear in this budget.

[26] **Mick Bates:** How much is that?

[27] **Mr Brodie:** DEFRA is spending approximately £10 million per year, I believe, through Animal Health, in Wales. That is in addition to these figures. That money is spent through the ordinary activities of Animal Health in TB testing and so on.

[28] **Mick Bates:** Would it be possible for us to receive a more detailed breakdown of that £10 million? It is a large amount of money. Is that money spent exclusively on TB?

[29] **Mr Brodie:** That is our estimate of what DEFRA is spending through Animal Health on TB in Wales, in addition to these figures.

[30] **Alun Davies:** Would it be possible, Minister, for you to send us a note on that with some sort of breakdown?

[31] **Mick Bates:** That would be interesting; it is a very large amount. I will move on to TB eradication. Lorraine, did you want to come in?

[32] **Lorraine Barrett:** Have you any details for the programme upon which the costings for the TB eradication are based?

[33] **Elin Jones:** No. I think that I made it clear yesterday during questions that the work on designing the programme for TB eradication is under way now. The content of that programme will be made public in the new year. So, I am not at liberty to disclose those details; in fact, I do not know yet what it will contain. I do not want to mislead you in any way as to what it is likely to contain as those decisions have not yet been taken.

[34] **Lorraine Barrett:** Okay. I think that Mick and I both wanted to ask the same question, then: how did you arrive at the figures for the proposed TB eradication budget expenditure line?

[35] **Elin Jones:** The figures were calculated in light of the kind of work that we need to do. I am going on to what I was going to say on the next item, but to give an indication of what we want to look to do, it is on TB testing in cattle, on biosecurity on farms, and on the relationship between cattle and wildlife. There has been some general scoping on what that will mean in terms of costs, but the detail of what that will mean has not yet been put to me by my officials and it is currently being worked up by my officials.

[36] **Mick Bates:** Further to that point, you say that you do not know what the figures will be, but you are presenting us with a budget in which you propose to spend £6 million next year. However, you tell us that you have no real idea what you will be spending that on, because you have no estimates of the cost of things. Have I understood you correctly?

[37] **Elin Jones:** No. What I just said was that scoping work has been done on the kind of work that might form part of this programme. I needed to make the case to the Finance Minister for this programme based on the general principles that I have just outlined and based on the bigger principle, which is a financial principle, that Government does not want to see levels of payment of compensation of £12 million, £14 million, or £9 million per year—whatever the figure may be—for the next 10 or 20 years. We need to eradicate this disease, not only from a financial point of view, but, importantly, from an animal health point of view. So, general scoping work has been done about the costs with regard to the three principles that I indicated to you. However, the detail as to what the eventual programme will look like has not yet been decided. In an ideal world, we would do that first and then we would get the budget.

11.00 a.m.

[38] However, Government does not work in an ideal world, and we are dealing with the budget now. The commitment in 'One Wales' to work on the TB eradication programme was made in July, but you will know as well as I do that, during the months since July, we have had to cope with two other animal diseases.

[39] **Mick Bates:** The whole industry and the committee welcome the principle of eradicating TB. You have explained that you have a scoping study, and eradicating TB is a noble aim. However, you are raising that expectation when it sounds to me as if there is no robust financial information to indicate the cost of doing that. My concern would be that, if there are insufficient funds to meet this, where will you get the extra money from? We heard earlier that there is £10 million from DEFRA. Could you use some of that money if what is allocated proves to be insufficient?

[40] **Elin Jones:** The £10 million from DEFRA that is currently allocated via Animal Health for TB testing in Wales, which is part of something like a £100 million budget that it has for TB testing in England and Wales, will continue to be provided—well, I hope that it will, although that is subject to DEFRA's decisions on its own budget.

[41] **Mick Bates:** Where does the money for gamma interferon testing and improving facilities come from within this budget? There is now a national scheme that we have joined, for example, that includes extra gamma interferon tests, which require better testing facilities. Where is that within the budget?

[42] **Mr Brodie:** Obviously, Mick, we are looking closely at the role that gamma interferon testing will play in the eradication strategy. Funding for any extra use of that, beyond the current level, will come out of the new TB eradication line.

[43] **Mick Bates:** So, it will not come from the DEFRA testing line.

[44] **Mr Brodie:** The basic principle is that DEFRA will continue to do what it currently does. With this distinct Welsh policy, we are saying that we have identified funding to provide a step increase in the level of work on TB eradication. So, if we were asking DEFRA to move beyond that current level of activity, that new fund would be used to finance it.

[45] **Mick Bates:** I am still uncertain as to where the current funding for gamma interferon testing comes from.

[46] **Mr Brodie:** I would need to double-check with Christianne precisely where that is. The basic current testing is all paid for by Animal Health, but I will need to double-check whether that includes the gamma interferon testing.

[47] **Mick Bates:** When you refer to Animal Health, is DEFRA the source of that funding?

[48] **Mr Brodie:** Yes. Animal Health is a GB-wide agency, and we have a stake in its overall management, but it is funded entirely through DEFRA's budgets.

[49] **Alun Davies:** We will return to TB under the next item. Brynle, you had some questions on sheep compensation.

[50] **Brynle Williams:** I was curious about the thinking behind reducing the ewe compensation scheme. Could you clarify why that is reducing year on year?

[51] **Ms Andrews:** The sheep compensation is Chernobyl payments. The incidence of affected sheep has been decreasing for the last few years, and this is the current estimate for future compensation payments, which affect mainly north Wales.

[52] **Brynle Williams:** That is one bit of good news—at least the effect of the nuclear fallout is going away.

[53] **Alun Davies:** Before we move on from this budget line, I wish to explore issues around foot and mouth disease. The Assembly Government has already announced packages to assist the agricultural industry in Wales in dealing with the difficulties arising from the foot and mouth disease outbreak. Mick, would you like to take this forward?

[54] **Mick Bates:** Yes. Minister, I first have a question of clarification. Where have the moneys for the current compensation packages relating to foot and mouth disease come from?

[55] **Elin Jones:** Are we talking about this financial year, and not the next financial years?

[56] **Mick Bates:** Yes, 2007-08.

[57] **Elin Jones:** For this financial year, the £1 million that has been allocated for extra promotion work on Welsh meat by Hybu Cig Cymru has come from within my budget; the £6.75 million that has been allocated for light lamb relief has come from funds that are external to my budget and was found by the Minister for Finance and Public Service Delivery.

[58] **Mick Bates:** Can you give me some more information as to where that £1 million came from?

[59] **Mr Brodie:** It has come from an underspend in our budgets. During the rest of the year, we will be reviewing how we manage that situation.

[60] **Mick Bates:** You are telling me that it has come from general underspend and that you found a spare £1 million in this very tight budget. Following on from that, Chair, is there any provision, such as a spare £1 million, for similar promotional activities next year, in 2008-09?

[61] **Elin Jones:** The budget that you have here has an allocation for Hybu Cig Cymru. It is within one of these budget lines, which somebody will have to point out to me, but it is an allocation of around £900,000. Do you want to indicate which budget line it is in?

[62] **Mrs Barry:** The budget line would be the promoting Welsh food budget line. Currently, Hybu Cig Cymru, as you well know, gets its money from levy payers and a fair proportion of that is spent on marketing and promotion. We have given it an extra £1 million in the light of the foot and mouth disease outbreak, which resulted in surplus light lambs that were destined for the export market. We hope that we will not be facing that situation next year. We are changing the way in which HCC is funded, to try to make the way in which we fund the various sectors, such as the dairy sector, the red meat sector, and the horticulture sector, more transparent. Under the new rural development plan, Hybu Cig Cymru will be expected to make a bid against one of the programmes for funds to undertake work that is additional to the work that it does for levy payers, in support of the industry.

[63] **Mick Bates:** I will return to the original question. If I understood you correctly, you said that there was £900,000 in the budget—

[64] **Mrs Barry:** That is what HCC normally gets. This year, it has had £900,000 to help it with general promotion and marketing work, and that has been the case for the last few years. On top of which, we have given it an extra £1 million to deal with the consequences of the foot and mouth disease outbreak and to try to increase the consumption of Welsh lamb in the UK. In forthcoming years, it will be expected to make bids against the rural development plan, so that we maximise the use of European funding.

[65] **Mick Bates:** Where does the existing £900,000 come from?

[66] **Mrs Barry:** It comes out of the current budget.

[67] **Mick Bates:** So it does not come from European funds.

[68] **Mrs Barry:** It is not European funding; it comes out of the current domestic budget. We are trying to make better use of European funding by encouraging Hybu Cig Cymru to make bids, and we are trying to get more transparency across the sectors.

[69] **Mr Brodie:** It is in the promoting Welsh food budget line.

[70] **Alun Davies:** We will be able to return to the budget issue later in our discussions.

[71] **Mick Bates:** On that point, due to the fact that Hybu Cig Cymru's budget has been more than doubled for this period, I assume that the Minister will issue some evaluation as to the effectiveness of that spend.

[72] **Elin Jones:** Yes, it is my intention to do that, to properly evaluate the return that the Welsh taxpayer has from the extra £1 million that we allocated to promote Welsh food during a particular time of crisis.

[73] **Mick Bates:** There is a suspicion that the supermarkets are going to be paid for promotion, using that money. Is that correct?

[74] **Elin Jones:** The work will of course involve the supermarkets. One of the key elements that I have outlined, and which Hybu Cig Cymru has said that it will undertake, is work in the supermarkets, to promote the appearance of Welsh meat on the shelves. I said yesterday in my questions that, over the next few weeks, Hybu Cig Cymru is looking to hold 29 roadshows in supermarkets to promote Welsh red meat.

11.10 a.m.

[75] **Alun Davies:** Diolch, Weinidog. Symudwn ymlaen at yr eitem nesaf, sef y cynllun datblygu gwledig, echel 2. Fe fydd Alun Ffred yn arwain y cwestiynau.

Alun Davies: Thank you, Minister. We now move on to the next item, which is the rural development plan, axis 2. Alun Ffred will open the questioning.

[76] **Alun Ffred Jones:** Ar y cynllun datblygu gwledig, mae un llinell, nad yw'n swm enfawr, sy'n ymwneud ag ymchwil a gwerthuso, ac mae cynnydd eithaf sylweddol yn y gyllideb honno o £1 filiwn i bron i £2 filiwn. Beth yn union sydd yn gyfrifol am y cynnydd hwn a pha ddefnydd a wneir o'r arian hwn?

Alun Ffred Jones: On the rural development plan, there is one line, which is not a huge amount, that involves research and evaluation, and there is quite a substantial increase in that budget from £1 million to nearly £2 million. What exactly accounts for that increase and how will the money be used?

[77] **Mr Brodie:** Mae angen esbonio bod y ffigurau hyn nid yn unig yn ymwneud â'r adran hon, ond ag adran Jane Davidson. Wrth inni ddod at y gyllideb derfynol, mae angen gwahanu'r arian er mwyn dangos yn fwy amlwg yr arian ar gyfer materion gwledig a'r arian ar gyfer adran yr amgylchedd. Felly, wrth dynnu'r arian ar gyfer amgylchedd allan, nid oes cynnydd o bwys.

Mr Brodie: It needs to be explained that these figures relate not only to this division, but to Jane Davidson's division. As we come to the final budget, we need to separate that funding in order to indicate more clearly the funding for rural affairs and the funding for the environment division. So, when you subtract the money that is for the environment, there will not be any significant increase.

[78] **Alun Ffred Jones:** Pa fath o waith sy'n digwydd o dan y pennawd hwnnw, o safbwynt eich adran chi?

Alun Ffred Jones: What kind of work is being done under that line, with regard to your division?

[79] **Mr Brodie:** Gwerthuso rhaglenni fel Tir Gofal, er enghraifft, sy'n golygu llawer o waith manwl yn y maes. Gallwn ddarparu rhestr, os dymunwch, o'r math o ymchwil sy'n cael ei wneud.

Mr Brodie: The evaluation of programmes such as Tir Gofal, for example, which means a great deal of field work. We could provide you with a list, if you like, of the kind of research that is being done.

[80] **Alun Ffred Jones:** Byddai hynny'n ddefnyddiol, diolch.

Alun Ffred Jones: That would be useful, thank you.

[81] **Alun Davies:** Byddem yn gwerthfawrogi nodyn ar hynny.

Alun Davies: We would appreciate a note on that.

[82] **Elin Jones:** Mae'n flin gennyf os oeddwn yn edrych fel pe bawn i wedi drysu pan ofynnodd chi'r cwestiwn, Alun Ffred—

Elin Jones: I am sorry if I looked rather confused when you asked that question, Alun Ffred—

[83] **Alun Ffred Jones:** Yr wyf wedi

Alun Ffred Jones: I am used to it.

arfer. [*Chwerthin.*]

[*Laughter.*]

[84] **Elin Jones:** Nid oeddwn yn gweld cynnydd, ond yn hytrach yr oeddwn yn gweld gostyngiad yn y gyllideb. Mae rhywfaint o hynny oherwydd bod newid o £700,000, ac mae hwnnw'n newid negyddol. Rheswm arall amdano yw'r ffaith fod rhywfaint o'r gwaith yn dod o dan y cynlluniau sydd gennym, ac, felly, nid yw ar wahân ond o fewn y cyllidebau sydd eisoes yn bod ar gyfer y gwahanol gynlluniau amgylcheddol sydd angen eu gwerthuso.

Elin Jones: I did not see the increase, but rather a decrease in the budget. Some of that is due to a change of £700,000, which is a negative change. It is also due to the fact that some of the work comes under the schemes that we have, and, therefore, it is not separate but it comes within the budgets that are already in place for the various environmental schemes that need to be evaluated.

[85] **Alun Ffred Jones:** A gaf i droi at Dir Cymru? Mae un llinell sy'n sôn am dderbyniadau, sy'n dangos bod ychydig dros £3 miliwn yn diflannu yn gyfan gwbl. A allwch chi esbonio beth yw'r arian hwnnw a pham ei fod wedi diflannu?

Alun Ffred Jones: Turning to Tir Cymru, there is one line that mentions receipts, which indicates the total disappearance of a little over £3 million. Can you explain what that funding is and why it has disappeared?

[86] **Mr Brodie:** Arian Ewropeaidd ydyw. Mae'r arian hwnnw yno er mwyn gwneud yn iawn am ein gwariant. Felly, mae'r ddwy ochr yn gyfartal wedyn. Siân, a hoffech chi ymhelaethu?

Mr Brodie: It is European funding. That funding is there to balance out the expenditure that we make. So, the two sides are then balanced. Siân, would you like to elaborate?

[87] **Ms Andrews:** It is money that comes in from Europe, and there is an increase on the expenditure line to match the money that we get from Europe. I cannot really give much more detail on that because it is quite complicated, but I could provide you with a more accurate explanation of it. However, I am not quite aware of the detail.

[88] **Mr Brodie:** If you look at BEL 2832, there is a figure there of 5,238, and immediately below there is the negative of exactly the same figure. So, what that is showing is that the European money is balancing our domestic expenditure, which is the accounting way in which the European receipts balance the domestic expenditure, to mean that that element is in fact free to us.

[89] **Alun Davies:** Which budget line were you referring to?

[90] **Mr Brodie:** I was referring to 2832 on Tir Cymru receipts, and 2834, on Tir Cymru revenue expenditure.

[91] **Alun Ffred Jones:** Those are not the figures that we have.

[92] **Alun Davies:** No, they are not.

[93] **Mr O'Sullivan:** I will explain what used to happen. Under the previous rural development plan, we would have £5.2 million coming in from Europe, which was netted off in the previous budgets. Under the new RDP, with the European co-financing rate, with the scheme slightly down, the receipt falls to £3.3 million—it is European money coming in. However, all we are doing is tidying up the accounts—no money is being lost; it is just that, before, we had two lines, which showed £5.2 million coming in and £5.2 million going out.

[94] **Mr Brodie:** Just for clarity, the figures that I was quoting were the budget

expenditure line codes, not the actual financial provision. I do not know whether you have that on your charts. I was referring to the BEL codes in order to be precise about which budget lines I was referring to.

[95] **Elin Jones:** That was for clarity, Alun Ffred. [*Laughter.*]

[96] **Alun Ffred Jones:** Yr wyf yn mynd yn ôl y ffigurau sydd gennyf—ni allaf wneud dim arall. **Alun Ffred Jones:** I am following the figures that I have—I cannot do anything else.

[97] A oes gostyngiad, felly, yn y swm sydd ar gael i Dir Cymru yn gyffredinol, o £49 miliwn—sef y ffigur sydd gennyf yn y fan hon—i £46 miliwn y flwyddyn nesaf? A yw honno'n ffaith, neu a wyf wedi camdeall y ffigurau eto? A oes gostyngiad yn y gwariant cyffredinol ar Dir Cymru? Is there a reduction, therefore, in the amount that is available for Tir Cymru generally, from £49 million—which is the figure that I have here—to £46 million next year? Is that a fact, or have I misunderstood the figures again? Is there a reduction in the general expenditure on Tir Cymru?

[98] **Mr Brodie:** Nac oes. Mae Tir Mynydd, fel yr esboniodd Rory, yn disgyn o £29 miliwn ym mis Mawrth nesaf i £25 miliwn yn y blynyddoedd canlynol. O ran y cynlluniau amgylcheddol, mae cynnydd yn y cyllid sy'n mynd drwy holl broses y cynllun datblygu gwledig. Felly, yr unig gwymp yr wyf yn ymwybodol ohono yw'r cwmp o ran Tir Mynydd. **Mr Brodie:** No. As Rory explained, Tir Mynydd will fall from £29 million next March to £25 million in the subsequent years. As regards the environmental schemes, there will be a sustained increase in the budget throughout the rural development plan process. Therefore, the only reduction that I am aware of is the reduction in Tir Mynydd.

[99] **Alun Davies:** Mae'r ffigurau sydd gennym yn dangos bod £49 miliwn yn cael ei wario ar hyn o bryd ac y bydd hynny'n disgyn i £48 miliwn yn 2010-11. Mae hynny'n awgrymu cwmp dros gyfnod. **Alun Davies:** The figures that we have show that £49 million is being spent at present, and that that will fall to £48 million in 2010-11. That suggests a reduction over a period of time.

[100] **Mr O'Sullivan:** The Tir Cymru BEL covers Tir Mynydd, Tir Gofal, Tir Cynnal and catchment-sensitive farming. What is happening, essentially, is that the spend on the principal agri-environment schemes over the period is going up, whereas Tir Mynydd—in 2008 at £29 million, and from 2009 at £25 million—is going down. Therefore, that is why you have the drop between 2007-08 and 2008-09. However, because of what is happening with the expansion of agri-environment, the overall spend starts to go up. This relates to the interplay between the various schemes that are covered under the Tir Cymru BEL.

[101] **Alun Davies:** Are you suggesting that additional funding comes from other budgets?

[102] **Mr O'Sullivan:** Within the Tir Cymru BEL, the additional spend that we have earmarked under the RDP for the mainstream agri-environment schemes is contained within the BEL and is, therefore, Tir Cymru revenue expenditure.

[103] **Mr Brodie:** You also need to look at the line headed 'Other agri-environment and organic schemes', and look at them together to understand what is happening.

[104] **Mr O'Sullivan:** You also need to look at the capital side; there is a Tir Cymru capital line that is aimed principally at Tir Gofal. It is the combination of the Tir Cymru revenue provision and capital provision that gives you the totality of spend under all the schemes that come under the Tir Cymru umbrella.

[105] **Mr Brodie:** We would be more than happy to provide you with a note on that.

[106] **Alun Davies:** I think that you will have to. I am afraid that many of the figures still do not represent an increase—they represent a decrease, in time and actuality. The figures that you have provided, which we have here, show a recurrent budget at the same level over a period of time, which is a real-terms cut, of course. The principal budget that I have before me here, BEL 2834, shows a real cut over the next few years. Taking that together, the cut is still there—or the decrease, shall we say?

11.20 a.m.

[107] **Mr O’Sullivan:** In part, that reflects the fact that the Tir Mynydd scheme is being reduced from £29 million this year to £25 million. It is at the moment at £25 million from 2009 through, under the RDP, to 2013.

[108] **Alun Davies:** I would greatly appreciate a note on that.

[109] **Elin Jones:** We will provide a note to clarify these issues.

[110] **Mick Bates:** The note that we have gives expenditure for next year, if I am reading this correctly. The current one, if we agree that, is a total £23.99 million. Is that correct? These are the figures that we have been given.

[111] **Elin Jones:** For what?

[112] **Mick Bates:** Tir Mynydd.

[113] **Mr O’Sullivan:** That was the actual spend in the March 2007 scheme, which would have come within the 2006-07 financial year, with a budget of £24 million.

[114] **Mick Bates:** The 2008 figure is £29 million, according to the information that we have.

[115] **Mr O’Sullivan:** That is a payment that will go out in March next year.

[116] **Mick Bates:** And then there is a reduction to £25.3 million in 2009.

[117] **Mr O’Sullivan:** From 2009, the scheme goes down to £25 million, as per the Plenary vote of 28 March.

[118] **Mick Bates:** Absolutely.

[119] **Alun Davies:** Do Members have additional questions on Tir Cymru?

[120] **Mick Bates:** May I ask for a little clarification of whether any unspent balance remains for voluntary modulation? If so, how will that money be spent?

[121] **Mr O’Sullivan:** Are we talking about accumulated voluntary modulation?

[122] **Mick Bates:** We are indeed.

[123] **Mr O’Sullivan:** Right. The accumulated voluntary modulation will all be spent by 2010, and it will be spent against the existing Tir Gofal agreements that we already have in place. It is a reflection of the accumulated receipts as to why the new voluntary modulation

rates are zero at 2007 and then gradually increase to 6.5 per cent, reflecting the fact that we will have exhausted the accumulated receipts by 2010 within the N+4 timeframe set by the European Commission.

[124] **Mick Bates:** Does that mean that you raised too much money, because you do not have to raise any in this one year?

[125] **Mr O'Sullivan:** No. Given that we have had this accumulated receipt, we have not had to impose rates of national modulation at current levels in England, Scotland and Northern Ireland.

[126] **Mick Bates:** What is the total of underspent voluntary modulation at the moment?

[127] **Mr O'Sullivan:** It is not underspent, because we have an N+4 timeframe until 2010 in which to spend, and we will be spending the remaining receipts from 2007 of £16.5 million.

[128] **Mick Bates:** So, £16.5 million is the available spend at the moment, is it?

[129] **Mr O'Sullivan:** That is the level of the accumulated receipt, and it will all be spent within N+4, so there will be no money going back to Europe.

[130] **Mick Bates:** Excellent. Is that all going to Tir Gofal?

[131] **Mr O'Sullivan:** Yes.

[132] **Alun Davies:** Thank you for that. If Members are content with that, I will move on.

[133] Minister, on the single payment schemes, I note that budget expenditure line 2790 has a substantial increase in the next financial year, from £4 million to nearly £11 million. Can you outline why you believe you need to increase expenditure on the administration of that scheme?

[134] **Elin Jones:** This is the IT investment that I referred to in my preliminary comments. We need to make quite a significant investment in an IT upgrade for our payments computing system. As you are no doubt aware, these issues can be costly, but we must ensure that our IT system is robust and efficient enough to deliver an effective system of payments to Welsh farmers. The system is in dire need of an upgrade, and we have managed to find and allocate the funding for that purpose. So, the increase in funding that you see in BEL 2790, SP Administration Revenue, is primarily, if not exclusively, for IT upgrade purposes.

[135] **Mr Brodie:** It is entirely for IT purposes.

[136] **Elin Jones:** In that case, it is exclusively for IT upgrade purposes.

[137] **Mick Bates:** There are two points that I wish to raise on that. Is that £6 million a hard figure, or is it an estimate that has been accepted?

[138] **Mr Brodie:** This is based on a firm estimate that we have of the amount of IT work that we must do to meet the level of service that we need to provide to farmers, but also to ensure that our systems are sufficiently robust to keep up to date with changes that Europe is likely to bring in. There are also increasing levels of requirements from the commission about the accuracy of the payments, so that we can avoid a disallowance.

[139] **Mick Bates:** The other issue is that we have been in the position of making late

payments because of the reorganisation of our IT systems before. As part of this contingency plan, will the new IT system affect the rate of payment, or are you certain that the payments will be made in time?

[140] **Mr Brodie:** I am not sure which particular late payment you are referring to, but this investment is to maintain our track record in recent years of being one of the best in Europe at getting payments out. In the 1990s, there was substantial underinvestment by the former Welsh Office in IT, which led to the difficult payment performance that we had in the late 1990s. It took substantial investment at that time to put us back on track, and we have seen the benefit of that. What we are saying is that we cannot rest on the basis of that; we must keep on investing to keep account of the factors that I have mentioned if we are to keep the service for farmers up to scratch, which it currently is.

[141] **Alun Davies:** Thank you for that. We will move on to the sustainable rural economy and communities section of the budget. Brynle, do you have some issues to raise on the young entrants' scheme?

[142] **Brynle Williams:** Perhaps I am interpreting the young entrants' scheme differently to you, Minister, but can you explain why we are not beginning the scheme until 2011?

[143] **Elin Jones:** Yes, I am perfectly happy to clarify that. I referred to it in my preliminary statement. Our intention is to consult on a young farmers' entrants' scheme early in the new year, and that scheme is likely to have a three-year look to it. The initial part of it will look to work with interested young farmers on a variety of different issues, such as business development planning, training and succession issues. Most of that work will be carried through via Farming Connect issues, which is funded elsewhere. My belief was that our work with young farmers would allow them to move on from the planning stage to taking on responsibility for farms, and so we needed to involve a grant or loan system towards the end of their involvement in a scheme. That is why we have allocated £2 million for the first time for a young entrants' scheme. To be clear, this is not about not starting any scheme until 2010-11; it is about creating a scheme that is not just about giving money to young farmers the first time they come into contact with Government and suggesting that they would like money to take on a farm. That is not the kind of scheme that I have in mind at all.

11.30 a.m.

[144] In the kind of scheme that I have in mind, young farmers declare an interest in doing this over a longer time, and we work with them on their business development and training for the purposes of entering farming. To accommodate that at a later point, we may well need access for some of those young farmers, but possibly not all, to be part of a grant or loan scheme.

[145] I am in a similar position here to my position on TB, in that the work on designing the scheme in detail has yet to be done, and I intend to consult on that. However, the scoping of the scheme has been done, and it will look as I have outlined: there will be measures of support for young farmers delivered via Farming Connect and other existing measures to give priority to young farmers, but the general financial allocation will materialise for young farmers only once they have worked with us on their business development, and on their own tailored programme of work as individuals, and only if a financial input from the Government is necessary at any point. In 2010-11, £2 million is allocated for that, which is a significant amount.

[146] **Brynle Williams:** I welcome what you are saying, Minister, but we now have a lot of young people who are going through colleges who would be disillusioned by what has just been said. A lot of young people were under the impression that there would be a young

entrants' scheme to aid them to get into farming. I understand its educational, financial and business background, but I am expressing an opinion that has been expressed to me. Young people were under the impression that aid would be available for them, whether in the form of council holdings, expanding council holdings or whatever to get them off the ground, or even going as far as—dare I say it?—retiring old farmers, so that these young farmers could come in. The age profile of farmers is going up dramatically. What is the average age of a farmer in Wales now—is it 58? It will be 60 in two years' time, before we even begin this scheme. That is just a personal observation.

[147] **Elin Jones:** To clarify, I have no intention of paying for your retirement scheme, Brynle, or of introducing a retirement scheme for farmers. That is not the Government's priority; the priority is to look at aiding young farmers in some way to enter farming for the first time. My recollection is that the Welsh Conservative Party has always resisted young farmers' entrants' schemes in the past, and I welcome that you now support such a scheme, even though you have some questions about its funding. However, I welcome your support in general for the principles.

[148] **Alun Ffred Jones:** Yr wyf yn edrych ar BEL 2930, sef llinell 'Cefnogi Cymunedau Gwledig'. Efallai na fyddwch yn gallu ateb y cwestiwn hwn y bore yma, ond nid oes cynnydd yn y gyllideb honno, a hoffwn wybod pa gynlluniau sy'n cael eu gweithredu oddi tani. Efallai y gallech roi gwybodaeth am hynny i'r pwyllgor rywdro eto. Mae'r gyllideb yn wastad ar £6 miliwn, ond byddai diddordeb gennyf mewn gwybod beth sy'n digwydd oddi tani.

Alun Ffred Jones: I am looking at BEL 2930, which is the 'Supporting Rural Communities' line. Perhaps you will not be able to answer this question this morning, but there is no increase in that budget, and I want to know which schemes operate under it. Perhaps you could give the committee that information at some point. The budget is constant at £6 million, but I want to know what comes under that budget.

[149] **Elin Jones:** Echelau 3 a 4 y cynllun datblygu gwledig yw hon yn bennaf, a dyna'r math o waith sydd, yn hanesyddol, wedi edrych fel cynlluniau LEADER ac ati. Mae arian yr arsyllfa wledig hefyd yn y gyllideb hon.

Elin Jones: This is principally axes 3 and 4 of the rural development plan, and that is the kind of work that, historically, looks like the LEADER scheme, and so on. The rural observatory's funding also comes within this budget.

[150] **Mick Bates:** There is no proposed increase for the farm adaptation lines. I believe that they cover match funding for measures in the new RDP. Is this where the money for Farming Connect's advisory service comes from? That is my first question.

[151] **Mr Brodie:** Yes.

[152] **Mick Bates:** So that is where Farming Connect comes from. I have heard the Minister mention the use of Farming Connect as an advisory service, particularly in the context of young farmers. Is that line sufficient to continue the level of staffing that was previously in Farming Connect?

[153] **Mrs Barry:** If I may just explain, Farming Connect will be different from what it was previously. It will retain all of the successful elements, but under the new rural development plan, we are obliged to provide a farm advisory service, which will be provided under the banner of Farming Connect. We have developed it to be very much business-focused for farmers in terms of on-farm management, IT systems, and ensuring that they are making good use of market intelligence. So, we would be retaining much the same as was delivered under the previous Farming Connect, but without the capital grants. So, it would be very much

about getting farmers to manage their businesses more effectively, to think about innovation and diversification and supporting them on those issues. It will be delivered through a different structure. It will be far more accessible to farmers than it has been previously, but we would certainly retain the development centres and they will be more accessible throughout Wales. For example, there is a dairy development centre in west Wales, but we will have a dairy development programme so that farmers throughout Wales will be able to access the various programmes much more easily. The demonstration farms will still be a part of it and there will be a focus on discussion groups as action learning assets for farmers.

[154] **Mick Bates:** How does that fit in with the farm liaison service and where is the funding for that?

[155] **Mrs Barry:** It will work alongside the farm liaison service. That service is currently provided under our Rural Payments Division. However, those officers will work as part of our farm advisory service.

[156] **Mick Bates:** May I just ask for clarification of that particular issue?

[157] **Mrs Barry:** The farm advisory service is a compulsory service to ensure that farmers are meeting cross-compliance requirements. The farm liaison officers will work as part of that service.

[158] **Mick Bates:** So, that is not the same as Farming Connect, which is business-orientated, because this relates to cross-compliance.

[159] **Mrs Barry:** It is different, but it is being promoted under the same banner. So, it is being managed under Farming Connect. There are a number of elements to Farming Connect, one of which is the farm advisory service. You have the brand, Farming Connect, and we thought it important to keep that brand because that is what our farmers and the industry are familiar with. However, we must provide this compulsory farm advisory service, so, basically, it is being delivered under Farming Connect.

[160] **Mick Bates:** Sorry, I may not have used the correct terminology. You mentioned the farm advisory service, but there was something called farm liaison officers. How are they funded?

[161] **Mr Brodie:** The farm liaison officers are members of our staff and they are paid through our ordinary staff budget, which is not included in here.

[162] **Alun Davies:** Brynle, you had a question.

[163] **Brynle Williams:** My concern was about officers doing cross-compliance checks under the Farming Connect banner, but that has been addressed.

[164] **Lorraine Barrett:** I will move on to food and industry. In the previous budget, £2.6 million was allocated to the Department for Enterprise, Industry and Networks for activities relating to food and industry support. Does that arrangement still exist between the budget of what is now the Department for the Economy and Transport and the rural affairs budget, and, if so, is it ring-fenced to ensure that it remains targeted towards the promotion of Welsh foods? On promoting Welsh food, what schemes are covered by the budget? I am particularly interested in Welsh foods other than meat because we hear a great deal about the meat industry, but much more food than just meat is produced in Wales. So, I hesitate to ask whether you could put something on the bones of that, but could you expand on it?

[165] **Mr Brodie:** I will start off and then Norma will come in with more detail. On the

relationship between this department and the Department of the Economy and Transport, we have consolidated most of the agri-food support under the Department for Rural Affairs and Heritage and that is shown in particular in the way in which the promoting Welsh food line figures have been constructed. There is one element of support that the Department for the Economy and Transport will continue to fund, which is the international food promotion work. It has funding set aside for that. So, that is the relationship between us. Norma, do you want to add anything?

11.40 a.m.

[166] **Mrs Barry:** I could add a little to that. We have a very close working relationship with DET. The international work is provided through a service level agreement. We also work very closely with it with regard to some of the food and drink manufacturing companies that we deal with that we cannot support, in ensuring that they can access DET support. Under the new rural development plan, for example, the processing and marketing grant cannot be given to larger companies; it can be given only to small and medium-sized enterprises. So, we will have to support those companies by drawing on DET resources. I have memoranda of understanding in place with all of the regional offices of the department, and I have teams within each of those offices, and they work closely together for the good of the industry.

[167] Would you like me to answer on the non-meat situation?

[168] **Lorraine Barrett:** Yes, just to give an idea of the sorts of schemes and products available.

[169] **Elin Jones:** I will just say a few things on that. You are right that Welsh food is definitely about more than Welsh red meat. This budget line also includes the work that we would be doing on local food procurement, which is a 'One Wales' commitment. I said last week at the National Farmers Union conference that I attended that if the public sector—hospitals and schools—in Wales are going to be asked to procure more Welsh food, it has to be more than just Welsh lamb. Our children will not live on lamb alone. Therefore, we need to look at making the links in terms of public food procurement especially between those who are purchasing, but also working with those who are supplying as the original producers. That needs to have a greater variety of food production than it has done over the last few years. That is why I particularly welcome the fact that the organic scheme that we have now includes a horticultural element for the first time. In addition to providing financial support, it sends out a strong message that we need to create a Wales that has a varied food production base. We need to move in that direction. So, what you have said is very important, Lorraine, and you have said it before.

[170] **Alun Davies:** Yr wyf yn awyddus i symud ymlaen, ond, cyn hynny, galwaf ar Alun Ffred Jones. **Alun Davies:** I am eager to move on, but, before do so, I call Alun Ffred Jones.

[171] **Alun Ffred Jones:** Yr wyf yn eich llongyfarch, Weinidog, ar gynyddu eich cyllideb ar amser mor anodd. **Alun Ffred Jones:** I congratulate you, Minister, on increasing your budget at such a difficult time.

[172] Hoffwn sôn am y Comisiwn Coedwigaeth. Mae cyllideb y Comisiwn Coedwigaeth yn cynyddu—neu mae'r gefnogaeth iddo yn cynyddu. Yr wyf wedi bod yn meddwl am yr hyn y mae'r cyhoedd yn cael allan o'r gyllideb hwn ers I would like to mention the Forestry Commission. The budget of the Forestry Commission is increasing—or the support for it is. I have been thinking about what the public gets for this budget for years. One thing that is interesting in the figures before

blynyddoedd. Un peth sy'n ddiddorol yn y ffigurau sydd o'n blaenau yw eich bod yn rhagweld gostyngiad sylweddol yn y derbyniadau refeniw o £20 miliwn i lawr i £12 miliwn yn y flwyddyn nesaf. Ar ba sail yr ydych yn rhagdybio'r gostyngiad hwnnw?

us is that you foresee a considerable fall in the revenue receipts, from £20 million down to £12 million, in the next year. On what basis do you foresee that reduction?

[173] **Ms Andrews:** Last year, when the budget planning round was going through, we looked at the cost of wood—the wood receipts—from the Forestry Commission. It was struggling last year to meet its targets for receipts, because the price of wood was falling through the floor. So, working closely with the Forestry Commission, we looked at what we thought at the time would be the value of the wood receipts. That is why the budget line has changed dramatically. It was reduced last year as part of the budget planning round to reflect a more accurate forecast of the wood receipts.

[174] **Mr Brodie:** It has not been changed in this budget.

[175] **Ms Andrews:** No, there will be no change in this budget round. These figures were altered last year.

[176] **Alun Ffred Jones:** Yr wyf yn dal i ofyn beth mae'r cyhoedd yn cael gan y Comisiwn Coedwigaeth am £31 miliwn. Gwn nad heddiw yw'r amser i ateb y cwestiwn hwnnw efallai, ond mae'n gwestiwn perthnasol iawn, oherwydd bod y gefnogaeth ariannol yn rhyfeddol o sylweddol os mai'r unig beth yr ydym yn ei wneud yw cefnogi ychydig o lwybrau drwy'r coed yma a thraw. A fyddai'n well i'r Llywodraeth werthu'r cyfan? A ydych wedi ystyried gwneud hynny?

Alun Ffred Jones: I still ask what the public gets from the Forestry Commission for £31 million. I know that today may not be the time to answer that question, but it is a very pertinent question, because the level of financial support is incredibly substantial if all we are doing is supporting a few paths through the trees here and there. Would it be better for the Government to sell off the whole thing? Have you considered doing that?

[177] **Elin Jones:** Mae hwnnw'n bwynt amserol o ran y cyhoeddiad a wnaeth y Prif Weinidog wythnos ddiwethaf am y defnydd o dir y Comisiwn Coedwigaeth. Mae dau ymrwymiad yn 'Cymru'n Un' ynghylch defnyddio tir coedwigaeth: mae ymrwymiad i blannu coeden ar gyfer pob plentyn sy'n cael ei eni, sy'n cael ei ariannu o fewn y llinell wariant hon, ac mae ymrwymiad i edrych ar sut yr ydym yn gallu cynyddu'r potensial yn ein coedwigoedd ar gyfer creu sinciau carbon—a bydd angen creu coedwigaeth genedlaethol i wneud hynny. Mae'r rheiny yn ddatblygiadau newydd fydd yn digwydd o fewn y llinell wariant hon, ac mae'r gwaith y mae'r Comisiwn Coedwigaeth yn ei wneud eisoes ar goedwigoedd yn elfen hanesyddol o'i waith. Dros y blynyddoedd, bu cryn newid a datblygu o ran mynediad i goedwigoedd a'r defnydd ohonynt. Mae cynlluniau cyffrous mewn sawl man yng Nghymru; mae un yn Nant yr Arian yn fy

Elin Jones: That is a timely point in terms of the announcement made by the First Minister last week about the use of Forestry Commission land. There are two commitments in 'One Wales' on the use of forestry land: there is a commitment to plant a tree for every child who is born, which is financed within this expenditure line, and the commitment to examining how we increase the potential in our forests for creating carbon sinks—a national forestry will have to be created for that to happen. Those are all new developments that will take place within this expenditure line, and the work that the Forestry Commission is already doing on forests is a historical element of its work. Over the years, there has been quite a lot of change and development in terms of access to and the use of forests. There are exciting schemes in many areas of Wales; there is one in Nant yr Arian in my constituency, and there are others in Coed y Brenin, where

etholaeth un, ac mae rhai eraill yng Nghoed y Brenin, lle mae datblygiadau mawr o ran cysylltu coedwigaeth gyda mynediad a thwristiaeth. Mae'n siŵr y bydd y pwyllgor yn dymuno trafod coedwigaeth yn fanylach yn y dyfodol. Mae strategaeth coedwigaeth, a grëwyd gan y Llywodraeth flaenorol, yn bodoli ers 2001, ac mae'n flaenoriaeth gennyf i edrych ar adolygu a diweddarau'r strategaeth honno.

[178] **Alun Davies:** Diolch, Weinidog, am ateb y cwestiynau ar y gyllideb. Yr ydym am symud ymlaen at yr eitem nesaf, ar TB, ond, cyn hynny, cawn egwyl byr.

there are major developments in terms of linking forestry with access and tourism. I am sure that the committee will want to discuss forestry in more detail in the future. A forestry strategy, which was created by the previous Government, has been in place since 2001, and it is a priority for me to look at reviewing and updating that strategy.

Alun Davies: Thank you, Minister, for responding to the questions on the budget. We will now move on to the next item, on TB, but, before we do so, we will take a short break.

*Gohiriwyd y cyfarfod rhwng 11.47 a.m. a 11.52 a.m.
The meeting adjourned between 11.47 a.m. and 11.52 a.m.*

Ymchwiliad i TB yng Nghymru Inquiry into TB in Wales

[179] **Alun Davies:** Symudwn ymlaen yn awr at ein eitem nesaf, sef TB. Diolch yn fawr, Weinidog, am eich llythyr, a anfonwyd at y pwyllgor ar 2 Tachwedd. Mae'r pwyllgor wedi cael cyfle i ddarllen y llythyr a'r atodiad a anfonasoch atom. Weinidog, a wnewch chi, yn ystod y ddwy funud nesaf, gyflwyno eich barn ar TB a'r cyfeiriad yr ydych yn bwriadu mynd iddo o ran y pwnc hwn?

Alun Davies: We will now move on to the next item, which is on TB. Thank you, Minister, for your letter, which was sent to the committee on 2 November. The committee has had an opportunity to read the letter and the appendix that you sent to us. Minister, will you outline, in the next two minutes, your opinion on TB and the direction that you intend to take with regard to this subject?

[180] **Elin Jones:** Croesawaf waith y pwyllgor yn gyntaf. Mae hwn yn ddarn o waith amserol iawn sy'n cydblethu â'r ffaith bod 'Cymru'n Un' yn cynnwys ymrwymiad i greu cynllun i waredu TB yng Nghymru. Fel yr ydym wedi trafod eisioes, mae cyllideb o £27 miliwn dros dair blynedd ar gyfer y pwrpas penodol hwnnw. Byddaf yn llunio manylion y cynllun hwnnw er mwyn dechrau gweithredu ar 1 Ebrill 2008. Bydd y manylion yn cael eu gwneud yn gyhoeddus yn y flwyddyn newydd. Mae nifer o wahanol elfennau i'r pwnc, a bydd gwaith gwyddonol ac ymarferol yn rhoi'r cefndir perthnasol i ni, wrth inni ddatblygu'r gwaith hwn. Mae adroddiad y grŵp gwyddonol annibynnol, wrth gwrs, a thystiolaeth mwy diweddar David King i'r Adran yr Amgylchedd, Bwyd a Materion Gwledig i'w hystyried. Bydd adroddiad y pwyllgor hwn hefyd yn amserol

Elin Jones: I first of all welcome the committee's work. It is a very timely piece of work that interlocks with the fact that 'One Wales' includes a commitment to working on the eradication of TB in Wales. As we have already discussed, there is a budget of £27 million over three years for that express purpose. I will draw up the detailed plan so that it will be operational from 1 April 2008. The details will be made public in the new year. There are many different aspects to this subject, and scientific and practical work will provide us with the relevant background as we develop this work. We have the independent science group report and David King's more recent evidence to the Department for Environment, Food and Rural Affairs to consider. This committee's report is also very timely as I look to draw up my own plan. We will also have to consider the

iawn wrth i mi edrych ar greu fy nghynllun fy hun. Bydd yn rhaid ystyried profiad gwledydd eraill hefyd wrth gwrs.

[181] Cyfeiriais at y ffaith ein bod wedi gwneud gwaith cwmpasu cychwynnol iawn ar y math o agweddau a fydd yn angenrheidiol fel sail i gynllun gwaredu. Bydd hynny'n cynnwys y gwaith ar brofi gwartheg sydd eisoes yn mynd rhagddo, ond byddwn yn edrych ar sut y gellid datblygu hynny. Mae bioddiogelwch ar ffermydd hefyd yn fater y bydd yn rhaid inni ei ystyried. Bydd angen inni edrych hefyd ar y cysylltiadau rhwng gwartheg a bywyd gwyllt.

[182] Mae un mater arall yr wyf am dynnu sylw'r pwyllgor ato. Bydd y pwyllgor yn ymwybodol bod y Gweinidog blaenorol wedi sefydlu grŵp gweithredu ar TB. Mae'n fwriad gennyf i ddod â gwaith a rôl y grŵp gweithredu ar TB i ben. Nid yw hynny'n fater o ddibrisio'i waith na'i gyfraniad yn y dyfodol, ac mae'n fwriad gennyf i brif ffrydio'r gwaith ar TB yn y Llywodraeth ac i ddefnyddio'r grŵp rhanddeiliaid sydd gan y Llywodraeth eisoes, sef grŵp strategaeth iechyd a lles anifeiliaid, i ymgymryd â'r gwaith. Felly, gobeithiaf y bydd nifer o unigolion, os nad y cyrff, a oedd yn ymwneud â grŵp gweithredu TB hefyd yn ymwneud â'r grŵp strategaeth, sy'n grŵp rhanddeiliaid i'r Llywodraeth eisoes. Y neges glir oddi wrthyf yw bod hyn yn flaenoriaeth i'm hadran ac i'r Llywodraeth, ac mae hefyd yn fater yr wyf am sicrhau sy'n cael ei brif ffrydio yng ngwaith yr adran yn ystod y blynyddoedd nesaf.

[183] Nid wyf mewn sefyllfa i roi unrhyw fanylion ar hyn o bryd ynglŷn â beth fydd cynnwys y rhaglen honno. Yr wyf wedi amlinellu'n barod paham nad yw hynny'n bosibl heddiw, o ran yr amseru. Wrth gwrs, mae nifer o agweddau ar y gwaith sydd eisoes yn weithredol, ac mae'n siŵr y byddwch eisiau cwestiynu'r prif swyddog milfeddygol ar hynny, ac edrychaf ymlaen at wrando ar y drafodaeth. Mae gennyf fi gyfrifoldeb am yr hyn sy'n digwydd ar hyn o bryd ac am yr hyn a fydd yn digwydd o Ebrill nesaf ymlaen, wrth inni ymgymryd â chynllun 'Cymru'n Un'.

[184] **Alun Davies:** Diolch, Weinidog.

experience in other countries of course.

I referred to the fact that we had undertaken preliminary scoping work on the sort of issues that will need to form the basis of an eradication scheme. That will include the work on cattle testing that is already under way, but we will also look at how it can be developed. Biosecurity on farms is another issue that we will have to look at. We will also need to look at the interaction between cattle and wildlife.

There is one more issue to which I wish to draw the committee's attention. The committee will be aware that the previous Minister established a TB action group. It is my intention to bring the work and role of the TB action group to a conclusion. That is not to devalue its work or its contribution in the future, and it is my intention to mainstream the work on TB into Government and to use the stakeholder group that the Government already has, which is the animal health and welfare strategy group, to undertake the work. So, I hope that many of the individuals, if not the organisations, involved with the TB action group will also be involved with the strategy group, which is already a Government stakeholder. The clear message from me is that this is a priority for my department and for this Government, and that it is also a matter that I want to ensure is mainstreamed into the work of the department over the next few years.

I am not in a position to give you any details at present regarding the content of that programme. I have outlined already why that is not possible today, from the point of view of the timing. Of course, there are a number of aspects of the work that are already up and running, and I am sure that you will wish to ask questions of the chief veterinary officer on that, and I look forward to listening to the debate. I have responsibility for current events and for what will happen from next April onwards, as we implement the 'One Wales' agreement.

Alun Davies: Thank you, Minister. I will

Dechreuaf y drafodaeth drwy ofyn am eich barn am adroddiad Syr David King.

start the discussion by asking your opinion on Sir David King's report.

[185] **Elin Jones:** Nid wyf wedi dod i'r pwyllgor heddiw i roi ateb manwl ar naill ai adroddiad Syr David King neu adroddiad y grŵp gwyddonol annibynnol. Byddaf yn gwneud fy ngwaith i ar lunio fy nghynllun a byddaf yn atebol i chi pan fydd hwnnw'n cael ei ddatblygu, ond nid yw'n fwriad gennyf i roi unrhyw fath o dystiolaeth i chi heddiw ar gynnwys adroddiad Gweinidog yn San Steffan.

Elin Jones: I have not come to this committee today to give you a detailed response on either Sir David King's report or that of the independent scientific group. I will be undertaking my work on drawing up my scheme and I will be answerable to you when that is developed, but it is not my intention to give you any kind of evidence today on the content of a Westminster Minister's report.

[186] **Alun Davies:** A oes gennych chi gasgliadau cychwynnol?

Alun Davies: Do you have any initial conclusions?

[187] **Elin Jones:** Nac oes, nid oes gen i gasgliadau cychwynnol hyd yn oed ar hynny.

Elin Jones: No, I do not even have any initial conclusions on that.

[188] **Alun Ffred Jones:** Mae'r penderfyniad i ddod â'r grŵp gweithredu ar TB i ben yn benderfyniad eithaf pwysig, oherwydd fe'i sefydlwyd yn dilyn argymhellad gan adroddiad pwyllgor a phenderfyniad y Llywodraeth flaenorol. Felly, beth mae'r grŵp wedi'i gyflawni yn ystod ei fodolaeth?

Alun Ffred Jones: The decision to bring the TB action group to a conclusion is quite an important decision, because it was established following a recommendation from a committee report and a resolution by the previous Government. Therefore, what has that group achieved during its existence?

[189] **Dr Glossop:** You have the report in front of you on all the steps that have been taken as a result of the TB action group over the years for which it was in existence. There is a report that has been signed by all the members and which goes through, in detail, how it has been dealing with each element of the former Environment, Planning and Countryside Committee inquiry into TB. I am happy to answer individual questions, but it would be quite a long list if I worked all the way through it.

[190] **Alun Ffred Jones:** Heb fanylu ar beth yn union sydd wedi'i gyflawni, ai'r bwriad, felly, yw adeiladu ar y gwaith hwnnw, neu a ydych yn bwriadu dilyn cyfeiriad ychydig yn wahanol, neu'n wahanol iawn, efallai?

Alun Ffred Jones: Without going into detail about what exactly has been achieved, is it the intention, therefore, to build on that work, or do you plan to take things in a slightly different direction, or in a completely different direction, perhaps?

[191] **Elin Jones:** Yn sicr, nid ydym yn dibrisio'r gwaith hwnnw, oherwydd yr oedd yn waith manwl a phwysig yn ystod y cyfnod y bu'r grŵp yn weithredol. Fodd bynnag, yr wyf fi'n bwriadu bod yn atebol am yr hyn y bydd y Llywodraeth yn ei wneud ar waredu TB, ac nid yw'n fwriad gennyf osgoi cyfrifoldeb am hynny drwy roi'r cyfrifoldeb i grŵp allanol neu i grŵp sy'n gysylltiedig â'r Llywodraeth.

Elin Jones: Certainly, we do not want to devalue that work, because it was very important work during the time that the group was operational. However, I plan to be answerable for what the Government does to eradicate TB, and it is not my intention to shirk the responsibility by giving it to an external group or a group that is linked with Government.

12.00 p.m.

[192] Dyna pam yr wyf wedi dweud fy mod yn awyddus i brif ffrydio'r gwaith ar TB, ac i wneud hynny mewn perthynas â'r diwydiant, drwy sicrhau bod hwn yn fater i'r diwydiant amaethyddol a thrwy sicrhau y caiff ei drafod gan grŵp strategaeth iechyd a lles anifeiliaid. Mae gan nifer o'r cyrff—os nad y rhan fwyaf ohonynt—a gynrychiolwyd ar y grŵp gweithredu ar TB gynrychiolwyr ar grŵp strategaeth iechyd a lles anifeiliaid.

That is why I have said that I am keen to mainstream the work on TB, and to do so in partnership with the industry, by ensuring that this is an issue for the agriculture industry, and by ensuring that this is discussed by the animal health and welfare strategy group. Many of the bodies—if not the majority of them—that were represented on the TB action group are also represented on the animal health and welfare strategy group.

[193] Fodd bynnag, nid wyf am fod mewn sefyllfa lle yr wyf yn dod atoch mewn dau neu dri mis ac yn dweud nad yw'r materion hyn yn faterion i mi, ond eu bod yn faterion y mae'r grŵp gweithredu ar TB yn edrych arnynt. Fy nghyfrifoldeb i fydd bod yn atebol i chi drwy'r hyn y mae fy adran yn ei wneud.

However, I do not want to be in a position where I come to you in two or three months and say that these issues are not issues for me, but issues that the TB action group are looking at. It is my responsibility to be accountable for what my department does.

[194] **Alun Ffred Jones:** O ran amseru, yr ydych wedi dweud y bore yma, os yr wyf wedi deall yn iawn, y byddwch yn dod ag argymhellion gerbron y Cynulliad yn y flwyddyn newydd. A yw hynny'n golygu ym mis Ionawr, neu rywdro yn y gwanwyn?

Alun Ffred Jones: On the timing, you have said this morning, if I have understood correctly, that you will bring recommendations before the Assembly in the new year. Does that mean in January, or sometime in the spring?

[195] **Elin Jones:** Mae'n golygu yn gynnar yn y gwanwyn. Wrth gwrs, mae'r gwanwyn yn dod ynghynt ac ynghynt bob blwyddyn. Yr ydym yn sôn am dri mis cyntaf y flwyddyn newydd—dyna fy mwriad. Mae hwn yn gynllun sydd yn ymwneud â defnyddio gwariant a fydd yn dod yn weithredol o 1 Ebrill ymlaen, felly fe ddaw'r argymhellion cyn hynny wrth gwrs.

Elin Jones: It means early springtime. Of course, spring comes earlier every year. We are talking about the first three months of the new year—that is my intention. This is a scheme that involves the use of expenditure that will become operational from 1 April onwards, so the recommendations will be brought forward before then of course.

[196] **Mick Bates:** We have the work of the action group in front of us, which involved the gathering of some important test results and evidence. However, at some stage, we would like to hear your views on Professor John Bourne's report—the independent scientific group report—as well as Sir David King's report. In undertaking our work as a committee, your evidence will be important for us in making our own recommendations, in terms of your view on Sir David King's reaction to the reservoir of TB in wildlife. Therefore, it would be useful, at some stage, if the Government would prepare a statement for us on that.

[197] **Elin Jones:** I am working to my timetable of forming a view on the scientific advice that is available to me in various reports, and from various countries, and appropriate to our circumstances in Wales. There is an issue here about whether I am waiting for your proposals, or whether you want my proposals before you make your recommendations. I will not be in a position to answer to your committee on the ISG report or the David King report. The David King report was not a report to me, but those reports will inform my judgment. I may need to discuss with the Chair, and the committee, the timing of some of these elements. However, it had been my anticipation that your committee would provide me with evidence and recommendations as to what you thought the Government's priorities should be, and I will

take those on board.

[198] **Alun Davies:** We will be doing that, Minister, but, at the same time, in coming to our conclusions, we are interested in your view, and in how your thinking is developing on this subject.

[199] **Mick Bates:** To continue with the announcement about the disbanding of the action group, one of the first recommendations was to continue good partnership with all stakeholders. One of the great achievements of the group was to get a diverse group of people—from badger groups to the farming unions—to sign up to a document. That was a great achievement. How do you propose to continue the good partnership that existed in the action group?

[200] **Elin Jones:** The intention is to do it via the mechanism of the existing animal health and welfare strategy group. Christianne may be able to outline the membership of that group.

[201] **Dr Glossop:** It is pretty similar; they are not the same people, necessarily, but the key organisations that were represented on the Wales TB action group are represented on the steering group. If there is any discrepancy, we will seek to bring those organisations into the steering group. The important word that has been used in relation to the TB eradication programme, and the commitment to dealing with TB, is ‘mainstreaming’. That means bringing all the expertise and all the strengths of the TB action group into the fold and into a group that is also looking at other priorities in relation to disease and health in animals in Wales, so that we can get a balance. The Wales steering group on the animal health and welfare strategy has identified that tuberculosis in cattle is one of its top priorities—and you will not be surprised to hear that. It shows that we are not in any way seeking to reduce the effort; actually, we are seeking to consolidate the effort.

[202] **Mick Bates:** I take your word that it will consolidate the work, but, given that we are under pressure from two other major diseases, foot and mouth and bluetongue, does this group have enough time and capacity to undertake your stated aim of concentrating on TB? The strategy group must have other work, as well.

[203] **Dr Glossop:** I am sure that you have seen a copy of our action plan for this year, so you have seen all the activities. However, when it comes to disease emergencies, I must say that the steering group is not terribly involved. Emergencies happen, and you cannot make them fit into a planned series of meetings. TB would definitely be one of the top priorities for its work areas.

[204] It may well be—indeed, I am quite sure—that we will end up with some sub-groups focusing on different aspects of TB eradication. It is difficult, as you know, to be productive when you have a large number of people around a table, so we will focus on sub-groups reporting to the steering group to consolidate the effort. However, that does not in any way indicate a reduction in the commitment and effort that is being put into eradicating the TB problem; indeed, it is quite the reverse.

[205] **Mick Bates:** I would very much agree with the last statement, and I congratulate the Government and the Minister on the £29 million that is now dedicated to the eradication of TB—

[206] **Elin Jones:** It is £27 million.

[207] **Mick Bates:** Sorry, I was trying to get it increased. [*Laughter.*] There is always that flexibility that we talked about earlier. However, returning to the point about the group and its work, one of my concerns is about the capacity to deal with this, simply because bluetongue,

for example, is likely to be around for a minimum of two years. So, other people will have to deal with the impact of bluetongue. However, you assure us that there will be good partnership working with the stakeholders, and that they will report back to the Minister, and we can then ask the Minister for reports. So, that channel of communication will remain.

[208] **Elin Jones:** Absolutely. I would not want anybody to misinterpret the end of the TB action group as a reduction in any way of the role of our partner organisations in seeking to eradicate TB. Government will not do this on its own. There are other people out there who are probably more influential, at the end of the day, in eradicating TB. The key to all of this is that we ensure that there is a partnership between the Government and farmers particularly, but others as well. Therefore, in saying that this is about mainstreaming the work into Government, I am in no way indicating that this work is not based on partnership. It will be open to scrutiny here in the Assembly, and also to public scrutiny, and scrutiny within the strategy group itself. The eradication programme that we will eventually bring forward is an important piece of work for the next three years, and, if it is to be successful, it needs to have as large an ownership as possible.

[209] **Lorraine Barrett:** Mick has covered what I was going to cover but, now that I have the microphone, I will take the opportunity to say it anyway. I can understand your difficulties at the moment, Minister, having been in post for such a short space of time, but needing to gather up and consider everything that is thrown at you on this. I want to make the point that the work of the former Wales TB action group was very good. We are doing some similar work—maybe even some duplication—but I am keen not to lose the people involved with the TB action group, particularly on the animal welfare side, such as the RSPCA, and various badger groups. They should still be involved, as they could help you to come to a decision. So, I just wanted to acknowledge, as you did, the work of the former TB action group, and I hope that it will form some part of your deliberations, and perhaps our deliberations as well. I will leave it at that now, as we have covered a lot of similar areas.

12.10 p.m.

[210] **Brynle Williams:** I just wish to raise my concerns. To reiterate what has been said, excellent work has been done by the action group, but I am concerned that we are to consider having small groups that feed in to you. Do I understand that right? Will we have all the stakeholders together under one umbrella? I make no personal inference about anybody, but are we once more going to be setting up the delaying tactics of having more committees and less action? I am sorry, but I am looking at this as a farmer. I do not know whether this is the place to ask, but I want to know what movement there has been towards setting up a laboratory in Wales for carrying out gamma interferon testing. The polymerase chain reaction testing could play a major role in this, but has it been perfected? I need to see things like this. This is for everybody, not just for the farmer. It is also for the wildlife interest groups, and for the budget of this establishment. Money could be put into health and education if we could get on top of this. For the last 15 to 20 years, the farming industry has seen committee after committee being set up. When the TB action group was set up, we really thought that we were moving forward.

[211] **Elin Jones:** Forgive me if I seem confused, but I thought that I had just announced that I was getting rid of a committee, in the form of the TB action group, and not creating more committees. My intention is not to use delaying tactics or to have a TB action group, but to mainstream this in Government. The Government already has an existing animal health and welfare strategy group. There are obvious synergies between the work that that group does and the work of the TB action group, because there are issues that are relevant to all animal diseases, especially when you talk about biosecurity on farms. Therefore, the intention is to have the animal health and welfare strategy group take a lead on TB work. There may well be task-and-finish elements of work that that strategy group will need undertake, to give the

momentum that I want to this work on TB eradication over the coming months and years.

[212] Perhaps Christianne can answer the question about the laboratory.

[213] **Dr Glossop:** We have looked at this in detail, given that it has been raised at committee before. Right now, we do not think that additional capacity is required in laboratories to carry out the gamma-interferon tests needed. We will keep that under review, and, if there were a need, we could consider it. It is not a good use of money to set up a new laboratory just for the sake of it, but, if there were a capacity issue, I assure you that we would consider it.

[214] I am sure that you appreciate that the blood samples taken for gamma-interferon testing need to reach the laboratory within 24 hours, and we have had the discussion before as to any issues of distance from farm to laboratory. You could spend a lot of time thinking about where a laboratory ought to be placed in Wales to minimise the difficulties of getting samples to a laboratory. We are working with the animal health division to ensure that the logistics of getting samples to the laboratories designated for gamma-interferon testing are as straightforward as possible. At the moment, however, we do not perceive the need to spend Welsh Assembly Government money on an additional laboratory facility.

[215] **Alun Ffred Jones:** O edrych ar yr hyn y mae'r grŵp gweithredu wedi'i wneud dros y blynyddoedd diwethaf—ac efallai mai cwestiwn i'r prif filfeddyg yw hwn yn fwy nag i chi, Weinidog—gwelwn fod camau wedi'u cymryd yn y maes hwn. A oes arwyddion bod y camau hynny wedi gwella'r sefyllfa? A oes prawf neu dystiolaeth o hynny?

Alun Ffred Jones: Looking at the work of the action group over recent years—and perhaps this is a question for the chief veterinary officer rather than for you, Minister—we can see that steps have been taken in this area. Are there any signs that the action taken has improved the situation? Is there any proof or evidence of that?

[216] **Dr Glossop:** Some of the key matters arising from this group include the use of gamma-interferon testing, and questions about the standards of biosecurity and the involvement of wildlife in the TB equation. I am sure that you will recall that pieces of groundwork were needed before we could answer those questions. Let us take biosecurity for example. An intensive treatment area has been set up in Pembrokeshire and Carmarthenshire, as you will know, where we have asked whether raising the game on biosecurity can have an impact on tuberculosis in that area. To answer that question, we worked with the Royal Veterinary College to establish an intensive treatment area and a biosecurity scoring tool. My campaign for this year is to make the word 'biosecurity' better understood. It does not just mean a bucket of disinfectant; it is much broader than that. We now have a series of farms in place that is co-operating with the testing of our biosecurity scoring tool. The college's veterinary surgeons are working with the farms and us to improve standards of biosecurity. I cannot answer your question as to whether that has yet delivered an improvement, as we are only halfway through the study, but, early in the new year, we will be able to report on progress to the committee in that area, both on whether we have raised the game and whether we have improved attitudes to, and an understanding of, biosecurity. The direct impact of that piece of work on the incidence of TB will take longer to deal with—and, inevitably, some of the farms in the study were in the process of going down with TB when it started. However, it is an important piece of work, and, if we can demonstrate an improvement in standards, we will roll it out across Wales. That will be an important thing to do.

[217] With regard to the use of gamma-interferon testing, we will be working in close conjunction with the animal health division and the laboratories to evaluate the test to clear up breakdowns more quickly. So, again, I cannot give you a direct answer right now, but we will be able to report back next year on whether that has been a useful technique. We have had

field trials, but we have been applying that test in anger.

[218] With regard to wildlife, as you know, we have carried out a study to answer the question of whether we have an infection of *Mycobacterium bovis* in badgers in Wales. We have that information and we now know that there is an incidence of infection in badgers. That was not a great surprise to us, but we needed that baseline information before we could consider the relationship between wildlife and cattle. We now have the question of working with deer to find out whether there is a problem with them. Over the past 12 to 18 months, important pieces of foundation have been put down on which to build the eradication plan that we are now working on.

[219] **Brynle Williams:** Hopefully, we have one of the most sophisticated tracking systems in the world with the British cattle movement service. Looking to the long term, is there any room to build a profile so that we can pick up cows in the system and answer the question of whether it is hereditary or moving, or whether that is all a load of nonsense? The BCMS will possibly work quicker.

[220] Secondly, you were talking about biosecurity, and I know of several cases in which cows were tested and identified but, shockingly, the occasional one was left on-farm for three months. I can give you names, if you need them. If we are going to attack this, these animals need to be cleared off the farm as soon as possible. This works on both sides. I am emphasising the needs of the farmers as well, but this has to work on both sides.

[221] **Dr Glossop:** When it comes to tackling and controlling an infectious disease, there are five key principles. You flagged up a couple of them in what you just said, such as the use of BCMS or a cattle tracing system to speed up the tracing activity and to ask other questions about the relationship between movements and breakdowns, for example. At some stage in the future, perhaps we could ask whether any genetic susceptibility or resistance to tuberculosis is possible. We have some of the pieces of the jigsaw there, have we not? I am encouraged by the work of the animal health division in getting much closer to the livestock identification and movement recording process, to improve the tracing system. Finding out where disease might have gone—or, indeed, where it might have come from—is a fundamental principle of disease control. So, the answer to your first question about the role of BCMS is that it is an excellent tracing system; it has helped us a great deal with regard to foot and mouth disease tracings in recent months and it certainly has a role to play with tuberculosis. I thought that you were going to ask whether it would be feasible to marry TB test result data to the British Cattle Movement Service system. That work is in progress and it will make a difference. Again, Animal Health is leading on the national livestock register and the livestock partnership programme.

12.20 p.m.

[222] On biosecurity and removing reactors from farms quickly, what I regard as the fifth principle of infectious disease control is removal of infection. So, identifying a reactor and leaving it on the farm for a day longer than necessary is not acceptable. We are aware that there have been individual problems in that area and we have been working closely with Animal Health to resolve that. There have been a number of reasons for that, one of which is the fact that we have a valuer-based valuation system as compared with table valuations in England, and the difference in reactor removal—not entirely, but in part—is due to the fact that the system is a little slower, for example, we have to arrange for valuers to go on to the farm and value the cattle. There have also been issues for Animal Health in arranging for that and getting animals removed. I know that Animal Health is increasing its administrative capacity, particularly in south-west Wales, to help resolve this problem.

[223] One of the key performance indicators for Animal Health, which I look at closely, is

reactor removal rate. It is not only about the average reactor removal rate, but the range. You will appreciate that if the average increases by one day, we must consider whether that means that that one animal has been there a long time or that every animal has been there for a short length of time over the target. So, we are working on that, but you are right in that reactor removal is a key component of dealing with this disease. As we develop our eradication plan, the most important thing that we can do initially is ensure that the policies that we have in place are being delivered effectively. There is no point adding to those policies until we know that what we are currently doing is being delivered properly.

[224] **Mick Bates:** In recommendation 3 of the old action group, there was a mention of reviewing and sharing costs between the industry and the Government. You may not be able to tell us much about this at the moment, Minister, but little seems to have been done about sharing costs. I know that the cost for gamma interferon tests currently falls on the farmer.

[225] I asked yesterday in Plenary about the continuation of our compensation system. Do you have any current thoughts on payment for gamma interferon tests and any costs that would be incurred to raise the profile among farmers of biosecurity, because Christianne has highlighted the need for people to understand biosecurity and it seems to me that if there is an encouragement of farmers to test their cattle with gamma interferon and an increased partnership between them and other stakeholders on their farm, then people will understand the need to remove cattle quicker or to ensure that tracing occurs much quicker, because there is currently a slight breakdown in that the Government seems to intend to load all the costs on to the farmer. So, what are your thoughts on how costs will move in the future?

[226] **Elin Jones:** This Government has allocated £27 million towards TB eradication programmes, so it is not loading all the costs on to the farmer. However, we are not yet at a stage to talk about the detail of that. The gamma interferon tests are currently paid for by Government. The pre-movement testing is paid for by the farmer, so an element of cost sharing is already in place. Do you want to say more about the development of gamma interferon, Christianne?

[227] **Dr Glossop:** You talked about cost sharing and the different tests. Gamma interferon testing is all paid for by Government at the moment under specific conditions. It is important for us to remember the role of gamma interferon and the test and to ensure that we do not apply it unwisely. It is a sensitive test; it is more sensitive than the skin test, which is good if you are trying to remove diseased animals from a farm, but bad if it inaccurately identifies reactors. That is why its application has been linked closely to specific conditions where, for example, we have a breakdown where animals have already been shown to have lesions of tuberculosis. This is where it is of greatest value. However, the report next year on the application of gamma interferon across the board will help us to highlight where it should be used strategically and where it should not. It is perhaps a bit of a long discussion to have here, but I think that there are times when it would be unwise to use gamma interferon testing at the moment with the current level of knowledge. However, once we have been able to consider how effective it was under the conditions that we have in place at the moment, we can be more strategic with it. It is not the answer to everything, but it certainly has a role to play.

[228] In terms of biosecurity and farmers understanding their role in a TB breakdown, you will know already that ensuring that everyone has a role to play when there is a TB breakdown is a passion of mine. The farmer has to live with that and submit his cattle for testing, and co-operate with the testing and the movement restrictions; Animal Health has a commitment to get the tests done, remove the reactors, and so on. The private vet also has an important role to play in helping the farmer to deal with that infectious disease on the farm—in the same way that the vet has a role to play with regard to any other infectious disease that is present on a farm. I have a vision of enhancing the relationship between the key players in a TB breakdown so that people truly understand what they can do to contribute to reducing that

breakdown. Biosecurity, of course, is an important component of that. That is what we are looking at in our intensive treatment area in south-west Wales. So, you are right; the private vet, the farmer, and Animal Health all have an important role to play.

[229] **Mick Bates:** I welcome that last statement very much. The only thing that I would say about the testing is that we have already heard evidence that suggests that the skin test is not that reliable and can leave a reservoir of TB on farm. I think that one of the figures showed that as much as 20 per cent was being missed. It is important for us to understand how gamma interferon can be used to identify that reservoir that exists within the cattle. You have said that the evidence is not complete, but if we were to embark upon or recommend a bigger test using gamma interferon to identify the reservoir, it will involve a substantial cost.

[230] **Dr Glossop:** We will have a lot more reactors; that is absolutely right. However, if we are trying to scoop out infection, then that has an important role to play. Gamma interferon testing used in parallel with the skin test in a confirmed TB breakdown is one of its best and most strategic uses. That is exactly where it deals with some of the sensitivity issues that you have just flagged up.

[231] **Alun Davies:** Thank you very much for that. I am afraid that we have to bring this session to an end. Thank you very much for answering those questions. I understand, Christianne, that you attended a seminar in Ireland last month. Is that correct?

[232] **Dr Glossop:** Yes.

[233] **Alun Davies:** The committee would be very grateful if you could give us a report on the conclusions of the proceedings of that seminar to help us with our deliberations on this subject.

[234] **Dr Glossop:** Okay. In what format would you like that? Would you like it in writing? What is the deadline for that?

[235] **Alun Davies:** We would like it in writing. We will contact you about the deadline, and discuss that with your office.

[236] **Dr Glossop:** We will need to check exactly what has been decided. A lot of information from that conference is being posted on a website. So, we need to have a look at what we can provide you with.

[237] **Alun Davies:** We would be interested in your view as well.

[238] **Dr Glossop:** Sure.

[239] **Alun Davies:** I am grateful to you for that.

[240] Diolch yn fawr i chi, Weinidog, am eich parodrwydd i ateb cwestiynau ac i drafod y materion hyn gyda ni y bore yma. Yr wyf yn edrych ymlaen at y tro nesaf. Gwn eich bod wedi cytuno i drafod clwy'r traed a'r genau gyda ni ryw bryd. Deallaf ein bod yn ceisio trefnu dyddiad ar gyfer y sesiwn honno ar hyn o bryd. Edrychaf ymlaen at hynny. Diolch yn fawr i chi a'ch swyddogion am eich amser y bore yma.

Thank you very much, Minister, for your readiness to answer questions and to discuss these matters with us this morning. I look forward to the next time. I know that you have agreed to discuss foot and mouth disease with us at some point. I understand that we are currently trying to arrange a date for that session. I look forward to that. I thank you and your officials very much for your time this morning.

Daeth y cyfarfod i ben am 12.29 p.m.
The meeting ended at 12.29 p.m.