



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

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

**Dydd Mawrth, 16 Chwefror 2010
Tuesday, 16 February 2010**

Cynnwys
Contents

- 3 Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions
- 5 Ymchwiliad i Glastir
Inquiry into Glastir

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynnddi yn yr is-bwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

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

Aelodau'r is-bwyllgor yn bresennol
Sub-committee members in attendance

Michael German	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Rhodri Glyn Thomas	Plaid Cymru (Cadeirydd yr Is-bwyllgor) The Party of Wales (Sub-committee Chair)
Brynle Williams	Ceidwadwyr Cymreig Welsh Conservatives

Eraill yn bresennol
Others in attendance

Ed Bailey	NFU Cymru NFU Cymru
Stephen Baldwell	Cyswllt Amgylchedd Cymru Wales Environment Link
Sue Evans	Cymdeithas Tirfeddianwyr Cefn Gwlad Country Land and Business Association
Rob Hanna	Cyswllt Amgylchedd Cymru Wales Environment Link
Mary James	NFU Cymru NFU Cymru
Dafydd Jarrett	NFU Cymru NFU Cymru
John Lloyd Jones	Cyngor Cefn Gwlad Countryside Council for Wales
Rhian Nowell-Phillips	Undeb Amaethwyr Cymru Farmers' Union Wales
Dr John Taylor	Cyngor Cefn Gwlad Countryside Council for Wales
Glenda Thomas	Grŵp Cyngori ar Ffermio a Bywyd Gwyllt Cymru Farming and Wildlife Advisory Group
Richard Vaughan	Undeb Amaethwyr Cymru FUW

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Aled Elwyn Jones	Clerc Clerk
Meriel Singleton	Dirprwy Glerc Deputy Clerk

Cynhaliwyd y cyfarfod yn Ysgol y Gader, Dolgellau
The meeting was held in Ysgol y Gader, Dolgellau

Dechreuodd y cyfarfod am 1.31 p.m.
The meeting began at 1.31 p.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Rhodri Glyn Thomas:** Prynawn da **Rhodri Glyn Thomas:** Good afternoon to

ichi i gyd, a chroeso cynnes i'r Is-bwyllgor Datblygu Gwledig. you all, and a warm welcome to the Rural Development Sub-committee.

[2] I should perhaps, first of all, explain the translation equipment. The headset should go under your chin, the translation is on channel 1 and the volume control is on the left hand side. If you have any problems, you should draw the ushers' attention to it.

[3] Dylai'r offer cyfieithu fod yn gweithio. A yw'r offer cyfieithu yn gweithio? Gwelaf ei fod. The translation equipment should be working. Is it working? I see that it is.

[4] If anyone has any problems with the translation equipment, please indicate and we will get someone to bring over another headset for you.

[5] Nid ydym yn disgwyl ymarfer tân y prynhawn yma, felly os bydd argyfwng dylech ddilyn y tywysyddion, os gwelwch yn dda. Gofynnaf ichi ddiffodd unrhyw offer trydanol, boed yn ffôn symudol, BlackBerry neu unrhyw beth felly. Mae'n rhaid eu diffodd oherwydd maent yn effeithio ar y sain a'r offer cyfieithu. Mae'r Cynulliad Cenedlaethol yn gweithredu drwy gyfrwng y Gymraeg a'r Saesneg, felly mae clustffonau ar gael ar gyfer y cyfieithiad ac hefyd os ydych yn cael trafferth clywed y sain, gan ei fod yn chwyddleisio'r sain. We do not expect a fire drill this afternoon, so if there is an emergency, please follow the ushers. Please switch off any electronic equipment, whether it is a mobile phone, BlackBerry or anything similar. They must be switched off otherwise they interfere with the audio and the translation equipment. The National Assembly operates through the media of Welsh and English, so headphones are available for translation and also to amplify the sound if you have difficulties in hearing.

[6] Are there problems with the translation equipment before we go any further? I see that there are. I will continue in English until the technical staff let me know what the situation is. When we take the sub-committee out, it is a little difficult to ensure that all the equipment works in an unfamiliar environment. No-one needs to press any buttons—that will be done on your behalf if the technology is working. So, do not touch the microphones. I have received an apology from Joyce Watson. Mike German is deputising on behalf of—

[7] **Michael German:** I am here in my own right.

[8] **Rhodri Glyn Thomas:** You are right—you have been made a member of this sub-committee and also Chair of the Sustainability Committee. Therefore, welcome, Mike, and thank you for making the effort to attend—I know that you had to change your arrangements to be here. It is quite a distance from Newport as well.

[9] Yr wyf yn deall y dylai'r offer cyfieithu fod yn gweithio yn awr. Mae'n ddrwg gennyf am hyn—gadewch inni droio unwaith eto. I understand that the translation equipment should be working now. I am sorry about this—let us try once again.

[10] Let us try to get this right—it is either going to work or it is not going to work. I do not want to stop every five minutes. I see that there is a problem, so we will continue in English.

1.34 p.m.

Ymchwiliad i Glastir Inquiry into Glastir

[11] I welcome Stephen Baldwin and Rob Hanna, who are representing Wales Environment Link. I welcome John Lloyd Jones and Dr John Taylor from the Countryside Council for Wales, and also Glenda Thomas from Farming and Wildlife Advisory Group Wales.

[12] Ymddiheuraf i unrhyw un a oedd yn I apologise to anyone who intended to give
bwriadau rhoi tystiolaeth — evidence—

[13] I think that the translation system is working again. I was just about to apologise to those of you who intended giving evidence in Welsh, but given that the system is now working, you can choose whether you want to give evidence in Welsh or in English. Therefore, I will turn to the Welsh.

[14] Os yw tystion yn dymuno gwneud If witnesses wish to make introductory
sylwadau agoriadol, a allwch eu cadw'n remarks, could you limit them to two or three
gymharol fyr—i ryw ddau neu dri munud? minutes? The Members have read your
Mae'r Aelodau wedi darllen eich papurau a papers and they will ask questions after your
byddant yn gofyn cwestiynau ar ôl eich opening remarks. We will start with Glenda.
sylwadau agoriadol. Dechreuwn gyda
Glenda.

[15] **Ms Thomas:** Diolch yn fawr am y **Ms Thomas:** Thank you very much for the
gwahoddiad. Yr wyf wedi paratoi fy invitation. I have prepared by presentation in
nghyflwyniad yn Saesneg, felly trof at y English, therefore I will turn to English.
Saesneg.

[16] We have been pleased to be part of agri-environment in Wales. I have been involved in it for 20 years and I have worked for FWAG for the last eight or nine years. We have developed excellent schemes, including Tir Cynnal and Tir Gofal, but there is a bit of a hiatus now, so we look forward to continuing the momentum that has been built up into Glastir. As you gather from the paper that we submitted, we have a few concerns mainly relating to scheme accessibility and the ability of farmers to get the points to enter into the scheme. Trials have been undertaken, but we have not been privy to the results of those trials. However, I know that Assembly staff are changing the points system to hopefully make it more accessible to farmers in that they will be able to get the points without a massive financial input that would not make it viable to enter the scheme.

[17] We are concerned about the lack of a capital works programme in Glastir mark 1 and we are not quite sure about the level of the programme in Glastir mark 2. We are talking about the agri-environment arena as a whole. These are whole farm schemes, but it is important that we supplement those schemes with the part-farm, one-off type of grant schemes that have been so successfully run throughout Wales, for example, the Countryside Council for Wales's hedgerow restoration scheme, the national parks, the areas of outstanding natural beauty and the local authorities. We need to ensure that those complement the whole farm schemes.

[18] We also have concerns about the costings that the payments have been based on and about the emphasis on stock reduction when we know that there are massive stock reductions in some areas and that some areas are now being undergrazed as opposed to overgrazed. So,

we need to address keeping the stock in the uplands, the reintroduction of capital and keeping the farmers who have such excellent animal husbandry skills.

[19] Finally, we are concerned about the application process in that, even if someone expresses an interest, they are told that the application forms will not be available until the very last minute, just before the six-week application period, which does not allow much time to prepare properly for the scheme.

[20] Yr wyf yn meddwl mai tair munud I think that that was three minutes.
oedd hynny.

[21] **Rhodri Glyn Thomas:** Diolch, Glenda. Dyna esiampl dda i bawb o ran cadw at amser. Ai Stephen neu Rob fydd yn gwneud y sylwadau agoriadol? **Rhodri Glyn Thomas:** Thank you, Glenda. That was a good example for everyone of keeping to time. Is it Stephen or Rob who will make the opening remarks?

[22] **Mr Hanna:** Good afternoon, ladies and gentlemen. My name is Rob Hanna. I am a senior officer for Ramblers Cymru and I am here today representing the Wales Environment Link, which is a network of third-sector bodies concerned with environmental issues in Wales. We have submitted a paper and among the key issues that we would like to address today is Glastir. It is a huge opportunity for Wales to get it right. The first environmental and green initiatives were launched in 2000 and we are still waiting to see the targets delivered from those. We want to learn the lessons from those earlier schemes in order to carry them forward into the new scheme. We particularly see the opportunity to get real public benefit and to join up with all of the other initiatives that are happening in our nation to try to promote public awareness of biodiversity, to increase tourism, to make Wales more attractive by greening it and contributing to the reduction in carbon emissions.

1.40 p.m.

[23] Our main concern today is the evidence of the lack of monitoring of the new scheme, which we think is critical. One of the things that did not happen with the earlier schemes was good monitoring information, which provided us with little data about the impact of those public investments in farming and landscape management. So, there is a huge opportunity and a requirement in this second round of schemes to introduce more beneficial monitoring.

[24] **Rhodri Glyn Thomas:** Diolch yn fawr, Rob. Cyn gwahodd y naill neu'r llall o'r ddau John i siarad, manteisiaf ar y cyfle i ddiolch yn fawr i John Lloyd Jones am ei gyfnod fel cadeirydd ac am ei gyfraniad. Mae wedi ymddangos gerbron yr is-bwyllgor hwn nifer o weithiau yn sgil hynny ac yr ydym yn ddiolchgar bob amser am ei gyfraniadau. Diolchaf iddo am ei gyfraniad, nid yn unig yn ystod ei amser fel cadeirydd Cyngor Cefn Gwlad Cymru ond am ei gyfraniad helaeth i fyd amaeth a chefn gwlad dros nifer o ddegawdau erbyn hyn. Mae'r ddau ohonom yn mynd yn ôl ormod o ddegawdau, yn anffodus. Fe'ch gwahoddaf i wneud ychydig o sylwadau agoriadol. **Rhodri Glyn Thomas:** Thank you very much, Rob. Before I invite either of the two Johns to speak, I will take this opportunity to thank John Lloyd Jones very much for his chairmanship and his contribution during that period. He has appeared before this sub-committee a number of times in that role, and we are always grateful for his contributions. I thank him for his contribution, not only in his time as the chair of the Countryside Council for Wales, but for his huge contribution to agriculture and the countryside over what is now a number of decades. We both go back too many decades, unfortunately. I invite you to make some opening remarks.

[25] **Mr Jones:** Diolch yn fawr ichi am eich geiriau caredig, Mr Cadeirydd. **Mr Jones:** Thank you very much for your kind words, Mr Chairman.

[26] I have with me Dr John Taylor, who is the director of policy at CCW. John was instrumental in leading the team that devised Tir Cymen and Tir Gofal. I have four very quick points. First, I know that it is a challenge to keep to the timetable. It will be challenging, but we plead with you to try to stick to the timetable. We have a two to three-year hiatus at the moment between the closure of Tir Gofal and the implementation of Glastir. That is not making it easy for Wales to deliver on the Wales environment strategy and on the water framework directive.

[27] The second quick point that I want to make is the oddity that farmers in Tir Gofal, up to 2013, will be highly unlikely to be able to access Tir Mynydd money, simply because it will be difficult for them to join the entry scheme because of the additionality problems. Allied to that, it is important that, as much as possible, the prescriptions in Tir Gofal can be transferred into Glastir. We cannot have a hedgerow management situation where, for instance, the fence spacing will be different in one scheme compared with the other, leading to the nonsense of farmers having to rip out fences that had been put in place under capital grant schemes in order to comply with new prescriptions under Glastir.

[28] The third point has already been made; it is about monitoring. I know that it is early days in thinking about the scheme, but it is important that monitoring is a part of this from the beginning, because unless we monitor from the start, it will be difficult to work up a justification for the continuation of the scheme.

[29] Lastly, a lesson that we have all learnt from agri-environment schemes is that the quality of the project officers is fundamentally important to the delivery of agri-environment schemes. We found that with Tir Cymen and Tir Gofal. That will be equally true, especially for the higher level, of Glastir. Since I am leaving next week, I cannot resist this pop: it is sad that over 50 per cent of the Tir Gofal staff who were transferred from CCW to the Welsh Assembly have now left their posts. I do not think that we can afford to lose that capacity in Wales.

[30] **Rhodri Glyn Thomas:** Rhaid cyfaddef bod y sylw olaf hwnnw yn peri cryn syndod imi, ond yn sicr mae'n rhywbeth y dylem fod yn ymwybodol ohono. Yr wyf hefyd yn credu y byddai'n drueni mawr pe bai ffermwyr yn cael eu rhoi mewn sefyllfa lle y byddai'n rhaid iddynt ddifrodi gwaith yr oeddent eisoes wedi'i wneud ar eu fferm er mwyn bod yn gymwys i dderbyn cymorthdaliadau yn y gorffennol er mwyn cael mynediad i'r cynllun newydd. Rhaid osgoi hynny. Dyna un o'r prif resymau pam yr oeddem yn awyddus i gynnal yr ymchwiliad hwn, i weld beth yn union yw'r pryderon a cheisio sicrhau eglurder ynglŷn â'r hyn a fydd yn digwydd gyda'r cynllun newydd, Glastir.

Rhodri Glyn Thomas: I must admit that your last comment surprises me a great deal, but it is certainly something that we should be aware of. I also believe that it would be a great shame if farmers were put in a position in which they had to destroy work that they had already done on their farm to be eligible for past grants in order to be accepted on to the new scheme. We must avoid that. That is one of the main reasons why we were eager to undertake this inquiry, to see exactly what the concerns are and to try to ensure clarity regarding what will happen with the new Glastir scheme.

[31] **Brynle Williams:** Prynawn da. Good afternoon, ladies and gentlemen. In its current format, do you believe that the Glastir points system is sufficiently accessible to be attractive to all farmers? How easy will it be for farmers who already hold Tir Gofal agreements to access the entry level version of Glastir?

[32] **Mr Jones:** Going back to the principle that good chairmen do not do detail, I will

pass you over to John Taylor on that one.

[33] **Dr Taylor:** The issue is—and it is a difficult one for our colleagues in the Assembly Government—that there has to be a measure of additionality when people transfer between schemes. It is fair to say that, every time a generation of agri-environment schemes has come to an end, we have had a degree of churn, where those in the existing schemes have found it difficult to get into the new ones. We had this with Tir Gofal, where some Tir Cymen scheme-holders came to the end of their 10-year agreements and, to their astonishment, found it difficult to get into Tir Gofal. However, one of the most welcome aspects of Glastir is that it addresses a twenty-first-century agenda, and not a 1990s one. Tir Gofal was a child of its time, and was developed to deal with the issues of that era, with biodiversity, conservation and habitat management at the forefront of the scheme. Glastir has to address a wider range of issues, including carbon, the water framework directive requirements, and so on. It is vital that the points system reflects the priorities.

[34] Although I take the point that Glenda made in her introductory remarks—that the hurdle should not be too onerous, so that it becomes impossible for farmers to join—this is nevertheless a substantial amount of public money that is being invested, and it is important that it reflects the priorities that the Welsh Assembly Government has adopted. All along, our advice has been to try to help the Assembly Government to strike a balance between ensuring that the points reflect its priorities and the extent to which farmers are required to make a positive contribution. The difficulty with that is that many of the habitats in Wales that we treasure are already there because of the farming that has been going on for years, so how do you reward that? If you are saying that the points system demands some new and additional activity by the farmer, it is difficult to strike a balance between that maintenance role and the new creation role. That is the balance that has to be struck and it is a difficult one for the Assembly Government to achieve. The points system put forward under the programme of trials that has been adopted, and the work that has been done subsequently to amend that points system, is a pretty good attempt at striking that balance between requiring sufficient effort and new work and enabling farmers to enter the scheme in sufficient numbers for it to be meaningful.

[35] **Ms Thomas:** I have a couple of points to make. To start with, we are talking about the entry-level scheme, and the points system was certainly onerous, as shown by the trials. Although we have not had the results yet, we understand from some of our members that it was impossible for them to get into the scheme and come out with any financial benefit. I agree with John that the points system has been altered, but we do not yet know the scale of the alterations. We have been calling for a re-trial to see how these farms would get on with the new points system so that your question could then be better answered as a whole. If farmers have already done some work, they will have to find other things to do on the farm, and there are new ways of accruing points this time, with an emphasis on resource protection. We have also called for regional packages within Glastir—a suggestion that has been accepted—and we have been talking about the possibility of sector packages as well, so that you can focus more on the resource protection issues in intensive dairy or beef units, for example, and on biodiversity in more extensive farms. Manoeuvring the points in that way would work quite well.

1.50 p.m.

[36] **Mr Hanna:** The transition arrangements are crucial. We have already invested considerable amounts of money in earlier schemes, and the gains that might have been made should not be lost. Nature does not recover quickly; it is something that you must work at and invest in for a long period of time before seeing the benefits of all that investment. The gains made will be lost if we do not have a smooth transition between the two schemes—it is crucial.

[37] **Brynle Williams:** I take on board the point about the transition period, but, having spoken to farmers on visits and so on, I am also concerned—and I have brought this up in Cardiff several times—about whether we have the balance right between the environment and food production. At the end of the day, one is dependent on the other, but we are very loaded in one direction now. I wonder whether we have the balance right with the production of food. We are being told time after time that food will be a crucial consideration and I think that we will see food shortages in the UK in the next 10 years, although not generally perhaps. Do we have this right? That links back to whether farmers should continue to produce food in the uplands as well as managing the environment. It is a very serious problem, and some of the points that we have heard this morning have really driven that home.

[38] **Rhodri Glyn Thomas:** Mae hyn yn dod â ni yn ôl at bwynt John Taylor ynglŷn â'r canllawiau. Dywedodd eu bod yn ganllawiau go dda ar y cyfan, os ydwyf yn cofio'n gywir. John Lloyd Jones, a ydych am ddod yn ôl ar bwynt Brynle ynglŷn â'r cydbwysedd?

Rhodri Glyn Thomas: This brings us back to John Taylor's point regarding the guidelines. He said that they were quite good guidelines on the whole, if I remember rightly. John Lloyd Jones, do you want to come back on Brynle's point about the balance?

[39] **Mr Jones:** I will make two brief points. Brynle, I think that this is a valid argument with two points of view. First, it is likely to be financially less attractive now for some farmers to go into an agri-environment scheme, simply because the market price has gone up. The other thing to remember—and I hope that you realise this—is that the payments for agri-environment schemes are based on profits foregone. If the profitability goes up, the payments on agri-environment schemes should go up, and therefore, they become more expensive to run.

[40] **Brynle Williams:** To what extent does the introduction of higher level schemes at a later stage reduce the attractiveness of entering Glastir to some farmers?

[41] **Ms Thomas:** As I understand it, to enter Glastir mark 2, the higher level scheme, you must be in Glastir mark 1. So, anyone who thinks that they may want to proceed to the higher level Glastir scheme will have to enter the lower one. The problem is that we do not really know what shape the higher level scheme will take, what the payments will be or the extent of the capital works programme. So, it is quite a difficult decision to make, whether you will try to get into the lower level scheme, which might cost you money, in order to perhaps have a chance at the higher one.

[42] **Rhodri Glyn Thomas:** Mae Glenda wedi rhoi sylw i'r lefel uwch a John Taylor wedi disgrifio ymgais y Llywodraeth i osod yr amodau ar gyfer mynediad i'r cynllun fel un eithaf da, ond o wrando ar sylwadau Cyngor Cefn Gwlad Cymru, credaf eich bod yn teimlo bod angen rhai pethau gwahanol, ac i amrywio rhai o'r pethau sy'n bodoli eisoes. A ydych chi fel mudiadau yn teimlo bod angen newid yr amodau mynediad sylfaenol hynny?

Rhodri Glyn Thomas: Glenda drew attention to the higher level and John Taylor has described the Government's attempts to set the access conditions for the scheme as quite good, but having listened to the comments of the Countryside Council for Wales, I believe that you feel that there is a need for some alternatives and to change some of the things that already exist. Do you as organisations feel that those basic access conditions need to be changed?

[43] **Dr Taylor:** One of the things that we should all bear in mind is that these schemes evolve. When we first put Tir Gofal on paper, we thought that it was pretty good, but within a year or two, we found out what was wrong with it and we were starting to have to go back and forth to Brussels with amendments. That is likely to happen in this case, and the

Assembly Government—

[44] **Rhodri Glyn Thomas:** Sorry to interrupt you, John. Is it not the case that if the scheme is still evolving at that point, it is too late for people who are trying to decide whether it is possible for them to transfer to the new scheme? If farmers decide that they are unable to do so and that they cannot meet the criteria, it is too late for them, is it not?

[45] **Dr Taylor:** A sensible strategy for an awful lot of farmers would be to get their expression of interest down on the relevant forms. They would then need to look at the points for entry level. In those cases where farmers have land that meets the criteria and priorities that have been set for the higher level scheme, it will be financially attractive to participate in the scheme. Whether the profit foregone would negate that is the only question that they have to face. We have found that most farmers in the Tir Gofal scheme have been very happy to take not just the basic package, but quite a lot of the enhancements as well because it was financially advantageous for them to do so. John referred to the way that the economic situation has changed in the last eight years, and that is clearly a factor. A lot of farmers these days are looking at agri-environment schemes in a very different light to the way they were looking at them at that time. Nevertheless, this is income, and the agri-environment schemes are an important part of the Welsh farming economy—the axis 2 measures represent a very substantial share of Welsh farming income. It is important, therefore, that we design the scheme—and that the Assembly Government designs the scheme—in a way that makes it attractive to farmers to participate not just at the entry level, but to take full advantage of what is on offer.

[46] **Rhodri Glyn Thomas:** John Lloyd Jones, before you start, I will ask you specifically about the capital works programme. Is there—

[47] **Mr Jones:** I was just about to come to that. One of the great attractions for farmers who were going into Tir Gofal was the capital works element. Not only was that attractive to farmers, but it was important for the rural economy in terms of job creation, buying materials and so on. The payments that farmers were getting under Tir Gofal were split into two-thirds for prescriptions and one-third for capital. That was a very important component of the annual payments that farmers were getting. If you drive around Merionethshire, as you have been doing, you can almost pick out the farms that are in Tir Gofal because their hedges have been double-fenced and the stone walls have been rebuilt. Remember, however, that that has been the basis of a very strong part of the rural economy. That work created jobs.

[48] **Michael German:** I would like to pursue this issue because I would like to have everyone's views on it. There is a clear distinction between work that helps the rural economy to survive and work that maintains the quality of our environment and its biodiversity. Do you think that there is any potential for new stone walls and hedges to be built, given the current arrangements that are being proposed for Glastir?

[49] **Dr Taylor:** Compared to Tir Gofal and other schemes of its kind, this work will be considerably more limited. That is clear.

[50] **Michael German:** Could I pursue the phrase 'considerably more limited'? What will be possible?

[51] **Dr Taylor:** In terms of capital grants, there will be almost nothing. However, the payments and the points system are designed so that one needs to put in place the necessary works to take advantage of the payments. The payments are partly staged in order to reflect that.

[52] **Michael German:** To be clear, if you wanted to build a new dry-stone wall, you

would receive some payments for its maintenance.

[53] **Dr Taylor:** Yes, you would receive revenue payments.

[54] **Michael German:** So, you would receive revenue funding to look after it. However, if you wanted to build a new one or rebuild one that is already there, how would you do that?

[55] **Dr Taylor:** That is the issue. The initial capital—

[56] **Rhodri Glyn Thomas:** Sorry to interrupt you again, but I want to be clear on this point. There are maintenance payments for work that has already been carried out, are there not?

[57] **Dr Taylor:** The prescriptions are revenue payments—a form of income, in other words—for the ongoing management, which may mean maintenance, of whatever the asset is. When it comes to the creation of a new asset, such as a building or a dry-stone wall, it is quite clear that this scheme is not in that business in the same way as Tir Gofal and other schemes were.

2.00 p.m.

[58] **Michael German:** Apart from the damage to the rural economy, which, I think, is pretty clear, because dry-stone wallers are not going to be able to do their job, apart from maintaining existing dry-stone walls, as there will not be any new dry-stone walls to be built, what do you think the result for our natural environment will be from not having capital schemes? Could you paint a picture of what you foresee will happen if we do not have any form of capital payments?

[59] **Dr Taylor:** You are asking me questions that need to be explored with the scheme designers, and, bearing in mind CCW's role as an adviser, to answer—

[60] **Michael German:** That is why I am asking you, because you are an adviser.

[61] **Dr Taylor:** Our advice has been that the schemes that were put in place in the past had a strong element of this in them. That is partly because we regard the landscape and the historic environment of Wales, including some of its buildings and built heritage, as extremely important—it is a very important part of what makes Wales the place it is. We were, therefore, very keen, not just because of its economic benefit, which was clear, but also—

[62] **Michael German:** I will interrupt you there, because you have just mentioned why it was important in Tir Gofal, and you have said that the landscape of Wales needs to be protected and developed. Do you believe that, given the current construction of the Glastir programme, as you see it, any developments beyond where we currently are, apart from the completion of existing schemes, are likely to be halted in terms of protecting and developing our landscape?

[63] **Dr Taylor:** That is clearly a lower priority than the new priorities that have been set for the scheme. The new priorities are to do with carbon and water management in terms of quality and quantity, preventing floods, alleviating floods and alleviating drought. Those are the new priorities of this century, which are now higher on the priority list from which the Government has to choose in designing this scheme. However, CCW continues to regard those aspects of the scenery, the landscape and its heritage that we referred to earlier as important and as things that we cannot afford to neglect in Wales.

[64] **Michael German:** If we cannot afford to neglect them, should we be able to afford them in the scheme?

[65] **Dr Taylor:** We will need to look for alternative sources of revenue for this if this scheme does not supply it.

[66] **Brynle Williams:** How can you ask the industry to sign up to this, then? We are looking at a journey where we cannot even see where we are going. If I am reading this right, all the good work done in Tir Gofal, all the skills attained, and the young people in the rural economy, are not needed anymore. There is a whole hidden economy that will just have to die out—or perhaps I am making it too simple.

[67] **Dr Taylor:** I do not think that it is as simple as that. It has never been the case that we have relied 100 per cent on the intervention of the state to manage and protect our environment. There must be other ways of taking this forward and opportunities for the marketplace, in effect, to contribute to this process as well. We are talking about one scheme here. Admittedly, it will be comprehensive in terms of axis 2, but we must look wider than Glastir for support of our Welsh rural economy and the environment.

[68] **Brynle Williams:** I see a problem arising here. You referred to the market forces at the moment, and trade is quite buoyant. However, the problem is that as smaller farms disappear, the bigger farms get a lot bigger, the market forces go and, eventually, you will have to legally impose schemes.

[69] **Rhodri Glyn Thomas:** I foresee two problems arising here: one is a technical problem, as some people still have their phones switched on, which is having an effect on the technology here, including the translation and the audio systems. The second problem is that we have a number of other areas we need to look at. I think that we have made the point, but I know Glenda and Rob want to come in on this. Glenda is first.

[70] **Ms Thomas:** I think that what is going to happen under Glastir mark 1 is that some of these works that we have talked about will be undertaken to get into the scheme and then that will be it, so we are not encouraging long-term, year-by-year works on farms under Glastir mark 1. I am still not clear as to what capital works will be available under Glastir mark 2. I think that we have room to look at that, as it also depends on how much money is available for Glastir mark 2, and I assume that Assembly staff will have made those calculations on the basis, for example, that if we get 9,000 people into the entry-level scheme, we will have x amount of money left for—

[71] **Michael German:** To be absolutely clear, do you mean Assembly Government staff?

[72] **Ms Thomas:** Yes.

[73] **Michael German:** Thank you. I do not represent the Assembly Government.

[74] **Ms Thomas:** Yes, the civil servants who are doing these calculations. I assume that that will have an effect on how much in capital works—if they are being brought in—will be in the higher level scheme, which is the equivalent of Tir Gofal. We are talking about the entry-level scheme here. It will have a huge impact on the rural economy, and also on wildlife. If those works are not ongoing, there will be a collapse in the connectivity of the wildlife corridors that we are trying to ensure link all the habitats. There are tumbledown traditional buildings that we are trying to keep as landscape features, fencing, woodlands, parkland trees—the list goes on and on with regard to the effect that it could have on the landscape and therefore on tourism and biodiversity, and the whole countryside in which we live. It is important to get it right in the agri-environment scheme. I take John's point that we

need other grant schemes as well, but this is the big one, and we need to get the capital works programme right.

[75] **Mr Hanna:** We also need to be aware that the market for our produce has changed significantly. We are dealing with much more sophisticated consumers, who understand the relationship between their food and the landscape. One way that consumers can easily see that is that the landscape looks cared for and has the appearance of being managed. The positives about the earlier schemes were the capital element of the grants, because the public can understand that—people can see the walls being built, they understand that young people are carrying on these valuable rural trades in the place where they live and the important contribution that that makes to maintaining sustainable communities. It is a concern of ours; we want to see high levels of support for capital grants. One of the best ways of promoting Welsh food production is to walk it and experience it. We see it on television and in advertisements, but let us get the public here to see the quality of environment that Wales has to offer, and the relationship between the food producers and the by-product of increased biodiversity.

[76] **Rhodri Glyn Thomas:** We seem to have consensus between witnesses and members of the sub-committee that there is great concern about the lack of a capital works programme, and that there is also concern that maintenance of work already carried out could be endangered, going back to John's earlier statement that it may be that the only way that you could do it is to rip out and rebuild it, which would be a tragedy.

[77] **Mr Baldwin:** Looking at the prescriptions that have been provided recently, we believe that there will be an element of capital within the scheme. It is not what you would traditionally think of as capital works in terms of walls, buildings, and so on, but many of the elements designed to provide habitats for species and to improve habitats will involve some capital works, such as the creation of scrapes for wading birds, the traditional restoration of hedgerows and so on, which will involve many skills that will need to be nurtured and developed within the rural community.

[78] **Rhodri Glyn Thomas:** That is very important work. We are worried that the kind of capital works programme that existed in the past is not recognised in this new scheme over and above what you described. Mike, are there any other areas to which you wish to take us?

[79] **Michael German:** I have two simple questions on the timetable for implementation. Are we ready to implement this scheme in the proposed timescale, and what should be done to ensure that the Government has an option not to start the scheme during the timescale that it proposes if it needs to do so?

[80] **Mr Baldwin:** We do not think that the Government has an option to delay the scheme. If you look at the decline in our biodiversity, we have had agri-environment schemes and sustainable development schemes in Wales for a number of years, but our wildlife is declining before our eyes. Therefore, we do not have an option to delay the scheme. This scheme has great potential to turn around the fortunes of our countryside, landscape and wildlife, and we need to press on with it. That is the point that we would make.

[81] **Michael German:** 'Are we ready?' was the other question.

[82] **Mr Baldwin:** I believe that we would be ready. John said in his opening speech that there were a number of non-governmental, third sector organisations, such as CCW, providing advice and assistance to the Assembly Government on the development of this scheme and they will continue to do so to ensure that it can be developed and implemented on time.

2.10 p.m.

[83] **Mr Jones:** We would agree with that. I said in my opening remarks that it is important that we try to stick to the timetable. If we do not, the hiatus for farmers getting into agri-environment schemes will be even longer. As regards whether we can do it, the old adage applies: the thought of imminent death concentrates the mind.

[84] **Ms Thomas:** We are probably not ready, but we need to be. Things such as the trials should have been done a long time ago; it should not be a case of having the results by December. We are quite concerned, as a smallish organisation, about getting our members ready, or those who would like our attention, between now and the end of October, in effect. That is not much time to prepare everyone and get the full commitment and involvement of every farmer concerned. If there were a delay for a year or whatever, we would not need to worry too much about a hiatus, because we could then go back to the 960 Tir Gofal farmers who were still waiting for a Tir Gofal visit, but were dropped, and the 400 Tir Cynnal ones. That is one suggestion.

[85] **Michael German:** Can you address that point precisely?

[86] **Mr Jones:** It is difficult for us to give an answer as to whether the mechanism is in place to reopen Tir Gofal, because we are no longer running the scheme.

[87] **Brynle Williams:** May I say something, as someone who is sitting here as a very simple person? We are discussing a scheme that will have a terrific impact on every aspect of Welsh life. We are discussing the people who will supposedly be carrying out this scheme, namely the agriculturists and the support staff, yet none of us know what the exact prescriptions of the scheme are. I therefore find it puzzling that we are sitting here today, being told that we have to sort this out and move forward within 12 months. I appreciate your opening remarks, John, in which you said that we cannot wait, but I think that we should delay this for 12 months until we have a better understanding of exactly where the industry is going. That is purely a personal opinion. We have heard your opinions. However, I find it amazing that we are discussing a complex scheme, but no-one can tell us what the meat on the bones is.

[88] **Rhodri Glyn Thomas:** I have three specific supplementary questions on the point that Brynle has just raised. First, was it wise for the Government to announce this scheme so early with so little detail attached to it? Secondly, do you think that the advisory support service to farmers has been sufficiently resourced? What of the project officers? Have they started carrying out their work? It seems to me from having talked to farmers this morning that the farmers and even the farmers' unions do not know what this scheme incorporates. So, what are your views on those three issues, leading on from Brynle's question?

[89] **Dr Taylor:** Do not forget that it is a long process to develop one of these schemes, not least because it has to be approved in Europe—I apologise if I have just deafened anyone by hitting the microphone. The preparation of the documents that need to go to Europe is only one part of the business. I am sorry to keep going back to this, but I remember that when we prepared Tir Gofal, we had 60 pages of questions from Europe within days of sending in our submission. They were detailed and hard questions about precisely how we would do this, that and the other; it was very tricky stuff. The Assembly Government is about to embark on doing that for the entry-level scheme. In March, the intention is to begin to consult widely in Wales on the detailed content of the pilot scheme.

[90] **Rhodri Glyn Thomas:** However, at the moment, we do not even understand the entry-level scheme. There is little point in our talking about the higher level until we understand who can gain access at entry level.

[91] **Dr Taylor:** I see in today's *Daily Post* that the Assembly Government is about to embark on a fairly comprehensive series of meetings with farmers across Wales, from which a lot more information will become available, so, hopefully, many of these issues will become clear. On the question of readiness and whether it was right to announce this at the time, I think that the Assembly Government had to indicate its direction of travel. Tir Gofal was being brought to a close, so it had to say where it was going next. I do not know whether the Government fully understood the length of the hiatus that might be created by closing one scheme and waiting before it was able to open the next, but it is up to a lot of the people around this table to help to get this ready and to make it work. It is not just down to the Assembly Government. The Assembly Government does not talk in these terms, but it is trying to bring together a comprehensive partnership.

[92] **Rhodri Glyn Thomas:** In CCW's evidence, John, you refer specifically to the lack of project officers.

[93] **Dr Taylor:** Yes, but do not forget that running costs have always been a huge issue in agri-environment schemes across Europe—that is, the proportion of the scheme's total funds that is spent on project officers and administration. It was always the intention that this would be light on running costs.

[94] **Rhodri Glyn Thomas:** Let me ask you a question that requires a 'yes' or 'no' answer. Do you believe that the Assembly Government has given sufficient information to farmers and landowners about this new scheme?

[95] **Dr Taylor:** It is embarking on that now, so no, not yet.

[96] **Rhodri Glyn Thomas:** Is that a 'no'?

[97] **Dr Taylor:** Not yet.

[98] **Rhodri Glyn Thomas:** I think that that is a 'no'. Before I bring Brynle and Mike in, Stephen has something to add on this point.

[99] **Mr Baldwin:** I agree about the advice. It is integral to the success of this scheme to provide good support and advice for the farming community and the officers who will be developing the agreements. That is a key point that needs to be addressed, but it is eminently addressable within the timeframe that we have to get this scheme implemented.

[100] **Ms Taylor:** O ran eich tri phwynt, **Ms Taylor:** On your three points, Chair—
Gadeirydd—

[101] Hindsight is a wonderful thing, and I suppose that the announcement was too early, and the other schemes could have gone on for a lot longer. As for advice and support from the Assembly Government itself, we have not had too much yet. I think that the first meeting is tonight, and there could be some exploration of how to improve access to Farming Connect for environmental management advice. Certainly, we are one of the deliverers, and we have helped one farmer under the Farming Connect banner, and many others on a one-to-one basis, without any Farming Connect money. From our point of view, that is quite telling.

[102] Project officers are important and represent one source of advice and support, but another is organisations such as ours. We are helping farmers, farmers are joining us, and they are getting their environmental management advice from us. So, support is needed, but it does not have to come from the Assembly Government. You can also have external, independent project officers. Yes, project officers will add to the administrative cost, but the alternative

way of working, which happened under Tir Cynnal, is to provide an element of the payment that the farmer can use to bring in outside help with the resource management plans. That was included in the payment, and that has been talked about as a possibility with Glastir. I would like to see that going forward.

[103] **Mr Jones:** I just have two quick points to make, and I will try to give you definite answers. Is there enough information for farmers to commit to the scheme? No, obviously not. Is there enough information for farmers to tick a box that shows that they are willing to express an interest? Yes, but remember that once those farmers have ticked that box to express an interest, you have to deliver something to grab their interest. So, you can say that ticking that box kicks off the entire system, and you are then into a situation in which things have to start happening.

2.20 p.m.

[104] **Brynle Williams:** Clywaf yr hyn yr ydych yn ei ddweud, John, a chredaf fod y diwydiant yn sylweddoli bod rhaid inni symud ymlaen. Mae hynny'n sefyll i reswm. Fodd bynnag, y gwir yw nad oes digon o wybodaeth ar gael ar hyn o bryd. Mae'r Llywodraeth wedi cyflwyno cynllun ac nid yw wedi dweud gair am y peth. Yr ydym, fwy neu lai, yn gweithio yn y tywyllwch. Os ydych yn gwmni sy'n creu poteli plastig, gallwch benderfynu diffodd y peiriant a dweud bod hynny'n ddigon. Fodd bynnag, mae'n cymryd dwy neu dair blynedd o leiaf i ffermwyr newid eu busnesau i gynhyrchu rhywbeth gwahanol. Credaf fod hwn yn cael ei wthio ymlaen yn rhy fuan. Dylem edrych ar ei ehangu am o leiaf flwyddyn er mwyn deall yn union i ble'r ydym yn mynd. Nid oes neb yma yn erbyn y cynllun. Mae angen inni symud ymlaen, ond rhaid i'r diwydiant wybod i ble mae'n mynd. Cawsom wybodaeth newydd y bore yma, ond mae'r diwydiant i fyny yn yr awyr ac ni wŷr i ble mae'n mynd.

Brynle Williams: I hear what you say, John, and I believe that the industry realises that we have to move on. That goes without saying. However, the truth is that there is not sufficient information out there at the moment. The Government has introduced a scheme and has not said a word about it. We are more or less working in the dark. If you had a company that manufactured plastic bottles, you could decide to switch off the machine and say that that was enough. However, it takes two or three years for farmers to turn their businesses around and to produce something different. I think that this is being pushed forward too quickly. We should look to extend it for at least a year to understand exactly where we are going. No-one here is against the scheme. We need to move forward, but the industry has to know where it is going. We got new information just this morning, but the industry is still up in the air and does not know where it is going.

[105] **Rhodri Glyn Thomas:** A bod yn deg, credaf fod y tystion wedi ateb y cwestiwn hwnnw. Maent yn teimlo bod rhaid gweithredu yn awr, ond derbynïaf bwynt Brynle am ofidiau'r diwydiant, ac yr wyf yn siŵr y deawn at y materion hynny yn y ddwy sesiwn nesaf.

Rhodri Glyn Thomas: To be fair, I think that the witnesses have answered that question. They feel that we need to take action now, but I accept Brynle's point on the industry's concerns, and I am sure that we will come to those issues in the next two sessions.

[106] **Michael German:** I have a question supplementary to John's contribution and I wish to probe his experience of Tir Gofal. How long did it take to get final clearance from Brussels for the Tir Gofal scheme? In comparison with that same process, as it will undoubtedly take the same length of time, where are we with Glastir in Brussels?

[107] **Dr Taylor:** To clarify, do not forget that the approval is to start making payments, so if you are clever, you can make all sorts of announcements, organise launches, and start to

sign people up and so on before you have final approval, and that is what we did in Tir Gofal. We made our submissions to Brussels in 1998, launched the scheme in March 1999, but did not make any payments until late in 1999, by which time we had had the approval, which took around 16 months.

[108] **Michael German:** Do you know where our comparator with Glastir is?

[109] **Dr Taylor:** Submissions to Brussels for entry level need to be made within the next few weeks so that the timetable that you have been talking about, which is the expression of interest in this year's single application form and applications in the autumn—

[110] **Michael German:** Sorry, what I am trying to get at is not the timetable that the Welsh Government has set itself, but the one that Brussels is setting for the Welsh Government. I understand that it has to lodge its submission to start the 16-month process in Brussels in the next few weeks if it wishes to keep to the timetable that it has set itself, but if the Government wanted to hold it back to give it more time, what would be the case for leaving it for a few months before going to Brussels?

[111] **Dr Taylor:** I am not suggesting that it need necessarily take 16 months. I do not know whether it will take 16 months, but that is how long it took Tir Gofal. It is possible that the process will go more rapidly, but I do not think that there is a case for delaying the submission. The actual process of the submission becomes iterative, as I discussed earlier in reference to letters passing back and forth and meetings with Brussels, which is all very helpful because it forces you to clarify things. So, the sooner the Government embarks on that, the better and that is what it is gearing up to do.

[112] Irrespective of where that submission lies, it does nothing to prevent the scheme from progressing in the terms that you have been talking about. The only thing that it prevents is the making of payments. For example, trying to make payments ahead of authorisation would clearly be a problem, but everything else, more or less, can go ahead.

[113] **Michael German:** In essence, the position is that the Welsh Government makes its proposal in a few weeks' time from now so that it can make payments towards the back end of 2011.

[114] **Dr Taylor:** Yes.

[115] **Rhodri Glyn Thomas:** Mae'r cwestiwn olaf gan Brynle. Hoffwn ofyn ichi ymateb mor gryno â phosibl. Mae'n gwestiwn pen agored iawn, a dweud y gwir, ond byddwn yn ddiolchgar pe gallech ateb yn gryno. **Rhodri Glyn Thomas:** The last question is from Brynle. I would like to ask you to answer as concisely as possible. It is a very open-ended question, in truth, but I would be grateful if you could answer concisely.

[116] **Brynle Williams:** Credaf y bydd y cwestiwn hwn yn ymdrin â phob peth. **Brynle Williams:** I think that this question will cover everything.

[117] To what extent do you believe the introduction of Glastir will prepare Wales for the likely reform of this common agricultural policy in 2013, and do you believe that the scheme is sufficiently flexible to adapt to future reforms?

[118] **Mr Jones:** That is a strong argument for progressing this as quickly as possible. As John has outlined, agri-environment schemes evolve over time and their priorities change. In creating Tir Gofal, we never thought of carbon management and water management in the same way as with Glastir. More and more, we are looking at ecosystems goods and services

as a public justification: what does the natural environment do for us? If we can create a robust case not only around landscape biodiversity, but also through ecosystems goods and services—clean air, clean water and strong carbon management—that would be a strong justification for building a case for the continuation of public funding for land management.

[119] **Rhodri Glyn Thomas:** Diolch. A hoffai unrhyw un ychwanegu rhywbeth? **Rhodri Glyn Thomas:** Thank you. Would anyone like to add anything?

[120] **Ms Thomas:** Yr wyf yn cytuno â'r hyn a ddywedodd John. Credaf mai'r peth pwysig yw parhau â'r momentwm. **Ms Thomas:** I agree with what John said. I believe that the important thing is to maintain the momentum.

[121] As I said at the outset, farmers in Wales are environmentally focused and always have been. It is up to us to encourage them more in that way, to get ready for the reforms that are coming and to keep that focus as we go forward.

[122] **Brynle Williams:** Do you see enough flexibility in the scheme to keep going?

[123] **Ms Thomas:** I do not know how much flexibility there is once it is set through Europe. I do not know enough about that interface.

[124] **Mr Hanna:** We are living in a competitive and changing environment, globally. Being fit as individuals in our own lives, as we are, this scheme, and the lessons learned from earlier schemes, will mean that Wales is better able to respond to changes within the common agricultural policy. I urge you once again: we must get on with it. I do not see why we need another year. It is going to happen. Changes are going to come and we have to respond. Here is an opportunity to use all our prior learning as well as the competence of Welsh Assembly Government staff and of the stakeholders within the organisations that have been working hard towards the delivery of this scheme. We have to keep the pressure up and we have to get on with it.

[125] **Rhodri Glyn Thomas:** Diolch yn fawr iawn am eich tystiolaeth. Ymddiheuraf os oeddech yn teimlo weithiau eich bod yn gorfod amddiffyn safbwynt a gweithgareddau Llywodraeth Cymru. Nid dyna yw'ch union rôl, ond cawsom gyfle i ofyn cwestiynau, gan eich bod i gyd â diddordeb yn y cynllun hwn a'i oblygiadau. Diolch yn fawr iawn am eich cyfraniad. Yr oedd yn sesiwn werthfawr iawn. **Rhodri Glyn Thomas:** Thank you very much for your evidence. I apologise if you felt at times as though you were having to defend the position and activities of the Welsh Government. That is not your exact role, but we had an opportunity to ask questions as you all have an interest in this scheme and its implications. Thank you very much for your contribution. It was a very valuable session.

[126] Yn awr, hoffwn wahodd cynrychiolwyr o'r undebau amaethyddol: Ed Bailey, Mary James a Dafydd Jarrett o NFU Cymru; a Rhian Nowell-Phillips a Richard Vaughan o Undeb Amaethwyr Cymru. I would now like to welcome representatives from the unions: Ed Bailey, Mary James and Dafydd Jarrett from NFU Cymru; and Rhian Nowell-Phillips and Richard Vaughan from the Farmers' Union of Wales.

[127] Tra bod y tystion yn dod i'w seddi, hoffwn ddiolch ar ran yr is-bwyllgor am y cyfle a gawsom yn gynharach y bore yma i ymweld â dwy fferm. Yr oedd yr ymweliadau hynny yn werthfawr iawn. Hoffwn ddiolch i Elwyn a'i deulu yn fferm Tyddyn Ddu. Ni welaf Elwyn yma, ond gwelaf Huw o fferm While the witnesses are taking their seats, on behalf of the sub-committee, I want to give our thanks for the opportunity to visit two farms earlier this morning. Those visits were extremely valuable. I thank Elwyn and his family at Tyddyn Ddu farm. I cannot see Elwyn here, but I can see Huw from

Hengwrt, ac estynnaf ein diolch iddo a'i deulu am eu croeso hefyd. Cawsom gyfle i weld union oblygiadau'r cynllun newydd hwn i'r teuluoedd hyn ac i'w ffermydd. Estynnaf ddiolch hefyd i'r undebau. Yr wyf yn siŵr eu bod wedi cyfranogi i'r broses o drefnu'r ymweliadau hynny. Unwaith eto, cewch gyfle i wneud sylwadau agoriadol.

Hengwrt, and I extend our thanks to him and his family for their welcome. We had an opportunity to see the exact implications of the new scheme for these families and their farms. I also want to thank the unions. I am sure that they played a part in the process of arranging those visits. Once again, you will be given an opportunity to make opening remarks.

2.30 p.m.

[128] Dylwn hefyd esbonio natur yr is-bwyllgor hwn. Nodwyd eisoes bod yr amserlen yn dynn, ond o fewn yr amserlen honno yr ydym yn ceisio casglu cymaint o dystiolaeth ag y gallwn ar oblygiadau'r cynllun newydd hwn i'r dyfodol. Yr wyf yn siŵr bod llawer o bobl yn y gynulleidfa am gymryd rhan yn y broses. Yn anffodus, nid yw hynny'n bosibl y prynhawn yma gan nad oes meicroffonau gennym er mwyn ichi allu gwneud sylwadau uniongyrchol. Gwn fod nifer ohonoch wedi cael y cyfle i wneud sylwadau y bore yma. Os ydych yn teimlo bod rhywbeth o bwys nad yw wedi cael ei nodi, sicrhewch eich bod yn gwneud un o aelodau'r is-bwyllgor yn ymwybodol o hynny—hoffwn eich cyfeirio at Mike German a Brynle yn y gobaith y gallaf osgoi cwestiynau a diflannu gartref. O ddifrif, dewch i weld un o'r tri ohonom ar y diwedd os credwch bod pwynt nad yw wedi cael sylw digonol.

I should also explain the nature of this sub-committee. It has already been noted that the schedule is tight, but within that schedule we are trying to gather as much evidence as possible on the implications of this new scheme for the future. I am sure that many members of the audience would also like to take part in this process. Unfortunately, it is not possible to do so this afternoon as we do not have microphones that would allow you to comment directly. I know that many of you have had an opportunity to comment this morning. If you think that something of significance has not been noted, make sure that you make members of the sub-committee aware of that—I would like to refer you to Mike German and Brynle in the hope that I can avoid questions and disappear homewards. Seriously though, do come and see one of us at the end if you believe that a point has not been given sufficient attention.

[129] Croeso i'r undebau. Hoffwn wahodd Richard Vaughan o Undeb Amaethwyr Cymru i roi tystiolaeth yn gyntaf.

I welcome the unions. I would like to invite Richard Vaughan from the Farmers Union of Wales to give evidence first.

[130] **Mr Vaughan:** Hoffwn ddiolch ichi yn gyntaf am y cyfle i ddod yma heddiw i roi tystiolaeth i'r is-bwyllgor. Yr ydych yn gwybod o'r ymatebion yr ydych wedi eu cael cyn heddiw beth yw barn yr undeb am y cynllun hwn. Nid wyf am ddweud gormod—mae'n siŵr y daw popeth i'r amlwg yn y dyfodol agos. Fodd bynnag, mae sawl agwedd ar y cynllun yn achosi pryder inni. Y cyntaf yw'r amserlen. Gallwn weld bod angen gohirio'r cynllun am flwyddyn oherwydd bod nifer o agweddau ar y cynllun nad ydynt wedi eu datrys. Byddai'n well datrys y problemau hynny yn gyntaf cyn gwthio'r cynllun yn ei flaen.

Mr Vaughan: I would like to thank you for the opportunity to come here today to give evidence to this sub-committee. You will know, from the responses that you have had prior to today, the union's opinion on this scheme. I do not want to say too much—I am sure that everything will come to light in the near future. However, there are many aspects of this scheme that causes us concern. The first is the timetable. We can see that there is a need to delay this scheme for a year, as many aspects of the scheme have not been resolved. It would be better to resolve those problems first before pushing the scheme forward.

[131] Mae'n anodd inni ddyfalu ynghylch yr hyn nad yw eto'n hysbys. Mae cymaint o gwestiynau nad ydym yn gallu eu hateb ein hunain oherwydd diffyg gwybodaeth. Gorau po gyntaf y cawn y wybodaeth honno er mwyn inni allu ei phasio ymlaen i'n haelodau, er mwyn iddynt allu penderfynu i ba gyfeiriad y maent am fynd.

It is difficult for us to quantify the unknown. There are many questions that we do not have the answers to due to a lack of information. The sooner we get that information the better, as we will be able to pass that information on to our members so that they can decide which direction they want to go.

[132] **Mr Bailey:** Ar ran NFU Cymru hoffwn innau ddiolch i'r is-bwyllgor am y cyfle i gael rhoi tystiolaeth ar gynllun Glastir. Yn bersonol, yr wyf yn falch iawn eich bod wedi dod i Sir Feirionnydd—sef fy nghartref i—er mwyn ichi ddeall pa mor bwysig yw eich rôl chi i graffu ar y cynllun hwn, sy'n hanfodol i gefn gwlad Cymru.

Mr Bailey: On behalf of NFU Cymru I, also, would like to thank the sub-committee for the opportunity to give evidence on the Glastir scheme. Personally, I am very pleased that you have come to Merionethshire—which is my home—for you to understand how important your role is in scrutinising this scheme, which is crucial to rural Wales.

[133] I would like to congratulate Mr German on his appointment to the Rural Affairs Subcommittee and as Chair of the Sustainability Committee. I would also like to introduce my colleagues, Mrs Mary James, who is the director of NFU Cymru, and Mr Dafydd Jarrett, who is the policy adviser in Gwynedd, with a special interest in Glastir. I am fortunate to have them both alongside me.

[134] Our written evidence was prepared to meet the deadline of 8 February 2010. Since the evidence was drafted there have been some developments, which were submitted as an explanatory note. With your permission Chair, I would like to briefly update you on our written submission and highlight some of the NFU's continuing concerns.

[135] In paragraph 10—if you have the evidence in front of you—we refer to the fact that a whole farm code and the all-Wales options element of the entry-level scheme are still to be finalised. These were made available to us, in their final form, on 5 February in a stakeholder meeting and are now in the public domain. At that same stakeholder meeting, we were also provided with an electronic scorecard tool. This enables farmers to test, electronically, various permutations of the options prescription, with a view to establish whether they can generate sufficient points for the entry-level scheme eligibility.

[136] In paragraph 13, we refer to the upper tier scheme. Again, at that meeting on 5 February, we received an avalanche of papers outlining possible prescriptions for the upper tier, and given a month to comment on these draft prescriptions. No financial values are attached to these draft prescriptions.

[137] In paragraph 15 we express the view that Glastir should be tabled as a whole package to farmers so that they may take an informed business decision on whether to enter both the all-Wales and the upper tier elements of the scheme. This has been a long-running concern for us but we were recently assured by Welsh Assembly Government officials that both schemes will be implemented in 2012. Hitherto, it was our understanding that the upper tier would be implemented after the all-Wales application exercise—that is, the entry level. We remain confused as to whether the farmers will know whether they can enter the upper tier scheme when they apply for the all-Wales element, and we believe that this aspect needs to be further clarified.

[138] The Welsh Assembly Government was exhorted by NFU Cymru to undertake a trial of the prescriptions. A small pilot of the all-Wales scheme was eventually agreed. The outcome of this substantiated the need for amendments to the all-Wales-element

prescriptions. NFU Cymru has maintained all along that there should be a full impact analysis of the whole scheme before it is rolled out to ensure that the scheme is fit for purpose.

[139] Today's evidence is being taken in a county that is designated entirely as a less favoured area. With the removal of the Tir Mynydd scheme, hill and upland farmers in Wales will see the dedicated support measures that have existed for 35 years being replaced by a scheme that provides for an uplift of 20 per cent per hectare in the all-Wales scheme payment. NFU Cymru has found it particularly difficult to obtain details on how this uplift was calculated, and to evaluate how this will impact on LFA farms without knowing how the upper tier scheme will be rolled out. While the Welsh Assembly Government has provided assurances that the 20 per cent uplift does not overcompensate LFA producers, we are concerned that the Glastir scheme, as a package, should not significantly disadvantage this sector, given its historical high dependence on axis 2 type measures, including LFA support.

[140] Common land is another great area of concern. Since last autumn stakeholders have been seeking to engage on this issue and the meeting is still to be convened. I believe that a meeting is to be held on 18 February.

[141] There is a whole raft of concerns, but we, in particular, cannot understand why common right-holders have to apply for the Wales part of the scheme via grazing associations. NFU Cymru has stressed all along that it is attention to detail that will determine the success, or otherwise, of Glastir. The importance of having a successful scheme replacing the tried and tested ones cannot be overstated. The viability of the agricultural and associated industries will depend on it. We are convinced that the timetable for delivering Glastir is overambitious, with the result of bits of jigsaw being rolled out without seeing how they fit together or, indeed, whether they are in the right place. We only have one bite at this particular cherry to address the concerns of farmers and conservationists alike. We must make the scheme work, even if that means delaying its implementation for a year.

[142] Diolch yn fawr am eich amser, Thank you very much for your time, Chair.
Gadeirydd.

[143] **Rhodri Glyn Thomas:** Diolch i chithau, a hefyd am y croeso i Sir Feirionnydd. Yr wyf yn falch iawn o fod yn Sir Feirionnydd gan fod fy mam wedi'i geni a'i magu yn Nhrawsfynydd.

Rhodri Glyn Thomas: Thank you, and also for the welcome to Merionethshire. I am very pleased to be in Merionethshire as my mother was born and brought up in Trawsfynydd.

[144] Dechreuwn gyda Brynle Williams, sydd â chwestiwn ynglŷn â mynediad i'r cynllun newydd hwn.

We will begin with Brynle Williams, who has a question regarding access to this new scheme.

[145] **Brynle Williams:** Yn gyntaf, hoffwn longyfarch Ed ar ei swydd newydd gydag NFU Cymru.

Brynle Williams: First, I wish to congratulate Ed on his new post with NFU Cymru.

[146] Are you satisfied that the prescriptions, as they are currently set out, are sufficiently accessible to be attractive to all farmers?

[147] **Ms James:** No. We are concerned that they are not sufficiently attractive. When the pilot was undertaken, we found that there was a situation where LFA farmers were unable to gain sufficient points to enter the scheme. When the pilot was undertaken there was not a full complement of prescriptions available. Three were subsequently added to it which—we have been assured—will increase the scope and availability of prescriptions for LFA farmers. However, our concerns remain.

[148] In terms of the dairy sector, the pilots show that only some 25 per cent of farmers would find sufficient points among prescriptions to be able to get into the scheme. Our primary concern at the outset was to make sure that there was something for everyone in the menu of prescriptions. At this juncture, we are not satisfied that that is the case.

[149] **Rhodri Glyn Thomas:** A yw Undeb **Rhodri Glyn Thomas:** Does the FUW wish Amaethwyr Cymru yn dymuno ychwanegu unrhyw beth? to add anything?

[150] **Ms Nowell-Phillips:** I totally support what Mary has said. We have been working on the stakeholders' group. On the whole farm element, the big concerns that we have is that, for many farmers, this will be the first time that they will have had to undertake positive management with agri-environment schemes and so forth, as a result of the demise of the Tir Mynydd scheme. We were assured by the Minister at the outset that this scheme would be accessible to all. However, it is becoming clear, from the pilot, that it is not accessible to all.

2.40 p.m.

[151] **Brynle Williams:** Do you believe that there is sufficient accessibility for farmers already in the Tir Gofal scheme?

[152] **Ms Nowell-Phillips:** There is an option for farmers to apply for the entry level of Glastir while they are still in Tir Gofal. However, they have to demonstrate additionality. The concern with the higher level element, as Ed pointed out, is that we have only recently received a huge tranche of papers with possible prescriptions. We are now looking to see whether the current work that has been undertaken by the Tir Gofal farmers will be able to translate into the higher level tiers of the scheme.

[153] **Mr Jarrett:** Mae gennyf restr o'r presgripsiynau o'm blaen. I ateb cwestiwn Brynle, ein barn ni yw nad yw'n ddigon i ddenu'r bobl a ddisgwylir at y cynllun. I ateb pwynt Rhian i ddechrau, yn ôl y rhestr hwn o'r pwyntiau sydd ar gael, ni allaf weld sut y gall rhywun fod yn rhan o gynllun Tir Gofal a Glastir ar yr un pryd oherwydd ni fyddent yn gallu cael digon o bwyntiau. Ni allaf weld bod hynny'n bosibl. Er enghraifft—a rhoddwyd yr enghraifft hon imi gan aelod o'r gynulleidfa heddiw—os ydych yn rheolwr glaswelltir ucheldir, cewch 25 pwynt yr hectar. I gael mynediad i'r cynllun, rhaid ichi gael 28 pwynt yr hectar ar draws y fferm gyfan. Yna mae gennych y tir gwaelod; ni chewch lawer o sgôr ar hwnnw. Mae hynny'n cynnwys y gwrychoedd, er enghraifft, sy'n 0.1 pwynt am bob metr o wrych. Felly, cewch 10 pwynt am bob 100m o wrych. Cyfradd ar gyfer gwrychoedd yn unig yw hynny; nid oes pwyntiau o gwbl am waliau cerrig, sy'n bwysig iawn yn yr ardal hon ac mewn ardaloedd eraill yng Nghymru. Er bod presgripsiynau, nid yw'r pwyntiau sy'n gysylltiedig â hwy yn ddigon ichi gyrraedd

Mr Jarrett: I have the prescription schedule before me. To answer Brynle's question, we believe that it is not sufficient to attract the people that are expected as entrants to the scheme. To answer Rhian's point, I cannot see from the list of points available how anyone can be part of both a Tir Gofal scheme and a Glastir scheme simultaneously, because they will not be able to get enough points. I cannot see that that is possible. For example—and this example was given to me by a member of the audience today—if you are a manager of upland grassland, you will get 25 points per hectare. To enter the scheme, you need 28 points per hectare across the whole of the farm. You also have the lowland; you will not score much with that. The hedgerows are included, for example, providing 0.1 point per metre of hedgerow. Therefore, you get 10 points for every 100m of hedgerow. That is just the rate for hedgerows; there are no points for stone walls, which are very important in this area and in other parts of Wales. Although the prescriptions exist, the points associated with them are not sufficient for you to reach 28

28 pwynt yr hectar.

points per hectare.

[154] **Brynle Williams:** Felly, i raddau, yr hyn yr ydym yn ei ddweud yw, os tynnwch y waliau allan a chymryd y tir uchel, nid oes gennych obaith i gael mynediad ar y pwyntiau hynny yn unig.

Brynle Williams: To some extent, what we are saying is that if you take the stone walls out and take the highlands, you do not have a hope of getting in on those points alone.

[155] **Mr Jarrett:** Nid wyf am ddweud na all unrhyw un gael mynediad i'r cynllun, ond yr hyn a ddywedaf yw, os cewch fynediad, crafu i fewn y byddwch chi. Efallai y byddai'n golygu eich bod yn gorfod gwneud gwaith megis ffensio'r afonydd ac ati er mwyn cael mynediad. Byddai angen ichi bwysu a mesur y gost, a faint a gewch yn ôl o'r cynllun.

Mr Jarrett: I do not want to say that no-one can access the scheme, but if you do have access, you will just be scraping in. It might mean having to undertake work, such as fencing the river banks and so forth, in order to enter. You would then need to weigh up the cost, and how much you will get back from the scheme.

[156] **Brynle Williams:** Yr oedd y fferm y buom yn ymweld â hi y bore yma—yn ôl fel y dywedodd y gŵr bonheddig—yn esgyn 2,000 o droedfeddi. Nid oedd waliau na llawer o ddim arall. A chymryd y tir isaf, nid oes ganddo lawer o obaith ymuno â'r cynllun heb lawer o bethau eraill ar y tir gwaelod.

Brynle Williams: The farm that we visited this morning—according to the gentleman—rises up to 2,000 feet. There were no stone walls or much else. Therefore, in terms of the lowland that he had, he does not have much hope of accessing the scheme without a lot of other things on the lowland.

[157] **Mr Jarrett:** Dyna ein gwir bryder ni.

Mr Jarrett: That is our concern.

[158] **Mr Bailey:** Brynle very kindly noted my recent election to president. At the end of the day, I like to think of myself as practical and mostly a farmer. As I said, I farm in Meirionnydd, and I was one of the few that went into Tir Cymen to begin with, and then Tir Gofal afterwards. I consider myself fortunate to have been in those schemes. I have looked through the electronic scorecard. My farm is a fairly wild and rugged place—to put it mildly—and it will be very difficult for me to get into the entry-level scheme of Glastir, because I will be rewarded for doing the same thing as I am already doing in the Tir Gofal scheme. I just do not see how I can get in. Quite frankly, if I cannot get in on my farm, I have great concerns for the rest of this county—and not just for the rest of the county, but for the rest of Wales, because I am wearing my all-Wales hat. However, using my own farm as an example, it would be very difficult.

[159] We mentioned walling, which was brought up by the previous witnesses; and walling, of course, is a vital part. When I first went into Tir Cymen, I had over 800 metres of gapping to do on a wall, which is probably 2,400 feet high, or above sea level, I should say—*[Laughter.]*

[160] **Rhodri Glyn Thomas:** It would be a high wall.

[161] **Michael German:** Hadrian would have been very proud of you.

[162] **Mr Bailey:** The fortunate thing at that time was that people were being made redundant in Trawsfynydd power station, and two lads who worked there, who had also done bits of part-time walling, were able to come and use that as their base job to establish themselves as local contractors. Unfortunately, those redundancies are still going on and I am concerned about not just those two, but other people like that.

[163] **Ms Nowell-Phillips:** You heard evidence earlier about the timetable, and one of the things that the FUW has campaigned about is the pilot exercise. We know from the feedback that it was very difficult for farmers to gain the points. We have been assured by the Assembly Government that it has looked at that, but we feel that there should now be another pilot exercise for those same farms to see if it makes a difference to those farmers who felt that there was a barrier to entry or who could not attain the points.

[164] **Ms James:** A fundamental point is that you have to succeed in terms of access to the entry-level part of the scheme in order to be able to gain access to the upper tier. So, if you cannot get into the lower tier, you are sunk in the water, basically.

[165] **Mr Vaughan:** Nid oes llawer o bobl yn sylweddoli na fydd swyddogion prosiect i'r cynllun lefel mynediad. Bydd hi'n dipyn o sioc i'r amaethwyr sydd heb gytundebau ar hyn o bryd i fynd o ddim byd i orfod gweithio o fewn cod fferm gyfan newydd sbon ac i edrych ar drawsgydymffurfio ac yn y blaen. Bydd hi'n dipyn o sioc iddynt a nid oes llawer ohonynt yn sylweddoli hynny.

Mr Vaughan: Many people do not realise that there will not be any project officers for the entry-level scheme. It will be quite a culture shock to those farmers who do not have agreements at present to go from nothing to working within a completely new whole farm code and to look at cross-compliance and so on. It will come as quite a shock to them and many of them do not realise that.

[166] **Rhodri Glyn Thomas:** Derbyniwn y pwynt ynglŷn â'r swyddogion prosiect, ac mae hynny'n sicr yn rhywbeth sy'n ein poeni ni. Crybwyllwyd hyn yn gynharach yn nhystiolaeth Cyngor Cefn Gwlad Cymru. Gyda'r pwyntiau hynny, Dafydd, os oes gennych restr o'r presgripsiynau o'ch blaen, byddai'n ddefnyddiol iawn i ni gael copi ohoni gan fod ein hamserlen o ran paratoi'r adroddiad yn un tynn iawn.

Rhodri Glyn Thomas: We accept the point regarding the project officers, and that is certainly something that concerns us. This matter was raised earlier in the Countryside Council for Wales's evidence. With those points, Dafydd, if you have a list of the prescriptions before you, it would be very useful for us to have a copy as our timetable for compiling the report is very tight.

[167] **Mr Jarrett:** Cawsom wybodaeth yr wythnos diwethaf y bydd y rhestr ar y we rywbryd yr wythnos hon.

Mr Jarrett: We received information last week to say that the list will be on the web sometime this week.

[168] **Rhodri Glyn Thomas:** Manteisiwn ar hynny.

Rhodri Glyn Thomas: We will take advantage of that.

[169] **Michael German:** I will look at two issues—dual land use and common land—before we approach the thorny issue of the timetable. On dual land use, what do you think will be the impact of these new regulations on these schemes? That is an open question.

[170] **Ms Nowell-Phillips:** One of the big barriers to entry to the scheme, which people have not really come around to yet, is the dual use of land and the Pandora's box that will be opened by the announcement that, irrespective of whether you are going into Glastir, there will be no dual payments by 2012. In the meantime, we as a union are finding all sorts of different scenarios where it will almost be impossible for farmers to get into Glastir because they cannot demonstrate the management control of the land for five years. That might mean that a landlord does not want to give a five-year commitment, or it could be that the landlord wants to see the tenant's books, which may or may not be something that the tenant wants. Three-year farm business tenancies, and rolling tenancies after the initial three years, will only give tenure for one year. We foresee huge difficulties for many farmers in getting that five-year management control. On the issue of common land—

[171] **Michael German:** I will come to that in a minute, but I just want to hear more on this issue, if I may.

[172] **Ms James:** There are around 5,000 claimants in Wales who would have dual claims, so it is not an insignificant problem. Under the current tenure system, you frequently have landlords who want a basic five-year period and then an annual extension of that five-year agreement. The problem is that any tenants or young farmers who want to get into the scheme will not be able to fulfil the conditions.

2.50 p.m.

[173] In sustainability terms, by providing his land and keeping it in good shape for the good agricultural and environmental condition, we would argue that a landlord is providing a benefit to the environment. Clearly, the tenant who farms the land and who wants to undertake agri-environment measures is also making a contribution.

[174] The other issue is that there seems to be a slight difference in the interpretation of the same regulation at an EU level, with England seemingly taking a rather more relaxed approach to its interpretation. There does not seem to be the same determination to move away from the current arrangements in England. It may be that the European Commission will apply pressure on England further down the line, but we would have liked to have seen a more robust defence of the situation in Wales by the Welsh Assembly Government in terms of its negotiations with the European Commission.

[175] **Michael German:** To be absolutely clear, Mary, are you saying that, in England, the landlord or the tenant can be an applicant, or both?

[176] **Ms James:** They can.

[177] **Mr Jarrett:** I ychwanegu at y pwynt a wnaeth Mary, mae'r system bresennol yn rhoi cyfleon i bobl ifanc ddod i mewn i amaeth. Os ydych yn diddymu'r hawliadau deul, yr ydych yn lleihau rhai o'r cyfleon hynny. Mae hynny'n bwynt pwysig.

Mr Jarrett: To add to Mary's point, the current system provides opportunities for young people to enter agriculture. If you get rid of dual claims, you reduce some of those opportunities. That is an important point.

[178] **Michael German:** Moving on to the common land issue, Ed said in his opening remarks that grazing associations are not the favoured approach to dealing with the common land issue. Why do you think that the Welsh Assembly Government has insisted upon them, and, in order to satisfy its criteria, what would be your alternative to this approach?

[179] **Mr Jarrett:** Mae hwn yn bwynt sylfaenol, a diolch ichi am ei godi. Y rheswm pam fy mod yn dweud hynny yw bod 183,000 ha o dir comin yng Nghymru. Mae 145,000 ha o'r tir comin hwnnw ar hyn o bryd yn derbyn tâl Tir Mynydd, sy'n werth £4 miliwn. Pe bai'r tir hwnnw yn cael ei gynnwys yn Glastir, byddai'n werth £5 miliwn i Gymru gyfan. Os ydych yn dileu'r cyfle hwnnw, yr ydych yn dileu cyfran mawr o arian posibl y ffermydd hynny sydd â thir comin—arian yr oeddent yn arfer ei gael o dan Tir Mynydd.

Mr Jarrett: This is a fundamental point, and thank you for raising it. The reason why I say that is because there are 183,000 ha of common land in Wales. Of that common land, 145,00 ha receive Tir Mynydd payments that are worth £4 million. If that land were included in Glastir, it would be worth £5 million to the whole of Wales. If you withdraw that opportunity, you are withdrawing a lot of money that farms with common land may have been eligible for—money that they used to receive under Tir Mynydd.

[180] Os oes cyngor neu gymdeithas tir comin yn bodoli'n barod, nid oes gennym broblem gyda'r syniad o daliadau'n cael eu gwneud i'r rheini, ond nid ydym yn deall pam fod yn rhaid gwneud hynny yn y cynllun lefel mynediad fferm gyfan. Yr ydych yn rhannu taliadau fferm sengl a Thir Mynydd rhwng yr unigolion sydd â hawl iddynt o dan y system bresennol, felly nid ydym yn siŵr pam fod yn rhaid gwneud taliad Glastir i un person neu gymdeithas yn unig. Unigolyn fydd wedyn yn gorfod rhannu'r arian ymysg y cominwyr a bydd yn cael problemau enfawr wrth wneud hynny. Os bydd problem yn codi gyda'r tir comin a bod pobl yn gwrthod cydymffurfio, pwy fydd yn pleidleisio ar hynny, a sut fyddant yn cael eu harian yn ôl? Yr ydym yn ddiolchgar fod Llywodraeth y Cynulliad yn sôn am swyddogion prosiect tir comin i helpu pobl, ac yn sicr ni fyddem yn dweud 'na' wrth rheini. Fodd bynnag, byddant yn costio £2 filiwn y flwyddyn, sydd yn llawer o arian allan o'r cynllun. Efallai na fyddai angen swyddogion prosiect o gwbl pe baech yn fodlon rhannu taliadau rhwng unigolion.

[181] Ar y lefel uwch—er nad ydym siarad gymaint am y lefel uwch heddiw—efallai fod lle i gael y swyddogion hynny er mwyn rhoi taliadau i unigolion. Os ydych am leihau neu gynyddu stoc, ac yn y blaen, bydd gennych fwy o reolaeth drwy wneud hynny drwy unigolion. Fodd bynnag, o ran y cynllun fferm gyfan, yr wyf yn awgrymu y dylid gwneud y taliad, fel ag y mae ar hyn o bryd, i unigolion sydd â hawliau ar y tir comin hwnnw.

[182] **Ms Nowell-Phillips:** I totally agree. Since getting assurances from the Minister that common land would be included in Glastir, the union has expressed its concern that the Assembly Government's internal working group had no common land practitioners or anyone with any expertise. That lobbying has finally resulted in a meeting that is being held tomorrow. However, as members of the rural development programme monitoring committee, we have already received, in our papers, a copy of the measure fiche for the common land element. I am really concerned that the prescriptions for common land are more or less done and dusted, ready to go to Europe, and yet the expert group is meeting tomorrow. I feel that the experts that have been working internally on the prescriptions for common land have not had the benefit of people with practical experience and knowledge of the law of common land. It is of great concern to the FUW that this is happening. There seems to be a two-speed scheme going on.

[183] **Rhodri Glyn Thomas:** In terms of clarification on this point, before Mike comes in with a supplementary question, at our last meeting, we did question the Minister because we

Where a common land council or association already exists, we have no problem with the idea of payments being made to those, but we do not understand why that has to be done in the entry-level whole farm scheme. You share single farm payments and Tir Mynydd payments between the individuals who have a right to them under the current system, so we do not understand why the Glastir payment can only be made to an individual or an association. That individual will then have to share that money between the commoners, but he will have enormous problems in doing so. If a problem arises with the common land and people do not comply, who will vote on that and how will they get their money back? We are grateful that the Assembly Government is talking about common land project officers to help people, and we would certainly not say 'no' to those. However, they will cost £2 million a year, which is a lot of money out of the scheme. Perhaps those project officers would not be needed at all if you were willing to share payments between individuals.

On the upper tier—although we are not talking so much about the upper tier today—perhaps those officers are needed to make payments to individuals. If you wish to reduce or increase stock, and so on, you will have more control by doing so through an individual. However, in terms of the whole farm scheme, I suggest that the payment, as it is currently made, should be made to individuals with rights on that common land.

had had evidence from organisations, such as the National Trust, that they felt very strongly that Part 2 of the Commons Act 2006 should be implemented in Wales. When we asked why there was a delay, because we understand that it will be implemented in England soon—I think that they are in the process—the answer that we had from the Minister eventually was that it was not a priority. I understand that the Welsh Assembly Government feels that there is a means of creating commons associations rather than the councils that would be necessary under the legislation. Do you think that that is significant in terms of Glastir? Would a situation where Part 2 was implemented, and you had councils, make it easier in terms of implementing Glastir on common land?

[184] **Mr Jarrett:** Byddai'n sicr o wneud pethau yn haws. Yn ôl yr amserlen, bydd yn cymryd dwy neu dair blynedd iddo ddod yn ddeddfwriaeth. Ar ôl hynny, byddai'n rhaid creu'r cyngor hwnnw. Fel rhywun sydd wedi bod yn ymwneud â thir comin ers imi fod yn 14 oed, gwn na fydd cael pawb i gytuno ar hawliau ar dir comin yn beth hawdd. Ar ein comin ni adref, mae 40 o gominwyr a byddai cael y rheini i gytuno i greu cyngor yn y lle cyntaf yn anodd iawn. Dyna pam y dywedaf na wnaiff hyn ddigwydd dros nos a dyna paham y credaf, ar lefel y cynllun fferm gyfan Glastir, y dylem ystyried gwneud y taliad, fel y gwnawn ar hyn o bryd gyda Thir Mynydd, i unigolion sydd yn pori'r tir comin.

Mr Jarrett: It would certainly make matters easier. According to the timetable, it will take two or three years for it to become law. Afterwards, this council will have to be created. As someone who has been involved with common land since I was 14 years old, I know that getting everyone to agree on commons rights will not be easy. On our common at home, there are 40 commoners and getting them to agree to create a council in the first place would be very difficult. That is why I say that this will not happen overnight, and that is why I think that, on the level of the whole farm Glastir scheme, we should consider making the payment, as we currently do for Tir Mynydd, to individuals who use the common land for grazing.

[185] **Michael German:** I am concerned about the all-Wales scheme, the common land, and the approach that both the Government and you are suggesting. If this is to proceed and you are to include commoners, how do you make a scheme work without some form of structure in order to be able to receive the money and disperse it, given that this is an agri-environment scheme and not based on any form of ownership of animals?

[186] **Mr Jarrett:** It is a form of an agri-environment scheme, but this is a whole farm entry-level scheme. What you are talking about, perhaps, is the higher level scheme where it means reducing stock, having certain stock numbers at certain times of the year and so on. The prescriptions for planning for the common land, in essence, are quite simple. They are based on the winter and summer stocking rates, or on taking some stock off for three months during the winter. Therefore, the prescriptions themselves are quite simple. I cannot see what difference it would make to pay individuals who comply with that, rather than pay an association, with that association then distributing the money. Believe me, that association will have problems distributing the money, particularly if there are problems with compliance.

3.00 p.m.

[187] **Michael German:** Is there a legal issue when other people on that land can accept that they have the same responsibilities?

[188] **Mr Jarrett:** There is a legal issue now with how you claim Tir Mynydd money. You make a claim based on your rights. Surely, you can transfer that across to Glastir.

[189] **Michael German:** I think that we need a note on this.

[190] **Rhodri Glyn Thomas:** We are trying to clarify this. You believe that, within the European regulations, a whole farm payment could be made to an individual, as it is now under the Glastir scheme, rather than to an association or a council, do you not?

[191] **Mr Jarrett:** We have had some discussions on this. The commission has said that it would be happier paying an individual. However, we are unique in Wales and the UK, as there is no common land anywhere else in Europe. Frankly, I do not think that the commission understands the concept of common land; I do not think anybody does. This is a complex but hugely important area of law. Remember, these areas are not only hugely important from an agricultural point of view, but are important from a conservation point of view—with 50 per cent of common land being sites of special scientific interest—and from an axis point of view. There are important issues other than farming. We must find a simpler way of including these areas. Otherwise, we will reach 2012 and we will not find a fraction of these 145,000 ha in Glastir.

[192] **Michael German:** On this point, Chair, I think that a note from our legal advisers would be valuable. Common land is a very complex issue. I think that we need to understand the dynamics between the European regulations, the practicalities of operating and the legal position of those who operate on that land.

[193] **Rhodri Glyn Thomas:** We will seek as much clarification as we can get on that point, Mike. It is a very complicated area, but we need to clarify whether the regulations could be interpreted in a way that allows a payment to be made to an individual rather than to a council or an association, or we could be back to ‘gold-plating’, that wonderful phrase of 10 years ago.

[194] **Brynle Williams:** Hoffwn wneud pwynt cyflym yn dilyn ymlaen o hynny. O ran materion yn ymwneud â thir comin a thaliadau, ac yr wyf yn siŵr nid yw hyn yn unigryw inni yn y gogledd, mae gennym mynydd Helygain a'r tir a adawyd ar ôl y diwydiant plwm. Mae gan bron i bob ffermwr bach yn yr ardal hawliau ar y comin. Bydd rhaid i hynny i gyd gael ei sortio ymlaen llaw. Yr ydym yn sôn am arian, ac mae digon o drafferth yn awr o ran pobl yn rhoi stoc ar y tir pan nad oes ganddynt hawl i'w wneud. Credaf fod yn rhaid datrys hynny cyn symud ymlaen.

Brynle Williams: I would like to make a brief point following on from that. In terms of matters relating to common land and payments, and I am sure that this is not unique to us in north Wales, we have Halkyn mountain and the land left behind after the lead industry. Nearly every small farmer in the area has common land rights. That will have to be sorted out beforehand. We are talking about money, and there is enough difficulty now with people putting stock on the land when they have not right to do so. I think we will have to sort that out before moving on.

[195] **Michael German:** Can we go on to the timetable issue? You have both asked for a year's delay. What would be the consequences for the Assembly Government in terms of its obligations to Europe? Also, how would you fill the gap?

[196] **Ms James:** I know that some of the previous witnesses have said that there would be a hiatus if we were to roll forward the Glastir scheme. We are not of that opinion. Our view is that the existing axis 2 measures should be taken forward for a further year; in other words, this would be an extension of the measures that are already in place, in order for us to get the details of the scheme right. I want to emphasise to the sub-committee that we have no objections to the change in the scheme. We understand that we have to fulfil the CAP health check agenda, and we are being given new objectives to meet. We can meet them, but we have to ensure that we have a package of measures, with the i's dotted and the t's crossed, that will deliver on everyone's expectations—taxpayers, the public, farmers and the Welsh Assembly Government. We do not feel at this juncture that we are keeping up with the pace

that has been set for us.

[197] **Michael German:** There was also the question on the Minister's obligations to Europe.

[198] **Ms James:** As far as I am aware, no timescale has been set for moving away from the existing measures in favour of the Glastir scheme. I am sure that the commission itself will want a scheme that is workable and practicable at ground level. I do not think that the commission is a problem in that regard. Given that a hasty timetable would only mean us going back to Europe for modifications further down the line, we just think that the time would be well spent now in getting it right as we start out, rather than having to amend it in future years.

[199] **Ms Nowell-Phillips:** The only thing that I would add is that the Wales rural development plan states that there will be a review of axis 2 schemes, which was part of the process. We know that one of the proposals in the original consultation was running the current axis 2 suite of measures until the end of this programme, so I do not think that there is an issue with Europe.

[200] The only other thing that I would say about the delay is that in the evidence that you heard in the previous session there was very little about farmers. Farmers should be able to plan, and must understand what they are signing up to. You have highlighted two questions on tenancy and common land, which I feel are nowhere near being sorted out, and my big concern is that if we rush into this, then, yes, there will be a review, but we will not have learned the lessons from England and its entry-level scheme. Biodiversity would lose out, because farmers will hang back and may not join the scheme. Given the importance that people are placing on Glastir's objectives, something will surely have failed if farmers do not join up.

[201] **Mr Bailey:** Again, from a farmer's perspective, it is terribly important to have the information available, so that we know what we are signing up to. Will we want to go into the entry-level scheme in 2012, when do we know what the higher level scheme will result in? I would suggest that we will not, and so we have to be careful. Thinking from a farmer's perspective, it is vital to get everything together and tidy in the first instance to allow us to make proper financial and business decisions on this. At the end of the day, if we do not do that and if the scheme is not a success, we will not meet the four main challenges that have been set by Europe on water, carbon, biodiversity and climate change. The scheme has to be a success in that respect.

[202] I am also concerned about the five-year term. If a farmer were to go into the entry-level scheme in, say, 2012, and that farmer were on a five-year tenancy, he might not be able to move on to the higher level scheme in 2013 because the tenancy will expire before the end of the term. They will not be able to put the commitment in, and that is an important point. If we could get both levels of the scheme to start together, and both to be well thought-out, with more trials, so that we can have an impact assessment of the scheme, that would be helpful. We have nothing in principle against the scheme, although it is a great deal more than we were consulted on, and was quite a surprise to us. We understand why we should go down this route, and we understand the necessity of getting going with it, but it must be set up in the right way to be a success. That is the important thing for everyone involved. Whether you are a farmer on the top of the Meirionnydd hills that you visited today, or an environmentalist, or someone with grave concerns about climate change, getting it right in the first instance is what is really important.

3.10 p.m.

[203] **Mr Vaughan:** It has to be a practical scheme and it has to be easily accessible to everyone. As unions, we have a lot of work to do in educating farmers, as well as the Assembly. If we are going to be going backwards and forwards to Europe before the i's and t's are crossed, as Mary said, it will ultimately not reflect well on the Assembly. The timetable is too tight as far as we are concerned, as has been said.

[204] **Mr Jarrett:** Byddwn yn cytuno 100 y cant, achos pan gychwynnodd cynllun Tir Gofal, yr oeddech fwy neu lai yn gwybod beth oedd y cynllun yn ei gyfanrwydd. Nid ydyw fel pe bai nad oes gennym unrhyw beth i fynd yn ôl ato, achos mae gennym gynlluniau llwyddiannus Tir Gofal, Tir Cynnal a Thir Mynydd. Beth bynnag y dywedwch amdanynt, maent wedi bod yn gynlluniau hynod lwyddiannus yn eu ffordd eu hunain. Fel y crybwyllwyd yn y sesiwn dystiolaeth flaenorol, mae 400 cais ar gyfer Tir Cynnal wedi eu methu, ac mae 960 cais ar gyfer Tir Gofal wedi eu methu oherwydd y disgwyliadau o ran Glastir. Dyna yw'r sefyllfa. Nid yw fel pe nad oes unrhyw beth i ddisgyn yn ôl arno. Y golled fawr i Sir Feirionnydd ar ôl 2011, fel y dywedwyd y bore yma wrthyach, yw colli arian Tir Mynydd a'r HLCA, yn ystod amser pwysig iawn i fferm fynydd, sef mis Mawrth bob blwyddyn. Ni fydd hwnnw i'w gael.

Mr Jarrett: I would agree 100 per cent, because when the Tir Gofal scheme began, you more or less knew what the scheme would be in its entirety. It is not as if we have nothing to go back to, because we have successful schemes in Tir Gofal, Tir Cynnal and Tir Mynydd. Whatever you say about them, they have been highly successful schemes in their own way. As mentioned in the previous evidence session, 400 applications for Tir Cynnal have failed, and 960 applications for Tir Gofal have failed because of the expectations in terms of Glastir. That is the situation. It is not as if there is nothing to fall back on. The big loss to Meirionethshire after 2011, as you heard this morning, will be the loss of Tir Mynydd and HLCA, during a very important time for a mountain farm, that is, March of each year. That will not be available.

[205] **Rhodri Glyn Thomas:** Gwnaethpwyd y pwynt yn glir inni'r bore yma: fod amseriad y cymorthdaliadau hyn yn eithriadol o bwysig ym mlwyddyn economaidd bob fferm. Os na fyddai'r taliad yn dod ym mis Mai, byddai goblygiadau i hynny dros yr haf i'r ffermwr. Yr wyf yn cymryd eich bod yn unedig yn eich barn—yr ydych wedi mynegi hyn yn eich papur ac ar lafar—nad yw'r wybodaeth yr ydych wedi ei dderbyn ynglŷn â'r cynllun hwn yn ddigonol. Yr wyf yn cymryd o'ch sylwadau nad yw hynny wedi ei ddatrys, ac nad ydych yn teimlo bod y sefyllfa'n fwy gwybyddus i chi nag yr oeddech pan yr oeddech yn cyflwyno'r papurau. Fodd bynnag, mae'r ddau undeb hefyd yn nodi eu bod yn ofni nad oes digon o adnoddau o fewn y swyddfeydd adrannol i ddelio â'r holl broses hon. A allwch ehangu ychydig ar hynny inni fod yn glir? A ydych yn dweud y bydd problem wirioneddol i gyflwyno'r cynllun o ran yr adnoddau sydd ar gael gan Lywodraeth Cymru i'w weinyddu?

Rhodri Glyn Thomas: That point was clearly made to us this morning: that the timing of these subsidies will be very important in the economic year of every farm. If the payment does not come in May, it would have consequences for the farmer over the summer. I take it that you are unanimous in your opinion—you have expressed this in your paper and orally—that the information that you have received about this scheme is inadequate. I take it from your comments that that has not been resolved, and that you do not feel that you are more informed about the situation than you were when you submitted your papers. However, both unions also note their concern that there are insufficient resources within departmental offices to deal with this whole process. Can you expand on that a little so that we can be clear? Are you saying that there will be a real problem to introduce the scheme in terms of the resources available by the Welsh Government to administer it?

[206] **Mr James:** Our concern is that there are 7,000 applicants who would have claimed

Tir Mynydd payments previously who have never been involved in agri-environment measures. The point has already been made that there are no project officers to advise on the whole farm plan or the all-Wales scheme. Project officers will only be available to assist with the upper tier scheme. So, when these farmers go into the divisional office for the first time, they will be looking at the maps that are being held by the divisional offices and trying to identify the habitats that they have on their farm. The divisional office has allocated an hour or an hour and a half for each applicant, but we do not feel that that is adequate to deal with the situation. It was anticipated originally that some 14,000 farmers would enter the scheme—that was at least the hope of the Welsh Assembly Government. In terms of the pilot scheme, having extrapolated the figures, it is now talking about some 8,800 people entering the scheme, which is only 54 per cent of the initial number of applicants anticipated. Therefore, one would hope that a little more time might be devoted to farmers coming into those offices. Nonetheless, we think that the Government has underestimated the help and guidance that farmers will need just to get into the entry-level part of the scheme.

[207] **Ms Nowell-Phillips:** I totally support what Mary said. We have said all along that the Assembly needs to have regard to the fact that a lot of these farmers will have just been in the Tir Mynydd scheme, and have never had to go through the process. They will need a lot of support and help. Although the Assembly says, ‘Oh, yes, we will take on extra staff in our divisional offices and so on’, most of those posts will be temporary. Those staff probably will not have the same knowledge as project officers, who have already been working. I am sure that they will be able to do it, but our concern is that it will take far longer than has been timetabled. Again, it is all about timetables and getting farmers signed up. We have questioned the Assembly several times on where people will be in the process, and we have been told that X and Y will be prioritised, but prioritising everything takes a lot of resources and time. The open meetings kick off tonight, as you mentioned, but you must remember that many of the meetings to be held by the Assembly and Farming Connect will be held during one of the busiest periods of the farming year. While a communications strategy looks good on paper, the reality is that farmers are up to their eyes in lambing, and so the last thing they can do is go to an evening meeting on Glastir.

[208] **Michael German:** I gently remind all witnesses that it is not the Assembly that is holding any of these meetings, but the Assembly Government. That is crucial.

[209] **Rhodri Glyn Thomas:** Mae hynny’n bwynt eithriadol o bwysig. **Rhodri Glyn Thomas:** That is an extremely important point.

[210] **Mr Jarrett:** I ychwanegu at hynny, dywedodd Ed yn ei sylwadau agoriadol eu bod nhw, yng nghyfarfod diwethaf y rhanddeiliaid, wedi cael gwybodaeth y byddai’n bosibl i bobl fynd i mewn i’r swyddfa i drafod mynediad at y lefel uwch. Os ydynt i drafod hynny a’r cynllun sylfaenol o fewn awr a hanner, rhaid cael pobl yfflon o dda yn y swydd. **Mr Jarrett:** To add to that, in his opening remarks, Ed said that, at the last stakeholders meeting, they were given information that it would be possible for people to go to the office to discuss access to the higher level scheme. If they discuss that and the entry-level scheme in an hour and a half, they will have to have truly exceptional people in the job.

[211] **Brynle Williams:** Yr oeddwn yng Nghaernarfon yr wythnos diwethaf, lle y collwyd nifer o swyddi dros y blynnyddoedd. Os bydd y pwysau ychwanegol hyn arnynt, bydd rhaid creu llawer o swyddi newydd neu bydd rhywbeth arall yn ei chael hi. **Brynle Williams:** I was in Caernarfon last week, where many jobs have been lost over the years. If this additional pressure is placed on people there, many more new jobs will have to be created or something else will have to give.

[212] **Rhodri Glyn Thomas:** Nid dyna’r **Rhodri Glyn Thomas:** It is not the best

amseru gorau i roi pobl mewn swyddi newydd sydd wedi'u creu ar adeg cyflwyno cynllun newydd, a nodwn eich pryderon. Diolch yn fawr iawn ichi am eich parodrwydd i ddod yma i gyflwyno tystiolaeth. Sylweddolwn ein bod yn galw arnoch yn fynych i roi tystiolaeth y dyddiau hyn, ond yr ydym yn gwerthfawrogi eich tystiolaeth yn fawr bob amser. Diolch yn fawr am rannu eich pryderon gyda ni y prynhawn yma.

timing to put people in newly created jobs when trying to introduce a new scheme, and we note your concerns. Thank you very much for your willingness to attend and present your evidence to us. We realise that we call upon you frequently to give evidence these days, but we greatly appreciate your evidence every time. Thank you very much for sharing your concerns with us this afternoon.

[213] **Michael German:** Chair, while the witnesses are changing seats, would it be worth our clerk establishing with Welsh Assembly Government officials the certainty around that question of whether people will be asked for both the entry and the higher level, with both starting at the same time, which was no-one's anticipation? If we could find that out for certain, it would be very useful.

[214] **Rhodri Glyn Thomas:** We will make that inquiry, but that is our understanding at the moment.

[215] **Michael German:** What—that they will both be together?

Rhodri Glyn Thomas: That they will be looking at the higher level when they apply for the entry level.

[216] Croesawaf Sue Evans o Gymdeithas Tirfeddianwyr Cefn Gwlad, ac fe'ch hysbysaf y cawsom ymddiheuriadau gan y clybiau ffermwyr ifanc. Yr oeddent wedi bwriadu bod yma i gyflwyno tystiolaeth, ac yr oedd hi'n bwysig iddynt gael y cyfle i wneud hynny oherwydd yr ydym yn sôn am y dyfodol a'u dyfodol hwythau, ond, yn anffodus, er eu bod wedi gwneud ymdrechion i anfon cynrychiolwyr, bu'n amhosibl iddynt oherwydd ymrwymadau eraill.

I welcome Sue Evans from the Country Land and Business Association, and I inform you that we have received apologies from the young farmers' clubs. They had intended to be here to give evidence, and it was important for them to have the opportunity to do so, because we are talking about the future and their future here, but, unfortunately, although they made efforts to send representatives here in their place, it has proved impossible because of other commitments.

[217] Mae Sue yma i gynrychioli'r CLA yn unig, ac ni fydd yn mynd yn ôl 10 mlynedd—nid yw cyhyd â hynny, nid oes bosibl—i'w dyddiau yn y clwb ffermwyr ifanc. [*Chwerthin.*] Gofynnaf iddi wneud sylwadau agoriadol cryno, ac yna symudwn ymlaen at y cwestiynau.

Sue is here to represent the CLA only, and will not be going back 10 years—it is not that long, surely—to her days with the young farmers' club. [*Laughter.*] I ask her to make some brief opening remarks, and we will then move on to the questions.

3.20 p.m.

[218] **Ms Evans:** Prynawn da. Yr wyf yn ddigon bodlon siarad yn Gymraeg ac ateb y cwestiynau yn Gymraeg, ond fe wna fy sylwadau agoriadol yn Saesneg.

Ms Evans: Good afternoon. I am willing to speak in Welsh and to answer the questions in Welsh, but I will make my opening remarks in English.

[219] The Country Land and Business Association is generally supportive of the Glastir

scheme and the way in which it has been put forward. We were a little disappointed that the whole consultation did not start two years earlier, and we concur with the other unions on that point. We like the format, and there seems to be the potential for everyone to be able to get into this scheme, or at least to have a good chance to do so.

[220] There are hurdles and problems, as we have outlined in our paper, and which the other unions have touched upon. We like the fact that the higher target element scheme is a menu option, in the sense that the menu can be added to, and not a whole farm scheme. That seems to be pretty good. However, the time pressures against them and the constraints have resulted in some problems with the transitional arrangements, including the letters that went out. Farmers spend a lot of time phoning us to ask what is going on, and they do not quite understand what they are meant to be doing. We hope that there is flexibility within the scheme, and that the teething problems and the larger problems can be ironed out later. A lot of things will change in the next few years, and so there needs to be flexibility within the scheme, and we are promised that that exists.

[221] As we have said in our paper, which you have read, our greatest fear is the integrated land management or dual-use issue, given that that is to be discontinued. We have a lot of landlords who have wider issues than the Welsh Assembly Government recognises, and so this will be a bigger issue than it realises. That is the biggest stumbling block for this scheme.

[222] It will not solve the issue with the EU auditors over the difference in our long-term land system in the UK. I am pleased to see that England is holding its own on that but sad that Wales is not taking a more robust approach to it. Allow me to explain it to you. Our greatest fear is that, even moving forward just 10 years, as the other unions have outlined, it will be difficult for graziers to get into Glastir as they do not have long-term commitments. Even farm business tenancy agreements of five years will not coincide unless they start on the day of the Glastir agreement. Therefore, you will have EU auditors looking at documents in 10 years' time and saying, 'Your Glastir scheme was meant to be a 10-year management agreement, but you have farmers who have occupied areas of land for seven of those 10 years and are not included in the Glastir whole farm agreement'. That is likely to be because they are on annual grazing agreements or farm business tenancies. If we could continue with landlords or one party being able to claim agri-environment schemes and the farmers allowed to get on with the farming without interruption, that would definitely be the most sensible way forward.

[223] **Rhodri Glyn Thomas:** Diolch am hynny, Sue. Yr ydym am ddechrau gyda'r defnydd deuo! o dir, a hefyd y cytundebau rhwng y tiffeddiannwr a'r tenant. Mike German sydd â'r cwestiwn cyntaf.

Rhodri Glyn Thomas: Thank you for that, Sue. We will start with the dual use of land, and the agreements between landowners and the tenants. Mike German has the first question.

[224] **Michael German:** I thank you first of all for your paper and particularly the annex, which lays out the problem as you see it very well. Do you have a view on why England has taken a different approach and is giving the right to apportion money to either a tenant or a landlord, and what do you believe the motives are behind the Welsh Assembly Government's position in not following that route?

[225] **Ms Evans:** We understand that the Welsh Assembly Government's position is purely a matter of the Welsh treasury—

[226] **Michael German:** Sorry, the Welsh what?

[227] **Ms Evans:** The Welsh treasury, in effect. The pressure is coming from there, and because there is a potential risk of fines, it will not consider the matter any further. England

does not seem to be considering any issue with potential repercussion, but, if there were to be, we are told that it is willing to take a firm view and fight that. At the moment, this has all come about from a letter that was sent to the UK in general, not to Wales, which outlined a slight issue relating to dual payments. This is a very long and complicated issue, and I can provide you with further papers. It is probably better not to go into the detail now, but it seems that England is taking a very different line.

[228] **Rhodri Glyn Thomas:** Dylwn ddweud ar y pwynt hwn ynghylch nodyn y byddai'n rhaid i ni ei dderbyn yn fuan iawn, oherwydd yr amserlen dynn yr ydym gweithio iddi. **Rhodri Glyn Thomas:** I should just say on this point about a note that we will have to receive that very soon, because of the tight timetable to which we are working.

[229] **Ms Evans:** Buaswn yn fodlon ei yrru ymlaen yn syth, pe bai hynny o help ichi. **Ms Evans:** I would be happy to send it on to you immediately, if that would be helpful.

[230] **Michael German:** I am interested in the idea of a Welsh treasury. I have been a Member of the National Assembly since 1999—

[231] **Ms Evans:** I do apologise.

[232] **Michael German:** No, I am interested. You probably meant the Treasury in London. Is that what you meant?

[233] **Ms Evans:** No, I meant the finance division of the Welsh Assembly Government, because, as I understand it, the fines would apply to Wales specifically rather than to England or the UK.

[234] **Rhodri Glyn Thomas:** Presumably, the problem is that the Assembly Government does not have sufficient borrowing capacity, so any additional payments would create real difficulties for the budget.

[235] **Michael German:** However, in England, they have taken the view that they will fight it if it comes their way. I am not one to put words in your mouth, but would you suggest that we seek an alliance with the Minister in England against the risk of the European Commission claiming that we have done the wrong thing?

[236] **Ms Evans:** I feel that we should be showing one united front to Europe on this issue. It will be even more difficult for England to fight a case if Wales has said that it is possible to make alterations. We, in the Country Land and Business Association, believe that this is such a big issue that it will not be straightforward to make this problem go away. As I understand it, Europe has accepted that point for the past seven years, and it has not been brought up as a matter.

[237] **Michael German:** Do you have a feel for how many potential applicants would be excluded, or would feel excluded, by the process that is being insisted upon?

[238] **Ms Evans:** It is difficult to say, because the members who have phoned so far are pretty sharp and have managed to get their heads around it quite quickly, but I feel that most people have not even thought about this issue yet, and it will not occur to them until they read their application form for the single farm payment, which asks whether they have rights over the land for a five-year period. It could be up to 5,000 of our members, but it is difficult to say. We see it as a big issue, and for the future as well, not just at this point. It will be a growing issue, because our way of farming in Wales is changing. Farmers are beginning to rent more land and, as they go into retirement, younger farmers are coming in. Each of those

changes will cause the same problem. A lot of older farmers are quite happy with the agri-environment scheme and would like to continue farming for taxation purposes and other reasons, but are willing to let the land to young farmers. However, the young farmers will not be able to claim the single farm payment, even if they could get hold of the land.

[239] **Brynle Williams:** Exactly. This is a serious downside, as you and the unions have pointed out. I do not think that anyone has even begun to scratch the surface of this issue of rented land. You touched on short-term farm businesses tenancies, but no landlord with any sense will give you much more than three or four years, given the volatility of the market. That will rule out young people, cutting off land to young entrants, and keeping farmers on the land. There is no incentive at all to give up the land, but that is what we need. They will be stuck with it.

[240] **Ms Evans:** Yes, and there will be further repercussions given the nature of the schemes that are entered to. If it is the tenants who are entering into schemes while, previously, it may have been landlords, the tenants have relatively short-term interests in the land, and so they will not be entering the same sort of prescriptions—and rightly so, because the land might not be theirs in 10 years' time. So, the landlord would have a very different take on it—or the landowner, however he or she is to be perceived. In addition, the schemes would be much more joined-up. You would have larger areas with the same priorities. It seems to me that that is what the Welsh Assembly Government was aiming for with higher-tier and catchment-sensitive farming. The whole thing seems to be going away from where we were trying to concentrate on.

3.30 p.m.

[241] **Michael German:** I just have a quick point on your last sentence before annex 1. You say that this is a disaster in the making because of the way that the form will be written; and you talk about the question that is likely to be asked on the single farm payment form. Are you certain that that will happen; and do you have any concrete information that states that that will be the question asked?

[242] **Ms Evans:** I do not have any knowledge of that yet. As I understand it, the question will be, 'Do you have an interest in entering Glastir at the entry level and the higher level?', and there will be two tick boxes. I do not know whether they will specify that you need to make sure that you will not have issues arising from dual claims. If it is not highlighted this issue may continue for longer without it being drawn to people's attention.

[243] **Rhodri Glyn Thomas:** Diolch yn fawr am eich tystiolaeth. Yr ydych wedi mynd i gyfeiriad ychydig yn wahanol i'r tystion eraill. Mae wedi bod yn bwysig iawn inni dderbyn y dystiolaeth honno. Er eich bod o'r dechrau wedi croesawu rhai pethau yn y cynllun newydd arfaethedig, yr wyf yn cymryd, o'ch sylwadau ac o'ch papur, eich bod yn rhannu'r pryder a fynegwyd ynglŷn â'r math o wybodaeth a rannwyd gyda'r tîrfeddianwyr—a thenantiaid o ran hynny. Yr wyf hefyd yn cymryd eich bod yn rhannu'r gofid ynglŷn â'r adnoddau sydd ar gael i gyflwyno'r cynllun hwn yn llwyddiannus—y '*recipe for disaster*'—a'r posibilrwydd y gallai chwalu yn gyfan gwbl. Hoffwn ofyn cwestiwn penodol ichi: a gredwch bod modd

Rhodri Glyn Thomas: Thank you for your evidence. You have gone in a slightly different direction to the other witnesses. It has been very important to us to receive that evidence. Although you said at the beginning that you welcomed some of the things in this new proposed scheme I assume, from hearing your comments and from reading your paper, that you share the concern expressed about the type of information that has been shared with landowners—and tenants for that matter. I also assume that you share the concern regarding the resources that are available to implement this scheme successfully—the '*recipe for disaster*'—and the possibility that it could collapse totally. I would like to ask you a specific question: do you believe that

i Lywodraeth Cymru gyflwyno'r cynllun hwn yn llwyddiannus o fewn yr amserlen sydd wedi'i phennu ganddi?

the Welsh Government can implement this scheme successfully within the timetable that it has already set?

[244] **Ms Evans:** Credaf fod unrhyw beth yn bosibl. Mae'n dibynnu ar faint o bobl sy'n cael eu rhoi i weithio ar y cynllun a threfnu popeth. Mae'n anodd iawn dweud. Nid wyf am ddweud ei fod yn amhosibl. Mae'r Llywodraeth yn dweud y gall wneud hynny. Bydd popeth yn disgyn ar ei phen hi os na fydd yn llwyddo ar ddiwedd y dydd. Yr unig beth yr ydym yn pryderu yn ei gylch yw'r ffaith bod yr arian yn cael ei wario yn y lle iawn ar ddiwedd y dydd—dyna beth sydd yn bwysig—a bod y ffermwyr yn cael yr arian, heb golli allan ar flwyddyn o arian am ba reswm bynnag. Gobeithiaf yn fawr y gallant wneud hyn. Maent wedi gwneud cymaint o waith hyd yma, ond cafwyd trafferthion gan nad oeddent wedi ystyried pethau'n ddigon da cyn dosbarthu'r wybodaeth. Gwelsom hyn gyda'r *transitional arrangements*. Cafwyd problemau mawr yn sgîl y rheini ac ni fyddai wedi bod yn gymaint o broblem pe baent wedi cael yr amser i feddwl am y peth.

Ms Evans: I believe that anything is possible. It depends how many people will be working on the scheme to organise everything. It is very difficult to say. I do not wish to say that it is impossible. The Government says that it can do it. Everything will fall on its head if it does not succeed at the end of the day. All that we are concerned about is that the money should be spent in the right place at the end of the day—that is what is important—and that the farmers receive the money without losing out on a year's payment for whatever reason. I very much hope that they will be able to do this. They have done so much work to date, but there have been difficulties because they had not thought things through well enough before issuing the information. We saw this with the transitional arrangements. Major problems arose from them and it would not have been such a problem had they had the time to think it all through.

[245] O ran y swyddogion prosiect, mae dwy ffordd o edrych ar hynny. Cynhaliwyd cynllun Tir Cynnal heb swyddogion prosiect, a gweithiodd hynny'n iawn. Mae cymaint mwy o wybodaeth gan y cynllun Glastir. Gyda phawb sy'n dod i mewn o'r cynllun Tir Mynydd, bydd pobl newydd sydd erioed wedi ymwneud â'r math yma o gynllun; felly bydd hynny'n gwneud pethau'n anodd. Ar y llaw arall, os gofynnwch i'r ffermwyr a yw'n well ganddynt gael yr arian yn eu pocedi ynteu iddo gael ei wario ar swyddogion prosiect, nid wyf yn siŵr beth fyddai eu hateb. Mae'n eithaf posibl mai cael yr arian yn eu pocedi eu hunain fyddai orau ganddynt, a gwario ychydig eu hunain, efallai, ar gael ychydig o gymorth i roi'r pethau hyn at ei gilydd.

On the issue of the project officers, there are two ways of looking at that. The Tir Cynnal scheme was run without project officers and that worked. Glastir has so much more information. Along with everyone coming in from the Tir Mynydd scheme, there will be new people who have never had anything to do with such a scheme; therefore that will make things difficult. On the other hand, if you ask the farmers whether they would prefer to have the money in their pockets or have it spent on project officers, I am not sure what their answer would be. It is quite possible that they would prefer to have the money in their own pockets, and perhaps spend a little themselves on receiving some assistance in putting these things together.

[246] Gwn mai dyna a ddigwyddodd yn Lloegr. Gweithiais gyda chynlluniau stiwardiaeth cefn gwlad am flynyddoedd yn Lloegr. Yr oeddent yn gynlluniau gweddol newydd pan oeddwn i yn gweithio arnynt, ac yr oeddent yn gymhleth ofnadwy. Os oedd y ffermwyr yn benderfynol o fynd i mewn i'r cynllun, nid oedd trafferthion; yr oeddent yn cael cymorth i wneud hynny.

I know that that is what happened in England. I worked with the countryside stewardship schemes for years in England. They were relatively new schemes when I worked on them, and they were tremendously complex. If the farmers were determined to enter into the scheme, there were no difficulties; they would be given assistance to do so.

[247] **Rhodri Glyn Thomas:** A gaf i awgrymu mai safbwynt y Cymdeithas Tirfeddianwyr Cefn Gwlad oedd hynny gan eich bod, at ei gilydd, yn dueddol o gynrychioli ffermydd gweddol fawr tirfeddianwyr a chanddynt adnoddau mwy na rhai o'r ffermydd a gynrychiolir gan y ddwy undeb arall?

Rhodri Glyn Thomas: May I suggest that that is the Country Land and Business Association's perspective because, on the whole, you tend to represent the fairly large farms of landowners that have greater resources than some of the farms represented by the other two unions?

[248] **Ms Evans:** Mae hynny'n eithaf posibl, ond mae ffordd arall o edrych ar bethau. Bydd dipyn yn haws i ffermydd llai weithredu'r cynllun hwnnw na'r ffermydd mwy. Dylai fod gymaint yn haws i fynd drwyddo. Ni fydd angen gwneud cymaint o waith. Mae'r Cynulliad wedi sôn am—ond nid yw wedi addo—y posibilrwydd o gael taliad sefydlu'r cynllun yn y lle cyntaf.

Ms Evans: That is quite possible, but you could look at it from another direction. It would be much easier for small farms to enter into the scheme than the larger farms. It should be that much simpler to go through it. There will not be as much work to do. The Assembly has talked about—but it has not promised—the possibility of having a payment to establish the scheme in the first place.

[249] **Rhodri Glyn Thomas:** Mae hynny'n bwynt diddorol iawn. Nid oeddwn yn cwestiynu'r pwynt sylfaenol—mae'n bosibl iawn y byddai nifer o bobl yn teimlo y byddai'n well ganddynt fuddsoddi mewn cael cyngor arbenigol yn hytrach na dibynnu ar gyngor a fyddai'n cael ei gyflwyno iddynt.

Rhodri Glyn Thomas: That is a very interesting point. I was not questioning the fundamental point—it is quite possible that many people would prefer to invest in receiving specialist advice and not depend on the advice that would be introduced to them.

[250] I fynd yn ôl at y cwestiwn cyntaf, yr ydych yn berffaith gywir i ddweud bod unrhyw beth yn bosibl—ac mae'n debyg bod hyd yn oed yr amhosibl yn bosibl mewn theori—ond ar raddfa tebygolrwydd, a fydddech yn dweud mai'r peth gorau i'r Llywodraeth ei wneud yn awr yw ceisio gweithredu'r cynllun o fewn yr amserlen y mae wedi'i phennu, neu a fyddai'n well iddi bwyllo rhyw ychydig ac ymestyn yr amserlen honno?

To return to the first question, you are quite right in saying that anything is possible—and it seems that even the impossible is possible in theory—but on the scale of probability, would you say that the best thing for the Government to do now is to try to implement the scheme within the timetable it has set, or would it be better for it to become more cautious and extend that timetable?

[251] **Ms Evans:** Mae ganddi bron dwy flynedd arall cyn y bydd popeth yn dechrau. Felly, dylai popeth fod yn ei le erbyn hynny. Yr ydym yn rhagweld y bydd trafferthion pan ddaw at fis Mai eleni pan fydd y Cynulliad yn gofyn i ffermwyr a oes ganddynt ddiddordeb mewn ymuno â'r cynllun haen uwch, ond nid yw'r ffermwyr yn gwybod beth mae hynny'n ei olygu ar hyn o bryd. Gallai'r Cynulliad gael rhyw fath o awgrym gan ffermwyr bod ganddynt ddiddordeb, ond bydd y Cynulliad eisiau mwy na hynny, ac nid oes ffordd o gael y wybodaeth honno gan ffermwyr pan nad oes gan y ffermwyr syniad

Ms Evans: It has almost two years before everything kicks in. Therefore, everything should be in place by then. We foresee difficulties arising in May this year, when the Assembly will ask farmers whether they have an interest in entering the higher level scheme, but farmers do not know what that means at the moment. The farmers could give the Assembly some indication that they have an interest, but the Assembly will want more than that, and there is no way of getting that information from farmers when farmers do not know what is being proposed. If the Assembly can get that information out to

beth sy'n cael ei gynnig. Os gall y Cynulliad gael y wybodaeth allan i ffermwyr erbyn mis Mai eleni, bydd gobaith wedyn y bydd pob dim yn rhedeg yn esmwyth ar ôl hynny.

[252] **Rhodri Glyn Thomas:** Diolch yn fawr, a diolch yn fawr am y dystiolaeth. Ar nodyn personol, mae tystiolaeth y CLA bob amser yn hynod o ddiddorol gan ei fod wastad yn mynd â ni i gyfeiriadau annisgwyl ac yn codi cwestiynau nad ydwyf fi, yn sicr, wedi meddwl amdanynt o'r blaen. Diolch yn fawr iawn, a diolch am eich presenoldeb yma y prynhawn yma. Diolch yn fawr hefyd i bawb arall sydd wedi cyflwyno tystiolaeth. Diolchaf i'n staff technegol ni—gwn nad yw'n rhwydd dod i safle newydd a cheisio cael yr offer i weithio. Diolchaf i'r uned gyfieithu ac i staff yr is-bwyllgor hwn—yr ysgrifenyddiaeth a'r bobl sy'n ein cynorthwyo a'n cyfeirio at y cwestiynau cywir ac addas i'w gofyn i'n tystion.

[253] Yn olaf, diolchaf i Ysgol y Gader am y cyfle i gynnal y cyfarfod yma, ac mae'n debyg y dylwn gynnwys awdurdod addysg Gwynedd yn y diolchiadau hynny. Cynhelir cyfarfod nesaf yr Is-bwyllgor Datblygu Gwledig ddydd Iau 4 Mawrth yn y Senedd ym mae Caerdydd.

farmers by May this year, then there will be hope that everything will run smoothly after that.

Rhodri Glyn Thomas: Thank you very much, and thank you for the evidence. On a personal note, I always find the CLA's evidence extremely interesting as it always takes us in unexpected directions and raises questions that I certainly had not thought of previously. Thank you very much indeed, and thank you for your attendance here this afternoon. I also thank everyone else who has presented evidence. I thank our technical staff—I know that it is not easy to come to a new site and to try to get the equipment to work. I thank the translation unit and the staff of this sub-committee—the secretariat and the people who assist and direct us to the right and appropriate line of questioning of our witnesses.

Finally, I thank Ysgol y Gader for the opportunity to hold the meeting here, and I should also include Gwynedd education authority in that. The next meeting of the Rural Development Sub-committee will be held on Thursday 4 March at the Senedd building in Cardiff bay.

*Daeth y cyfarfod i ben am 3.38 p.m.
The meeting ended at 3.38 p.m.*