

# **Cynulliad Cenedlaethol Cymru**

**Y Pwyllgor Amaethyddiaeth a Datblygu Gwledig**

**The National Assembly for Wales**

**The Agriculture and Rural Development Committee**

**Cymorthdaliadau'r Polisi Amaethyddol Cyffredin  
Common Agricultural Policy Subsidy Payments**

**Cwestiynau 1-80  
Questions 1-80**

**Dydd Mercher 5 Mawrth 2003  
Wednesday 5 March 2003**

*Aelodau o'r Cynulliad yn bresennol: Glyn Davies (Cadeirydd), Christine Chapman, Cynog Dafis, Jocelyn Davies, Delyth Evans, John Griffiths, Peter Rogers, Rhodri Glyn Thomas.*

*Tystion: Michael German, y Dirprwy Brif Weinidog a'r Gweinidog dros Ddatblygu Gwledig a Chymru Dramor; Huw Brodie, Pennaeth Adran Amaethyddiaeth Cynulliad Cenedlaethol Cymru; Gareth Jones, Pennaeth Is-adran Rheoli'r Polisi Amaethyddol Cyffredin, Cynulliad Cenedlaethol Cymru; Nick Lilley, Pennaeth y Grwp Cymorth Technoleg Gwybodaeth, Is-adran Rheoli'r Polisi Amaethyddol Cyffredin, Cynulliad Cenedlaethol Cymru.*

*Assembly Members present: Glyn Davies (Chair), Christine Chapman, Cynog Dafis, Jocelyn Davies, Delyth Evans, John Griffiths, Peter Rogers, Rhodri Glyn Thomas.*

*Witnesses: Michael German, Deputy First Minister and Minister for Rural Affairs and Wales Abroad; Huw Brodie, Head of the Agriculture Department, National Assembly for Wales; Gareth Jones, Head of Common Agriculture Policy Management Division, National Assembly for Wales; Nick Lilley, Head of the Information Technology Support Group, Common Agriculture Policy Management Division, National Assembly for Wales.*

*Dechreuodd y cyfarfod am 9.15 a.m.*

*The meeting began at 9.15 a.m.*

[1] **Glyn Davies:** We will make a start, ladies and gentlemen. The only apology that I have received is from Ron Davies, who said that he may be late, although he intends to join the meeting at some stage. There are no substitutions.

We move on to the first item on the agenda. We will pick up on the discussion on payments at our last meeting. Another hour has been allocated to discuss the issue at today's meeting. As there will be a verbatim record of this item, Members should ensure that their microphones are switched on before they start to speak.

I am not sure where we reached at the last meeting; we just stopped. Do you want to say anything before we carry on, Minister?

[1] **Glyn Davies:** Fe ddechrewn, foneddigion a boneddigesau. Mae'r unig ymddiheuriad a gefais wedi dod oddi wrth Ron Davies; a ddywedodd ei bod yn bosibl y bydd yn hwyr, er ei fod yn bwriadu ymuno â'r cyfarfod maes o law. Nid oes unrhyw ddirprwyaethau.

Symudwn ymlaen at yr eitem gyntaf ar yr agenda. Ailgydiwn yn y drafodaeth ar daliadau yn ein cyfarfod diwethaf. Neilltuwyd awr arall i drafod y mater yn y cyfarfod heddiw. Bydd cofnod gair am air o'r eitem hon ac, felly, dylai'r Aelodau sicrhau bod eu meicroffonau ynghyn cyn iddynt ddechrau siarad.

Nid wyf yn sicr ble y cyraeddasom yn y cyfarfod diwethaf; dim ond rhoi'r gorau iddi a wnaethom. A hoffech chi ddweud unrhyw beth cyn i ni fwrw ymlaen, Weinidog?

**Michael German:** I think that I need to point the Committee in the direction of the current payments regime paper that I have put in front of all Members. If you remember, I ran through the schemes last time in terms of where we were. Your advice was that we should have a written note of where we were. This is as of the day before yesterday, and it explains the current position.

I have at the table with me this morning Nick Lilley, who is the head of information technology support in the CAPM division. He has been project managing the implementation of the CAPIT system. I would like to inform the Committee that we are now in the final testing stage—today and tomorrow—of the environmentally sensitive area and Tir Mynydd payments. I am aiming to start ESA and Tir Mynydd payments by the end of the week. That would, of course, mean that we would clear the ESA payments by the end of March and, also, 80 per cent of Tir Mynydd payments. May I finally, once again, extend to Committee members, as I did last time, an invitation to meet and talk to CAPM division staff and visit the division in Llanishen to have a look at the system first-hand, which I think might be useful.

[2] **Glyn Davies:** May I just clarify that, Minister? You are hoping to start making payments on some of the environment schemes by the end of the week, or was it next week?

**Michael German:** This week.

**Michael German:** Credaf fod angen i mi dynnu sylw'r Pwyllgor at y papur ar y drefn taliadau bresennol a roddais gerbron yr holl Aelodau. Os cofiwch, euthum drwy'r cynlluniau y tro diwethaf o ran ein sefyllfa. Eich cyngor oedd y dylem gael nodyn ysgrifenedig o'n sefyllfa. Gwnaed hwn echdoe, ac mae'n esbonio'r sefyllfa gyfredol.

Gyda mi wrth y bwrdd y bore yma y mae Nick Lilley, sef pennaeth cymorth technoleg gwybodaeth yn is-adran reoli'r polisi amaethyddol cyffredin. Bu ef yn rheolwr prosiect ar y gwaith o weithredu'r system CAPIT. Hoffwn hysbysu'r Pwyllgor ein bod bellach yng nghanam profi terfynol—heddiw ac yfory—taliadau'r ardaloedd amgylcheddol sensitif a thaliadau Tir Mynydd. Yr wyf yn anelu at ddechrau gwneud taliadau ardaloedd amgylcheddol sensitif a Thir Mynydd erbyn diwedd yr wythnos. Byddai hynny, wrth gwrs, yn golygu y byddem yn clirio taliadau ardaloedd amgylcheddol sensitif erbyn diwedd Mawrth a, hefyd, 80 y cant o daliadau Tir Mynydd. A gaf fi wrth gloi, unwaith eto, fel y gwneuthum y tro diwethaf, estyn gwahoddiad i'r aelodau Pwyllgor, ddod i gwrdd a thrafod â staff is-adran reoli'r polisi amaethyddol cyffredin a dod i weld yr is-adran yn Llanisien i gael golwg ar y system yn bersonol; credaf y byddai hynny'n ddefnyddiol.

[2] **Glyn Davies:** A gaf fi gadarnhau hynny, Weinidog? A ydych yn gobeithio dechrau gwneud taliadau ar rai o'r cynlluniau amgylcheddol erbyn diwedd yr wythnos, ynteu ai'r wythnos nesaf oedd gennyh dan sylw?

**Michael German:** Yr wythnos hon.

[3] **Glyn Davies:** I seem to recall that, at the last meeting, you told us that you were going to start paying them all before the end of the month.

**Michael German:** No, I hoped to be able to pay them by the end of the month.

[4] **Glyn Davies:** Oh, I see, it was hope, was it?

**Michael German:** Well, it would always have to be that, but what you should know, of course, is that, if we do start Tir Mynydd payments at the end of this week, that will be earlier than last year.

[5] **Glyn Davies:** Oh, I see. These are ESA payments and all the environmental payments?

**Michael German:** Yes.

[6] **Glyn Davies:** And they will be earlier than last year?

**Michael German:** No, the Tir Mynydd payments would be earlier than last year.

[7] **Glyn Davies:** Yes, but the vast bulk of those payments that have been on hold for quite a long time, and which you said were going to start before the end of the month—

**Michael German:** The hope was that we were going to start them by the end of last week. We expect to be able to start them by the end of this week. Bear in mind also, of course, the fact that Tir Mynydd payments last year started on 17 March—we may be able to start them earlier this year.

[3] **Glyn Davies:** Yr wyf fel pe bawn yn cofio eich bod wedi dweud wrthym, yn y cyfarfod diwethaf, eich bod yn mynd i ddechrau eu talu i gyd cyn diwedd y mis.

**Michael German:** Na, yr oeddwn yn gobeithio gallu eu talu erbyn diwedd y mis.

[4] **Glyn Davies:** O, yr wyf yn gweld, gobeithio yr oeddech, ie?

**Michael German:** Wel, felly y mae'n rhaid i bethau fod bob amser, ond yr hyn y dylech ei wybod, wrth gwrs, yw, os byddwn yn dechrau taliadau Tir Mynydd ddiwedd yr wythnos hon, y bydd hynny yn gynharach na'r llynedd.

[5] **Glyn Davies:** O, yr wyf yn gweld. Taliadau ardaloedd amgylcheddol sensitif a'r holl daliadau amgylcheddol yw'r rhain?

**Michael German:** Ie.

[6] **Glyn Davies:** A byddant yn gynharach na'r llynedd?

**Michael German:** Na, buasai'r taliadau Tir Mynydd yn gynharach na'r llynedd.

[7] **Glyn Davies:** Ie, ond mae mwyafrif helaeth y taliadau hynny sydd wedi cael eu hoedi am gryn dipyn o amser, taliadau y dywedasoeh y byddech yn dechrau eu talu cyn diwedd y mis—

**Michael German:** Y gobaith oedd y byddem yn eu dechrau erbyn diwedd yr wythnos diwethaf. Disgwyliwn allu eu dechrau erbyn diwedd yr wythnos hon. Cofiwch hefyd, wrth gwrs, y ffaith fod taliadau Tir Mynydd y llynedd wedi dechrau ar 17 Mawrth—mae'n bosibl y gallwn eu dechrau yn gynharach eleni.

[8] **Glyn Davies:** I have just one final point on that. What are you saying now: are you hoping and expecting or are the payments going to start?

**Michael German:** I can only say the same as I have always said, because you never know when you are testing something whether it will go wrong at the very end. That is what Nick is here this morning to talk to you about, as well as to tell you how it works.

[9] **Glyn Davies:** Do Members want a second to look through the paper to compare it with the last one to see where we are? That is the whole point in having a paper—I always like to allow people to have a look at a paper before we carry on. It probably is not much work; you will only need a minute or so.

Okay, if Members are happy, we will move straight on to questions that anyone may want to ask. We will start with Peter, and then go on to Rhodri.

[10] **Peter Rogers:** I welcome very much Mr Nick Lilley coming this morning—

[11] **Glyn Davies:** Sorry to butt in straightaway, Peter, but I think that it is appropriate that I declare a specific interest on this issue. Clearly, as a partner in a farming business, I am a recipient of some of these subsidies that are late in being paid. I think that it is a sufficiently specific interest for me to declare it.

[8] **Glyn Davies:** Mae gennyf un pwynt i gloi ar y mater hwn. Beth ydych chi'n ei ddweud yn awr: a ydych yn gobeithio ac yn disgwyl ynteu a fydd y taliadau yn dechrau?

**Michael German:** Ni allaf ond dweud yr un peth ag y dywedais erioed, oherwydd na wyddoch fyth wrth brofi rhywbeth a fydd yn mynd o'i le yn y diwedd un. Yma i siarad gyda chi am hyn y mae Nick y bore yma, yn ogystal ag i ddweud wrthyh sut y mae'n gweithio.

[9] **Glyn Davies:** A oes ar yr Aelodau eisiau eiliad i edrych drwy'r papur i'w gymharu â'r un diwethaf i weld ein sefyllfa? Dyna yw holl bwynt cael papur—yr wyf bob amser yn hoffi gadael i bobl gael golwg ar bapur cyn inni fwrw ymlaen. Nid yw'n llawer o waith mae'n debyg; munud neu ddau y bydd arnoch ei angen.

Iawn, os yw'r Aelodau yn hapus, fe symudwn ymlaen ar unwaith at unrhyw gwestiynau yr hoffai unrhyw un eu gofyn. Dechreuwn gyda Peter, cyn symud ymlaen at Rhodri.

[10] **Peter Rogers:** Croesawaf yn fawr iawn Mr Nick Lilley yma y bore yma—

[11] **Glyn Davies:** Ymddiheuraf am dorri ar eich traws ar unwaith, Peter, ond credaf ei bod yn briodol imi ddatgan buddiant penodol ar y mater hwn. Yn amlwg, fel partner mewn busnes ffermio, yr wyf yn derbyn rhai o'r cymorthdaliadau hyn sy'n hwyr yn cael eu talu. Teimlaf ei fod yn fuddiant penodol digonol imi ei ddatgan.

[12] **Peter Rogers:** I had better make the same declaration. I appreciate Mr Nick Lilley being brought along this morning. I presume that, in your work, you have a lot of experience of this. What worries me is that we have picked on agriculture for a change of computer system and have created absolute bedlam. I have been quite involved in some of the work of the national benefits agency and I know very well that there is no way that you can introduce a new computer system on payments of benefits to the country without having an alternative means of payment. I have heard this morning—we are talking about the agri-environment schemes, and these agri-environment schemes do not have window periods, so they are a legitimate debt or a legitimate sum owing by the Assembly to farmers. We have heard about the organic system, for instance. Some of those farmers are now coming into the second year. They have done without the money for 12 months. I have one example from March in terms of the organic system, and this is a large amount of money. What I am saying is that these debts must have been known before the computer system was started in June, and they should have been paid. What I would like to know is, in your experience, is it not totally unacceptable to put a system in place that does not have a fall-back that could have supported this industry?

**Mr Jones:** Chair, may I take this one first of all? Nick is obviously welcome then to give us the benefit of his experience. I think that the key point to make here, Chair, is that the payments that Peter is talking about—in particular the ESA payments, habitat payments, organic payments and, indeed, the farm woodland payments and the farm improvement grant and farm enterprise grant payments for which we have already cleared the backlog—are all reliant upon the implementation of a new Assembly finance system, not the new CAPIT system that Nick is

[12] **Peter Rogers:** Gwell i minnau wneud yr un datganiad. Gwerthfawrogaf fod Mr Nick Lilley wedi dod yma y bore yma. Tybiaf eich bod, yn eich gwaith, yn cael llawer o brofiad o hyn. Yr hyn sy'n fy mhoeni yw ein bod wedi dewis amaethyddiaeth i gael system gyfrifiadurol newydd ac wedi creu bedlam llwyr. Bûm yn gwneud cryn dipyn o waith gyda gwaith yr asiantaeth fudd-daliadau genedlaethol a gwn yn dda nad yw'n bosibl cyflwyno system gyfrifiadurol newydd ar daliadau budd-daliadau i'r wlad heb gael dull talu amgen. Clywais y bore yma—yr ydym yn trafod y cynlluniau amaeth-amgylcheddol, ac nid oes gan y cynlluniau amaeth-amgylcheddol hyn gyfnodau talu, felly maent yn ddyled ddilys neu'n swm dilys sy'n ddyledus gan y Cynulliad i ffermwyr. Clywsom am y system organig, er enghraifft. Mae rhai o'r ffermwyr hynny yn awr yn camu i'r ail flwyddyn. Maent wedi gwneud heb yr arian am 12 mis. Mae gennyf un esiampl o fis Mawrth o ran y system organig, ac mae hwn yn swm mawr o arian. Yr hyn yr wyf yn ei ddweud yw mae'n rhaid bod y dyledion hyn yn hysbys cyn dechrau ar y system gyfrifiadurol ym mis Mehefin, a dylent fod wedi cael eu talu. Yr hyn yr hoffwn ei wybod yw, yn eich profiad chi, onid yw'n gwbl annerbyniol sefydlu system nad oes iddi drefniant wrthgefn a allai fod wedi cefnogi'r diwydiant hwn?

**Mr Jones:** Gadeirydd, a gaf fi ymgymryd â hwn i ddechrau? Mae croeso i Nick, wedyn wrth gwrs, roi inni fantais ei brofiad. Yr wyf yn credu mai'r pwynt allweddol i'w wneud yma, Gadeirydd, yw bod y taliadau y mae Peter yn sôn amdanynt—yn enwedig taliadau ardaloedd amgylcheddol sensitif, taliadau cynefinoedd, taliadau organig ac, yn wir, daliadau coetir ffermydd a thaliadau'r grant gwella ffermydd a'r grant menter ffermydd, ôl-groniadau yr ydym eisoes wedi eu clirio—oll yn dibynnu ar weithredu system gyllido newydd gan y

managing. There is an interface between the two, but the crucial system that needs to be implemented to enable us to make those payments—because all of those payments are made by my staff on a manual basis, effectively, as I said last time in answer to a question that Rhodri asked. Those payments are handled manually by my staff and then have to be put through the new finance system, which was closed down on 9 October last year to enable it to be implemented.

The difficulty that we have had in getting to the point that we have reached—which, as the Minister said earlier, will hopefully enable us to clear the entire backlog by the end of March—has been, effectively, that we have not had a finance system to make those payments. Cases have been dealt with by my staff—they have been validated manually or whatever—and we have made the offer a number of times that, if people want to make the case for it, we will try to release those payments manually as an expedient. We have now reached the point where that finance system is in its last stages of testing for those individual schemes and, as the Minister said, we hope to be able to clear that backlog by the end of the month. The key point to make, which the Minister has made a number of times, is that, if there are individual cases where there are contractual obligations or regulatory obligations on us to make payments by a certain date and we have not done so and that is entirely as a result of our administration of the scheme, we will calculate the interest payment due and, subject to a £50 *de minimus*, we will pay that interest to the claimant concerned. So, although I would accept that people have had to wait longer than we would have wished to get some of these payments since the system was closed down on 9 October, I cannot accept that it is solely as the result of the development of the CAPIT system.

Cynulliad, nid y system CAPIT newydd y mae Nick yn ei rheoli. Mae rhyngwyneb rhwng y ddwy, ond y system dyngedfennol y mae'n rhaid ei gweithredu er mwyn ein galluogi i wneud y taliadau hynny—oherwydd gwneir yr holl daliadau hynny gan fy staff â llaw, i bob pwrpas, fel y dywedais y tro diwethaf i ateb cwestiwn a ofynnodd Rhodri. Mae fy staff yn delio â'r taliadau hynny â llaw ac yna rhaid eu rhoi drwy'r system gyllido newydd, system a gaewyd i lawr ar 9 Hydref y llynedd er mwyn gallu ei gweithredu.

Yr anhawster a gawsom i gyrraedd y pwynt yr ydym wedi ei gyrraedd—sefyllfa a fydd gobeithio, fel y dywedodd y Gweinidog yn gynharach, yn ein galluogi i glirio'r holl ôl-groniadau erbyn diwedd Mawrth—i bob pwrpas, yw na fu gennym system gyllido i wneud y taliadau hynny. Mae fy staff wedi delio ag achosion—drwy eu dilysu â llaw neu sut bynnag—ac yr ydym wedi cynnig sawl gwaith, os bydd pobl eisiau cyflwyno'u hachos, y byddem yn ceisio ryddhau'r taliadau hynny â llaw, fel un ffordd o wneud hynny. Bellach, yr ydym wedi cyrraedd pwynt lle mae'r system gyllido yn mynd drwy'r profion terfynol ar gyfer y cynlluniau unigol hynny ac, fel y dywedodd y Gweinidog, gobeithiwn allu clirio'r ôl-groniad hwn erbyn diwedd y mis. Y pwynt allweddol i'w wneud, pwynt y mae'r Gweinidog wedi'i wneud sawl gwaith, yw, os oes achosion unigol lle mae rhwymedigaethau cytundebol neu rwymedigaethau rheoleiddio arnom i wneud taliadau erbyn dyddiad penodol a'n bod heb wneud hynny, a bod hynny yn gyfan gwbl o ganlyniad i'n proses o weinyddu'r cynllun, y byddwn yn cyfrifo'r taliad llog sy'n ddyledus ac, yn amodol ar £50 *de minimus*, byddwn yn talu'r llog hwnnw i'r sawl sy'n ei hawlio. Felly, er fy mod yn derbyn bod pobl wedi gorfod aros yn hwy nag y byddem wedi'i ddymuno cyn cael rhai o'r taliadau hyn ers i'r system gael ei chau i lawr

Indeed, in this case, it is not as a result of the development of the CAPIT system. In order to try to put the situation right, staff have been working very hard to get the testing completed and we have made the additional offer of hardship payments and interest payments, where they are appropriate.

[13] **Glyn Davies:** Can I just ask you something? I will come back to you in a moment, Peter. Is it the finance system that has led to what looks like a month's delay in terms of where we were at our last meeting? At that meeting, you told us that a lot of these payments would be made by the end of the month, or later in the month. We are now in the month of March and you are telling us that they will be made later this month. Clearly, the advice that I have given people, which replicated what we had been told, was that there was a month's delay. Am I right to say that that delay results from the finance system that you have just mentioned coming on stream rather slower than you were expecting? Is that what you have just told us?

**Mr Jones:** The first thing to say is that there is not a month's delay. What the Minister said last time was that we were aiming to start making payments by the end of February, which was last Friday. I would accept that that has slipped by a week, but certainly not by a month. Effectively, your question is correct. It is the testing of the finance system that is causing us to slip a week in getting the payments out.

[14] **Glyn Davies:** Peter, did you want to come back on that?

ar 9 Hydref, ni allaf dderbyn mai'r unig reswm am hyn yw o ganlyniad i ddatblygu'r system CAPIT. Yn wir, yn yr achos hwn, nid datblygiad y system CAPIT yw'r rheswm. Er mwyn ceisio cywiro'r sefyllfa, bu staff yn gweithio'n galed iawn i gwblhau'r profion ac yr ydym wedi cynnig taliadau caledi a thaliadau llog ychwanegol, pryd bynnag y bo hynny'n briodol.

[13] **Glyn Davies:** A gaf fi ofyn rhywbeth i chi? Dof yn ôl atoch mewn munud, Peter. Ai'r system gyllido a arweiniodd at yr hyn sy'n ymddangos fel mis o oedi o ran ein sefyllfa yn ein cyfarfod diwethaf? Yn y cyfarfod hwnnw, dywedasoeh wrthym y byddai llawer o'r taliadau hyn yn cael eu gwneud erbyn diwedd y mis, neu yn ddiweddarach yn y mis. Mae hi bellach yn fis Mawrth ac yr ydych yn dweud wrthym y cânt eu gwneud yn ddiweddarach y mis hwn. Yn amlwg, y cyngor a roddais i bobl, cyngor a ailadroddai'r hyn a ddywedwyd wrthym, oedd bod mis o oedi. Ai cywir yw dweud bod yr oedi hwnnw yn ganlyniad i'r ffaith bod y system gyllido a grybwyllasoeh yn awr wedi cael ei gweithredu ychydig yn arafach na'r disgwyl? Ai dyna yr ydych newydd ei ddweud wrthym?

**Mr Jones:** Y peth cyntaf i'w ddweud yw nad oes mis o oedi. Yr hyn a ddywedodd y Gweinidog y tro diwethaf oedd ein bod yn ymdrechu i ddechrau gwneud y taliadau erbyn diwedd Chwefror, sef dydd Gwener diwethaf. Buaswn yn derbyn bod hyn wedi llithro wythnos, ond yn bendant nid mis. I bob pwrpas, mae eich cwestiwn yn gywir. Profi'r system gyllido sy'n peri inni lithro wythnos cyn anfon y taliadau allan.

[14] **Glyn Davies:** Peter, a oeddech eisiau dweud mwy ar hyn?



[15] **Peter Rogers:** Yes. You are, in fact, deflecting this argument because one of the main arguments on environmental payments is related in particular to organic and ESA payments. Those date back, particularly the organic farming example, which is from March. You have got all the details. Mike will not discuss them, and has sent them back to me. If there were problems with the processing and with the form filling, no-one has gone back to these farmers to let them know of those problems; they have been left high and dry.

I have heard you saying all this about the hardship letters. This has just been another way of making farmers wait longer and to jump through hoops to try to get their money. I made this claim after Mike spoke in Llangollen, when he jumped up and said that money would be released to any farmer facing hardship. He knows very well that two young farmers jumped up at the back of the room and said that that was not correct. When I wrote to you, Mike, stating that the high street banks said that this was not working, you wrote to me asking for the name of the bank, so that you could speak to it. I said that I could not provide that, but that I would ring the bank. So I phoned the bank, and it stated that it was perfectly willing to talk to the Assembly about its concerns. I understand that, up until last week, the high street bank had not been contacted, and that the agricultural manager had not been spoken to.

**Michael German:** Did you give us the name and address of the bank manager?

[15] **Peter Rogers:** Oeddwn. Yr ydych, mewn gwirionedd, yn bwrw'r ddadl hon i'r naill ochr oherwydd bod un o'r prif ddadleuon ynghylch taliadau amgylcheddol yn ymwneud yn arbennig â thaliadau ardaloedd amgylcheddol sensitif a thaliadau organig. Mae'r rhai hynny yn dyddio'n ôl, yn enwedig yr esiampl ffermio organig, i fis Mawrth. Mae'r holl fanylion gennyh. Nid yw Mike am eu trafod, ac mae wedi eu hanfon yn ôl ataf fi. Pe bai problemau â'r prosesu a chyda'r broses llanw ffurflenni, nid oes unrhyw un wedi mynd yn ôl at y ffermwyr hyn i'w hysbysu o'r problemau hynny; cawsant eu gadael ar y clwt.

Fe'ch clywais yn dweud hyn oll am y llythyrau caledi. Ffordd arall yw hon o wneud i ffermwyr aros yn hwy a mynd drwy'r felin i geisio cael eu harian. Gwneuthum yr hawliad hwn ar ôl i Mike siarad yn Llangollen, pan neidiodd ar ei draed a dweud y byddai arian yn cael ei ryddhau i unrhyw ffermwr a wynebai galedi. Gwyr yn iawn fod dau ffermwr ifanc wedi neidio ar eu traed yng nghefn yr ystafell gan ddweud nad oedd hynny'n gywir. Pan ysgrifennais atoch, Mike, yn dweud bod banciau'r stryd fawr yn dweud nad oedd hyn yn gweithio, ysgrifenasoch ataf yn gofyn am enw'r banc, fel y gallech siarad gydag ef. Dywedais na allwn wneud hynny, ond y buaswn yn ffonio'r banc. Felly ffoniais y banc, a dywedodd ei fod yn berffaith barod i siarad â'r Cynulliad am ei bryderon. Deallaf, hyd at yr wythnos diwethaf, na chysylltwyd â'r banc stryd fawr, ac na siaradwyd â'r rheolwr amaethyddiaeth.

**Michael German:** A roesoch enw a chyfeiriad y rheolwr banc inni?

[16] **Peter Rogers:** Of course I did, and the telephone number. Do not challenge me. I know very well that I did. Look at all the stuff I have got here on it. What you are doing is, every time that we get down to this now—I went to speak to Mr Lilley, and obviously he is not the gentleman that we should be speaking to. On the processing of ESA payment forms, I know very well that staff were moved away from those divisions to do other work at those vital times. That is why farmers are now being told that they were disqualified from the scheme 12 months ago. They had not been told because the forms had not been processed. All that we are looking for is honesty and for you to tell us that you have got problems because of managerial issues, but Mike, you keep spouting on about what is happening in this industry, but some of these farmers have been denied money for up to 12 months. That is not acceptable. All I ask of you is to come clean and go away and say that you will manually pay these farmers now. You know very well, on the hardship letters—

**Michael German:** I think that I must intervene.

[17] **Peter Rogers:** My last point is on the hardship letters, I will finish then. You explain to me why people who have sent in hardship letters to have their sheep annual premium scheme payments paid are now required to send in further hardship letters so that other payments of which they are in dire need can be released. This money is needed and this, again, is just delaying the whole thing.

**Michael German:** Well, first of all, I think that I must repeat what Gareth said, and I do reject the claim that our staff have been incapable of managing this process. I do think that that is—

[16] **Peter Rogers:** Do wrth gwrs, a'r rhif ffôn. Peidiwch â'm herio. Gwyddoch yn iawn fy mod wedi gwneud. Edrychwch ar y pentwr pethau sydd gennyf yma am y mater. Yr hyn yr ydych yn ei wneud, bob tro y trafodwn hyn yn awr—euthum i siarad â Mr Lilley, ac mae'n amlwg nad ef yw'r gwr y dylem fod yn siarad ag ef. Ynghylch prosesu ffurflenni taliadau ardaloedd amgylcheddol sensitif, gwn yn iawn y cafodd staff eu symud o'r isadrannau hynny i wneud gwaith arall ar yr adegau hanfodol hynny. Dyna paham fod ffermwyr yn cael gwybod yn awr eu bod wedi eu gwahardd oddi ar y cynllun 12 mis yn ôl. Ni ddywedwyd wrthynt oherwydd na phroseswyd eu ffurflenni. Y cwbl yr ydym yn chwilio amdano yw gonestrwydd ac i chwi ddweud wrthym bod gennyf broblemau oherwydd materion rheoli, ond Mike, yr ydych yn dal i barablu ymlaen am yr hyn sy'n digwydd yn y diwydiant hwn, ond mae rhai o'r ffermwyr hyn wedi bod heb yr arian am hyd at 12 mis. Nid yw hynny'n dderbyniol. Y cwbl yr wyf yn ei ofyn yw eich bod yn cyfaddef y cwbl ac yn mynd ymaith ac yn dweud y byddwch yn talu i'r ffermwyr hyn yn awr â llaw. Gwyddoch yn iawn, ar y llythyrau caledi—

**Michael German:** Credaf y dylwn godi pwynt.

[17] **Peter Rogers:** Mae fy mhwynt olaf yn ymwneud â'r llythyrau caledi, yna byddaf yn dod i ben. Esboniwch wrthyf paham bod y bobl a anfonodd lythyrau caledi i gael eu taliadau dan y cynllun premiwm blynyddol defaid yn awr yn gorfod anfon llythyrau caledi pellach fel y gellir rhyddhau taliadau eraill y mae arnynt eu gwir angen. Mae angen yr arian hwn ac, unwaith eto, mae hyn ond yn oedi'r holl beth.

**Michael German:** Wel, i ddechrau, credaf y dylwn ailadrodd yr hyn a ddywedodd Gareth, ac yr wyf yn gwrthod yr haerriad nad yw ein staff yn gallu rheoli'r broses. Credaf fod hynny yn—

[18] **Peter Rogers:** I will withdraw that.

**Michael German:** Thank you. On the issue of the payment structure, I think it is important that we repeat the point, again, that this is not a payment system. We are not talking about a CAPIT system that is a payment system, it is a monitoring and management structure. Members will remember that, at the last meeting, I put a big chart in the tea room that laid out all the things that the system did. What it does not do is actually make the payments, which is where we come to the end product now. I am quite happy for Gareth to repeat what we have done about manual payments and, once again, if the issues that we have described to you are not accurate then I would ask you, once again, to let me know that they are not accurate. However, I have, I think, been consistent about manual payments and I think that we can easily explain that.

[19] **Glyn Davies:** There is no point in you repeating what you said because that is clearly on the verbatim record.

**Mr Jones:** May I come in on this? I was simply going to say, Chair, that we have made in excess of 200 manual payments. If there is an instance where an individual has put forward a hardship case for one scheme and has then been asked for an additional letter for another scheme that is clearly unacceptable, and I will deal with that. If you let me have the details, I will make sure that that is sorted out.

[20] **Glyn Davies:** I want to move on. Rhodri?

[18] **Peter Rogers:** Tynnaf hynny yn ôl.

**Michael German:** Diolch. Ynghylch y strwythur taliadau, credaf ei bod yn bwysig ein bod yn ailadrodd y pwynt, unwaith eto, nad system daliadau yw hon. Nid ydym yn sôn am system CAPIT sy'n system daliadau, strwythur monitro a rheoli ydyw. Bydd yr Aelodau yn cofio fy mod, yn y cyfarfod diwethaf, wedi rhoi siart fawr yn yr ystafell banded, siart a esboniai'r holl bethau a wnâi'r system. Yr hyn na wna, mewn gwirionedd, yw gwneud y taliadau, sef lle deugn at y cynnyrch terfynol yn awr. Yr wyf yn ddigon bodlon i Gareth ailadrodd yr hyn a wnaethom am daliadau â llaw ac, unwaith eto, os nad yw'r materion hyn yr ydym wedi'u disgrifio wrthyf yn fanwl gywir yna byddwn yn gofyn ichi, drachefn, ddweud wrthyf nad ydynt yn gywir. Serch hynny, yr wyf wedi bod yn gyson, yr wyf yn credu, ynghylch taliadau â llaw a chredaf y gallwn esbonio hynny yn rhwydd.

[19] **Glyn Davies:** Nid oes unrhyw bwynt ichi ailadrodd yr hyn a ddywedasoch oherwydd ei fod ar y cofnod gair am air yn glir.

**Mr Jones:** A gaf fi godi pwynt ynghylch hyn? Y cwbl yr oeddwn yn bwriadu ei ddweud, Gadeirydd, yw ein bod wedi gwneud dros 200 o daliadau â llaw. Os oes achos o unigolyn sydd wedi cyflwyno achos o galedi ar gyfer un cynllun ac yna yn cael cais am lythyr ychwanegol ar gyfer cynllun arall, mae hynny yn gwbl annerbyniol, a byddaf yn delio â hynny. Os caf y manylion gennyf, byddaf yn sicrhau y gwneir trefn ar hynny.

[20] **Glyn Davies:** Yr wyf eisiau symud ymlaen. Rhodri?

[21] **Rhodri Glyn Thomas:** Mae gennyf gyfres o gwestiynau ynglyn â'r system gyfrifiadurol, ond mae'r wybodaeth newydd yr ydym wedi'i derbyn heddiw ynglyn â'r system ariannu yr oedd Gareth yn sôn amdani. Nid wyf wedi clywed hyn o'r blaen. Mae'n ymddangos i mi bod nifer o daliadau wedi cael eu prosesu drwy'r system CAPIT ond nad yw'r taliadau yn gallu cael eu gwneud oherwydd nad yw system ariannu y Cynulliad mewn sefyllfa i wneud hynny. Yr wyf eisiau esboniad yn y lle cyntaf ynglyn â pha daliadau yn union yr ydym ni'n sôn amdanynt yn y fan hon. A ydyw'r system ariannu gyfrifiadurol hon yn gyfrifol am yr holl daliadau hwyr neu am daliadau amgylcheddol yn unig?

**Michael German:** Simply, it makes all payments. It is as simple as that.

[22] **Rhodri Glyn Thomas:** But is it responsible for the late payments, Mike? That is the question that I am asking.

**Michael German:** I think we need to explain now—and that is why Nick is here—the interface between the CAPIT system and the finance system.

[23] **Rhodri Glyn Thomas:** Perhaps we should hear that explanation first then, Chair.

[24] **Glyn Davies:** Yes, this is an important point and it may well be worth doing that.

[25] **Cynog Dafis:** May I come in on this?

[26] **Glyn Davies:** Yes, but let us stick to this point; we do not want to lose it.

[21] **Rhodri Glyn Thomas:** I have a series of questions regarding the computer system, but the new information that we have had today relates to the payment system, which Gareth was talking about. I have not heard this before. It appears to me that a number of payments have been processed through the CAPIT system but that the payments cannot be made because the Assembly's payment system is not in a position to do that. In the first instance, I would like an explanation as to exactly what payments we are talking about here. Is this computerised finance system responsible for all the late payments or only for environmental payments?

**Michael German:** Yn syml, mae'n gwneud yr holl daliadau. Mae mor syml â hynny.

[22] **Rhodri Glyn Thomas:** Ond a yw'n gyfrifol am y taliadau hwyr, Mike? Dyna yw'r cwestiwn yr wyf yn ei ofyn.

**Michael German:** Credaf fod yn rhaid inni esbonio yn awr—a dyna pam fod Nick yma—y rhyngwyneb rhwng y system CAPIT a'r system gyllido.

[23] **Rhodri Glyn Thomas:** Efallai y dylem glywed yr esboniad hwnnw i ddechrau felly, Gadeirydd.

[24] **Glyn Davies:** Dylem, mae hwn yn bwynt pwysig ac mae'n ddigon tebyg y byddai'n werth gwneud hynny.

[25] **Cynog Dafis:** A gaf ddweud gair ynghylch hyn?

[26] **Glyn Davies:** Cewch, ond gadewch inni lynu wrth y pwynt hwn; nid ydym eisiau ei golli.

[27] **Cynog Dafis:** Yr wyf yn credu ei bod yn bwysig ein bod ni'n cael gwybod beth yw cwmpas cyfrifoldeb y system gyllido hon. Beth yn union mae'r system gyllido yn gyfrifol amdano? A ydyw'n gyfrifol am ein cyflogau, er enghraifft, a'r math hwnnw o beth?

**Michael German:** Yes.

[28] **Rhodri Glyn Thomas:** Do we all need to declare an interest? [*Laughter.*]

[29] **Cynog Dafis:** Hynny yw, beth sy'n cael ei ddweud yw ei bod yn gyfrifol am bob math o daliadau y mae'r Cynulliad yn eu gwneud, o dan unrhyw amgylchiadau. Mae'n bwysig ein bod ni'n gwybod beth yw sgôp y system hon.

[30] **Glyn Davies:** Well, I have had my salary.

**Michael German:** Nick will explain.

**Mr Lilley:** It is important to understand that the Assembly operates a portfolio of systems. Within the CAPM division we operate control systems for the various schemes that make payments. Within the finance area, they operate the actual physical payment systems, so banks automated clearing service payments and cheque payments are produced by the finance system. The portfolio of systems obviously operate interfaces across the piste. These are technical in nature and it takes time to actually complete the testing of those.

[27] **Cynog Dafis:** I believe that it is important that we are told what is the scope of this finance system's responsibility. What exactly does the finance system cover? Does it cover our salaries and that kind of thing, for example?

**Michael German:** Ydyw.

[28] **Rhodri Glyn Thomas:** A oes angen inni oll ddatgan buddiant? [*Chwerthin.*]

[29] **Cynog Dafis:** That is, what is being said is that it covers all kinds of payments that the Assembly makes, under any circumstances. It is important that we know what the scope of this system is.

[30] **Glyn Davies:** Wel, yr wyf fi wedi cael fy nghyflog.

**Michael German:** Bydd Nick yn esbonio.

**Mr Lilley:** Mae'n bwysig sylweddoli bod y Cynulliad yn gweithredu portffolio o systemau. Yn is-adran reoli'r polisi amaethyddol cyffredin gweithredwn systemau rheoli ar gyfer yr amrywiol gynlluniau sy'n gwneud taliadau. O fewn y maes cyllido, maent yn gweithredu'r gwir systemau talu corfforol, felly'r system gyllido sy'n cynhyrchu taliadau gwasanaeth clirio awtomatig y banc a thaliadau siec. Mae'r portffolio o systemau, yn amlwg, yn gweithredu rhyngwynebaw ar draws y maes. Mae'r rhain yn dechnegol eu natur a chymer amser i gwblhau'r gwaith gwirioneddol o brofi'r rheini.

Within the CAPM division we have what we call Unix-based systems that handle a number of payments. The payments that have been made to date have actually been generated by our Unix-based systems. They are occasionally referred to as legacy systems within our environment, but they are actually operating systems that are currently making payments. In the new area of IT we have the CAPIT system, which currently does not make any payments and has not yet made a physical payment. The first payment that the CAPIT system will produce will be for the suckler cow premium scheme. What the CAPIT system does do, though, is hold what we call the matrix information. I think that this may have been referred to in previous meetings. This information is highly detailed and complex in terms of holding the transactional information about the payments that have been made, and enabling us to reconcile the detail of those payments in terms of accounting for the European funds. That is the area or the scope, currently, of the CAPIT system, so it is a fundamental part of the process. The CAPIT system also handles the processing of the integrated administration and control system claims. So, again, if there are any dependencies on the IACS claim being validated or the customer details being appropriate and validated and complete, those are dependencies on the CAPIT system. So, you have, as I was trying to explain, a portfolio of systems. It is not one system that is actually responsible for making the payments. There is also a manual alternative to making those payments so that, in the event of the system's not being able to perform, there is another process that can run alongside that. That entire process, I think, has been on display in this building for a month or so and as, no doubt, you have noticed, if you have looked at it, it has some complexity to it in terms of the various interfaces between the various systems.

Yn is-adran reoli'r polisi amaethyddol cyffredin mae gennym yr hyn a alwn yn systemau sy'n seiliedig ar Unix sy'n delio â nifer o daliadau. Cafodd y taliadau a wnaed hyd yma eu cynhyrchu mewn gwirionedd gan ein systemau sy'n seiliedig ar Unix. Ambell dro, cyfeirir atynt fel systemau etifeddol o fewn ein hamgylchedd, ond mewn gwirionedd maent yn systemau gweithredu sy'n gwneud taliadau ar hyn o bryd. Ym maes newydd TG mae gennym y system CAPIT, nad yw'n gwneud unrhyw daliadau ar hyn o bryd ac nad yw wedi gwneud unrhyw daliad gwirioneddol hyd yma. Y taliad cyntaf y bydd y system CAPIT yn ei gynhyrchu fydd ar gyfer y cynllun premiwm buchod sugno. Yr hyn a wna'r system CAPIT, serch hynny, yw dal yr hyn a alwn yn wybodaeth matrices. Credaf y cyfeiriwyd at hyn mewn cyfarfodydd blaenorol. Mae'r wybodaeth hon yn fanwl a chymhleth iawn o ran ei bod yn dal y wybodaeth ryngweithredol am y taliadau a wnaed, ac yn ein galluogi i gysoni manylion y taliadau hynny o ran bwrw cyfrif o'r arian Ewropeaidd. Dyna yw maes neu gwmpas y system CAPIT, ar hyn o bryd, felly y mae'n rhan sylfaenol o'r broses. Mae'r system CAPIT hefyd yn delio â phrosesu hawliadau'r system gweinyddu a rheoli integredig. Felly, unwaith eto, os ceir unrhyw ddibyniaeth ar yr hawliad IACS yn cael ei ddilysu neu ar fod manylion y cwsmer yn briodol ac wedi'u dilysu ac yn gyflawn, dibyniaeth ar y system CAPIT yw honno. Felly, mae gennych, fel yr oeddwn yn ceisio'i egluro, bortffolio o systemau. Nid un system sy'n gyfrifol mewn gwirionedd am wneud y taliadau. Ceir hefyd opsiwn amgen i wneud y taliadau hynny â llaw fel bod proses arall a all weithredu ochr yn ochr â hon os na all y system berfformio. Mae'r holl broses honno, yr wyf yn credu, wedi cael ei harddangos yn yr adeilad hwn ers oddeutu mis ac fel y byddwch wedi sylwi, heb os, os ydych wedi edrych arni, mae iddi beth cymhlethdod o ran yr amrywiol ryngwynebau sydd rhwng yr amrywiol

systemau.

[31] **Rhodri Glyn Thomas:** Just in terms of clarification, so that I understand this, what you are saying is that the payment process can go through the CAPIT system and be processed but, at the end of the day, we are dependent on the financing computer system to make the physical payment to a farmer. So, are you saying that, by and large, many of these payments that are late have gone through the CAPIT system?

**Mr Lilley:** No.

[32] **Rhodri Glyn Thomas:** No, you are not?

**Mr Jones:** No, the work has to be done to develop the CAPIT system to do validation checks and control checks. The IACS data has to be correct. The quota-holding information has to be correct. We have to have the matrix that Nick has just explained correctly populated so that we can draw the funds down from the European Union and pay them out to the farmer and then account for them back to the EU at the end of the day. All that development work has to be completed and processed before we can fire that information off from the CAPIT system or the Unix system, depending on which one is being used, to finance. Then there is another level of work that has to be done at the finance end to complete the testing and the write-back of that information from the finance system back into the matrix in CAPIT to account for the finance that has been released.

[33] **Rhodri Glyn Thomas:** But in terms of the delay, Gareth, where is it happening? Is it happening with CAPIT, or is it with finance or is it with both systems?

[31] **Rhodri Glyn Thomas:** Er mwyn eglurdeb, er mwyn imi ddeall hyn, yr hyn yr ydych yn ei ddweud yw y gall y broses daliadau fynd drwy'r system CAPIT a chael ei phrosesu ond, ar ddiwedd y dydd, yr ydym yn dibynnu ar y system gyllido gyfrifiadurol i wneud y taliad i ffermwyr ar ddiwedd y dydd. Felly, a ydych chi'n dweud, at ei gilydd, fod llawer o'r taliadau hyn sy'n hwyr wedi mynd drwy'r system CAPIT?

**Mr Lilley:** Nac ydw.

[32] **Rhodri Glyn Thomas:** Nac ydych?

**Mr Jones:** Na, rhaid i'r gwaith gael ei wneud i ddatblygu'r system CAPIT i wneud archwiliadau dilysu ac archwiliadau rheoli. Rhaid 'r data IACS fod yn gywir. Rhaid i wybodaeth dal cwotâu fod yn gywir. Rhaid inni gael y matrices yr esboniwyd gan Nick yn awr wedi'i boblogi'n gywir fel y gallwn gael yr arian o'r Undeb Ewropeaidd a'i dalu i ffermwyr ac yna roi cyfrif ohonynt yn ôl i'r UE ar ddiwedd y dydd. Rhaid cwblhau a phrosesu'r holl waith datblygu hwnnw cyn y gallwn anfon y wybodaeth honno o'r system CAPIT neu'r system Unix, gan ddibynnu pa un a ddefnyddir, 'r is-adran gyllid. Yna mae lefel arall o waith y mae'n rhaid ei wneud ar yr ochr gyllido i gwblhau'r profion a throsglwyddo'r wybodaeth honno o'r system gyllido yn ei hôl i'r matrices yn CAPIT er mwyn rhoi cyfrif o'r arian a ryddhawyd.

[33] **Rhodri Glyn Thomas:** Ond o ran yr oedi, Gareth, ym mhle y mae'n digwydd? Ai gyda'r CAPIT y mae'n digwydd, ynteu gyda'r system gyllido ynteu gyda'r ddwy system?

**Mr Jones:** It is a combination of both. For example, in terms of the suckler cow premium, as Nick said earlier, the development of the actual payment routines and the firing off of information to finance to make those payments is being done on the CAPIT system. So, the time between 16 October and now—that delay, if you like, in making suckler cow payments—is as a result of the development work that we are doing on CAPIT. If one looks at, for example, the beef special premium scheme system, where we took the decision much earlier on in the year to make those payments via the Unix or legacy system, there is a complex arrangement of development that has to be done to develop the work on Unix, to develop the payment systems in finance and to develop CAPIT to accept the information back from finance to account for the payments that have been made. So, it is impossible to say that it is one system or another.

There is a whole system of interconnection between the systems here and, indeed, interconnection between systems in Wales and in the British Cattle Movement Service and the Department for Environment, Food and Rural Affairs, because our systems also have to interface with the cattle tracing system and the cattle eartag database to enable us to make those payments. So, I hope that members can get a feeling for the complexity of the interfaces and the controls that have to be put in place to enable us to make a payment. It is not as simple, I fear, as ‘if the systems will not work, well just write a cheque’. We cannot do that because the controls have to be in place to enable us to account properly for what is, after all, in excess of £150 million of public money at which auditors look very closely to ensure that we have made payments properly and with the proper controls

**Mr Jones:** Mae'n gyfuniad o'r ddwy. Er enghraifft, o ran y premiwm buchod sugno, fel y dywedodd Nick yn gynharach, mae datblygu'r trefniadau talu ac anfon y wybodaeth honno i'r is-adran gyllid er mwyn gwneud y taliadau hynny yn cael ei wneud ar y system CAPIT. Felly, mae'r amser rhwng 16 Hydref ac yn awr—yr oedi hwnnw, os hoffwch, cyn gwneud taliadau buchod sugno—yn digwydd oherwydd y gwaith datblygu yr ydym yn ei wneud ar CAPIT. Pe baech yn edrych, er enghraifft, ar y system cynllun premiwm arbennig cig eidion, lle y penderfynasom yn llawer cynharach yn y flwyddyn y byddem yn gwneud y taliadau hynny drwy'r system Unix neu'r system etifeddol, ceir trefniant cymhleth o ddatblygiadau y mae'n rhaid eu gwneud i ddatblygu'r gwaith ar Unix, er mwyn datblygu'r systemau talu yn yr is-adran gyllid ac i ddatblygu CAPIT i dderbyn y wybodaeth yn ôl o'r is-adran gyllid er mwyn rhoi cyfrif o'r taliadau a wnaed. Felly, mae'n amhosibl dweud ei fod oherwydd un system neu'r llall.

Ceir system gyfan o ryng-gysylltiadau rhwng y systemau yma ac, yn wir, rhyng-gysylltiadau rhwng systemau yng Nghymru ac yng Ngwasanaeth Symud Gwartheg Prydain ac Adran yr Amgylchedd, Bwyd a Materion Gwledig, oherwydd rhaid i'n systemau hefyd ryngweithio gyda'r system olrhain gwartheg a'r gronfa ddata tagiau clust gwartheg er mwyn ein galluogi i wneud y taliadau hynny. Felly, gobeithiaf y gall yr aelodau gael ymdeimlad o gymhlethdod y rhyngweithiau a'r rheolaethau y mae'n rhaid eu rhoi ar waith er mwyn ein galluogi i wneud taliad. Nid ydyw mor syml, mae gennyf ofn, ag ‘os nad yw'r systemau yn gweithio, wel ysgrifennwch siec’. Ni allwn wneud hynny oherwydd bod yn rhaid i'r rheolaethau fod wedi'u sefydlu i'n galluogi i fwrw cyfrif riodol o'r hyn sydd, wedi'r cyfan, yn £150 miliwn a mwy o arian cyhoeddus, arian y



and checks in place.

[34] **Glyn Davies:** Rhodri, I would like to ask something on the same point. On the environmental payments—the ESA payments, the organic payments—I heard you make a reference to a date in early October when they stopped. Has that gap been entirely due to a difficulty with the finance system, and is that why the payments cannot start now?

**Mr Jones:** It has been due to the unavailability of the functionality in the finance system to make those payments, but also the need for us to test, not just the finance payments, but the link between our systems and finance so that that information can be passed back and forth between the two systems.

**Michael German:** Huw wants to add something to that.

**Mr Brodie:** Just to say, Chair, that the staff in finance, just as the staff in CAPM, have been working under incredible pressure. There has been a whole range of testing work going on in terms of the interface with the new finance system and, therefore, there has been a matter of competing pressures and priorities in terms of their time.

[35] **Glyn Davies:** Okay. Rhodri, do you want to come in now?

mae'r archwilwyr yn edrych yn agos iawn arno i sicrhau ein bod wedi gwneud taliadau yn briodol a chyda'r rheolaethau a'r archwiliadau priodol.

[34] **Glyn Davies:** Rhodri, hoffwn ofyn rhywbeth ar yr un pwynt. Ynghylch y taliadau amgylcheddol—y taliadau ardal amgylchedd arbennig, y taliadau organig—fe'ch clywais yn cyfeirio at ddyddiad yn nechrau mis Hydref pan ddaethant i ben. Ai yn gyfan gwbl oherwydd anhawster gyda'r system gyllido y cafwyd y bwlch hwnnw, ac ai dyna paham na all y taliadau ddechrau yn awr?

**Mr Jones:** Y rheswm am hyn yw nad ydyw'r gallu o fewn y system gyllido i wneud y taliadau hynny ar gael, ond hefyd yr angen inni brofi, nid yn unig y taliadau cyllid, ond y cyswllt rhwng ein systemau a'r is-adran gyllid fel y gellir trosglwyddo gwybodaeth yn ôl ac ymlaen rhwng y ddwy system.

**Michael German:** Hoffai Huw ychwanegu rhywbeth at hynny.

**Mr Brodie:** Dim ond gair i ddweud, Gadeirydd, fod y staff yn yr is-adran gyllid, fel y staff yn is-adran reoli'r polisi amaethyddol cyffredin, wedi bod yn gweithio dan bwysau aruthrol. Bu amrediad mawr o waith profi yn mynd rhagddo o ran y rhyngwyneb gyda'r system gyllido newydd ac, felly, bu blaenoriaethau a phwysau croes ar eu hamser.

[35] **Glyn Davies:** Iawn. Rhodri, a hoffech chi ddweud gair yn awr?

[36] **Rhodri Glyn Thomas:** Ar y pwynt yma—ac mae llawer iawn o gwestiynau cyffredinol ynglyn â'r system yn codi—nid wyf fi'n gallu deall pam nad oedd modd rhagweld bod trafferthion yn mynd i fod yn y fan hyn. Yr wyf yn derbyn pwynt y mae Gareth yn ei wneud—mae'n system hynod o gymhleth, ac a gaf ddweud unwaith yn rhagor fy mod yn ymwybodol iawn bod y staff yn yr adran amaethyddiaeth ac yn yr is-adran gyllid wedi bod yn gweithio dan amodau anodd iawn, ac yr ydym yn cydymdeimlo â'u sefyllfa hwy ac â'r rheolwyr yn y sefyllfa hon—ond oni ddylai fod rhywun rhywle wedi rhagweld bod trafferthion yn mynd i godi gyda'r system yma oherwydd ei bod mor gymhleth?

Yr wyf yn dod yn ôl i'r pwynt a wneuthum bythefnos yn ôl—yr wyf yn deall mai'r sefyllfa yn Lloegr yw, pan fydd yn trosglwyddo i system gyfrifiadurol newydd, y bydd yn cadw'r hen system i fynd tra bydd yn trosglwyddo rhag ofn bod trafferthion, er mwyn galluogi'r taliadau i gael eu gwneud. Yn y pen draw, mae'n rhaid inni dderbyn bod amaethwyr yng Nghymru mewn sefyllfa ariannol hynod o fregus a dan bwysau ariannol enfawr oherwydd nad ydynt wedi derbyn eu taliadau. Nid yw hynny'n feirniadaeth ar unrhyw un; dyna realiti'r sefyllfa. Oni ddylai fod rhyw system mewn lle i sicrhau nad yw ffermwyr yn dioddef tra bod y broses hon o drosglwyddo i'r system gyfrifiadurol newydd yn digwydd? Yr ydym oll yn derbyn bod rhaid i hynny ddigwydd, ond oni ddylai fod rhyw fath o gynllun felly mewn lle i ddiogelu buddiannau ffermwyr yn y trosglwyddiad hwn?

[36] **Rhodri Glyn Thomas:** On this point—and a great many general questions arise about the system—I cannot understand why it was not possible to foresee that there would be difficulties with this. I accept the point that Gareth makes—it is a very complicated system, and may I say once again that I am very aware that the staff in the agriculture department and in the finance division have been working under very difficult conditions, and we sympathise with their situation and with the managers in this situation—but should not someone somewhere have foreseen that difficulties were going to arise with this system because it is so complicated?

I come back to the point that I made a fortnight ago—I understand that the situation in England is that, when it transfers to a new computer system, it will keep the old system going while it transfers in case of difficulties, in order to enable the payments to be made. Ultimately, we must accept that farmers in Wales are in a very vulnerable financial situation and are under extreme financial pressure because they have not received their payments. That is not a criticism of anyone; that is the reality of the situation. Should there not be some system in place to ensure that farmers do not suffer while this process of transferring to the new computer system takes place? We all accept that that must happen, but should there not be such a plan in place to safeguard farmers' interests in this transfer?

**Mr Lilley:** Just to pick up on the point about England, I spoke with some of my colleagues in the Rural Payments Agency a few weeks ago and they currently have no plans for parallel running in terms of their new developments. Possibly, if I explain why we could not do that in a particular way, that might illustrate the point. Our situation was unique in terms of our developing a new control system for CAPM, and finance also developing a new system for payments, so you had two completely new systems. Clearly, when you do that you do consider the options of keeping an old finance system running and keeping an old control system within CAPM running. Some of the factors that you take into account when making those decisions are the relative risks of continuing to support those systems—it does take a lot of effort to keep them running. You also take into account the relative amount of change that you are trying to deal with as an organisation, and a fundamental point about our environment is that it does not stand still—we do implement new regulations and have new requirements on us that appear very late to us for IT to turn around into a piece of functionality. So we do have to bear that in mind. The issue for us would have been that, to maintain a legacy system on finance and within CAPM, we would have had to have enhanced it anyway to meet the new requirements that we had. In doing so, we would have had to retest all that and it would not have actually been the same system, so we would have had a new system there anyway and actually doubled the risk or exposure to our organisation. So, on occasions, it is just not practical to do that.

**Mr Lilley:** I ymateb i'r pwynt am Loegr, siaradais gyda rhai o'm cydweithwyr yn yr Asiantaeth Taliadau Gwledig ychydig wythnosau yn ôl ac ar hyn o bryd nid oes ganddynt unrhyw gynlluniau ar gyfer gweithredu cyfochrog o ran eu datblygiadau newydd. O bosibl, pe bawn yn esbonio pahan na allem wneud hynny mewn ffordd benodol, gallai hynny egluro'r pwynt. Yr oedd ein sefyllfa yn unigryw o ran ein bod yn datblygu system reoli newydd ar gyfer is-adran reoli'r polisi amaethyddol cyffredin, a bod yr is-adran gyllid hefyd yn datblygu system newydd ar gyfer taliadau, felly yr oedd gennych ddwy system gwbl newydd. Wrth gwrs, wrth wneud hynny yr ydych yn ystyried yr opsiynau o ddal i redeg hen system gyllido a dal i redeg hen system reoli yn is-adran reoli'r polisi amaethyddol cyffredin. Ymysg y ffactorau yr ydych yn eu hystyried wrth wneud y penderfyniadau hynny y mae'r risgiau cymharol o ddal i gefnogi'r systemau hynny—mae parhau i'w rhedeg yn golygu llawer o ymdrech. Yr ydych hefyd yn pwysu a mesur maint cymharol y newid yr ydych yn ceisio delio ag ef fel sefydliad, ac un pwynt sylfaenol am ein hamgylchedd ydyw nad yw'n sefyll yn llonydd—yr ydym yn gweithredu rheoliadau newydd a rhoddir gofynion newydd arnom, gofynion sy'n ymddangos yn hwyr iawn inni er mwyn i TG gael ei droi yn ddarn o allu. Felly rhaid inni gadw hynny mewn cof. Yr ystyriaeth inni fyddai, er mwyn cynnal system etifeddol ar gyllid ac yn is-adran reoli'r polisi amaethyddol cyffredin, byddai'n rhaid inni fod wedi gwella arni beth bynnag er mwyn bodloni'r gofynion newydd a roddwyd arnom. Wrth wneud hynny, byddai'n rhaid inni fod wedi ailbrofi hynny i gyd ac nid yr un system a fyddai wedi bod mewn gwirionedd, felly byddem wedi bod â system newydd yno beth bynnag ac, mewn gwirionedd, byddem wedi dyblu'r risg i'n sefydliad. Felly, ar adegau, nid yw'n ymarferol gwneud hynny.

What you do do, though, is to look for things that you can do and look for options that you can take. We set out as early as August 2000, actually, with that in mind to consider what options we could take. Some of those actions we have actually taken—for example, we took a decision in November to pay the arable area payments scheme payments using our legacy system capability. We used our new system to handle some of the validation of that and we used our legacy system to actually generate the payment calculation and push that through to the new finance system. That was the least-risk option at that point in time to achieve that result or outcome for us. So, where appropriate, we have actually taken those decisions on an informed basis to implement contingencies or explore different ways of achieving that.

In terms of the issue about parallel running, hopefully, I have sort of clarified that, given the uniqueness of our developments, both in CAPM and finance, it is actually an impossibility for us to have ever considered parallel running. The third contingency that we had was really to ensure that we had this manual capability to get a payment through. I do not know whether Gareth would like to add anything.

Yr hyn a wnewch, fodd bynnag, yw edrych am bethau y gallwch eu gwneud ac edrych am opsiynau y gallwch eu cymryd. Dechreuasom cyn gynhared ag Awst 2000, a dweud y gwir, gyda'r bwriad hwnnw i ystyried pa opsiynau y gallem eu cymryd. Yr ydym, mewn gwirionedd, wedi cymryd rhai o'r camau hynny—er enghraifft, ym mis Tachwedd penderfynasom dalu taliadau'r cynllun taliadau arwynebedd tir â drwy ddefnyddio ein system etifeddol. Defnyddiasom ein system newydd i ddelio â pheth o'r gwaith o ddilysu hynny a defnyddiasom ein system etifeddol i gynhyrchu cyfrifiadau'r taliadau gwirioneddol a gwthio hynny trwodd i'r system gyllido newydd. Hwnnw oedd yr opsiwn a berai leiaf o risg ar y pryd er mwyn sicrhau'r canlyniad hwnnw inni. Felly, pryd bynnag y bo hynny'n briodol, yr ydym wedi cymryd y penderfyniadau hynny ar sail ffeithiau er mwyn gweithredu cynlluniau wrthgefn neu bwysu a mesur gwahanol ffyrdd o gyflawni hynny.

O ran y mater o weithredu cyfochrog, gobeithiaf fy mod wedi rhyw fath o egluro, o ystyried natur unigryw ein datblygiadau, yn is-adran reoli'r polisi amaethyddol cyffredin ac yn yr is-adran gyllid, ei bod yn gwbl amhosibl mewn gwirionedd inni erioed fod wedi ystyried gweithredu cyfochrog. Ein trydydd cynllun wrthgefn oedd sicrhau, mewn gwirionedd, fod gennym y cyfleuster â llaw hwn i brosesu taliadau. Wn i ddim a fyddai Gareth yn hoffi ychwanegu unrhyw beth.

**Mr Jones:** If I may, Chair, the principal control over all of the payments that we make is IACS—the integrated administration and control system. You cannot have two IACS systems. You cannot have an IACS system on a legacy system and an IACS system on a new system, which is what would be involved in parallel running. The reasons that you cannot have that are twofold. First, there is the obvious audit risk of the two systems becoming different from each other. However, the key point to make here is the requirement upon every paying agency in Europe to link its IACS system to a new geographic information system, which Members have heard me talk about before, to enable controls to be made on the basis of accurate digitised information about parcels of land in every IACS holding in Wales. It would have been impossible for us to have linked a new GI system, which we have now developed, to the old Unix IACS-based system, which is why we had to move to a new platform for IACS from this year. The key point to make is that, if you have an IACS control system on CAPIT, which is what we have, you then have to consider where you put your other controls, and there are a number of other controls that I have already mentioned, such as a quota system and links with other organisations. If we were to have developed those on the Unix system while holding IACS on the new system, there is clearly a major risk in terms of our overall control of the payments that we are making. So, we took the view early on that we had to put IACS and all our control mechanisms onto CAPIT and then to roll out, at the appropriate time, the validation and payment routines for each of the schemes as appropriate. As Nick has said, the project board has taken a number of decisions throughout the life of the project, to go with developing functionality on the new system or to stick with functionality on the old system. That often depended on how much development work had to be done.

**Mr Jones:** Os caf, Gadeirydd, y prif reolaeth dros yr holl daliadau a wnawn yw IACS—y system gweinyddu a rheoli integredig. Ni allwch gael dwy system IACS. Ni allwch gael system IACS ar system etifeddol a system IACS ar system newydd, sef yr hyn y byddai gweithredu cyfochrog yn ei olygu. Mae dau reswm pam na allech gael hynny. I ddechrau, ceir y risg archwilio amlwg bod y ddwy system yn mynd yn wahanol i'w gilydd. Fodd bynnag, y pwynt allweddol y dylid ei wneud yma yw'r gofynion sydd ar bob asiantaeth dalu yn Ewrop i gysylltu ei system IACS gyda system wybodaeth ddaearyddol newydd, system y mae Aelodau wedi fy nghlywed yn sôn amdani o'r blaen, fel y gellir rheoli pethau ar sail gwybodaeth ddigidol gywir am barseli o dir ym mhob daliad IACS yng Nghymru. Byddai'n amhosibl inni fod wedi cysylltu system wybodaeth ddaearyddol newydd, system yr ydym bellach wedi'i datblygu, gyda'r hen system Unix a oedd yn seiliedig ar IACS; dyna paham y bu'n rhaid inni symud i blatfform newydd ar gyfer IACS o'r flwyddyn hon ymlaen. Y pwynt allweddol i'w wneud ydyw, os oes gennych system reoli IACS ar CAPIT, sef yr hyn sydd gennym ni, rhaid ichi wedyn ystyried ble i roi eich rheolaethau eraill, a cheir nifer o reolaethau eraill yr wyf eisoes wedi'u crybwyll, megis system gwota a chysylltiadau gyda sefydliadau eraill. Pe baem wedi datblygu'r rheini ar y system Unix tra'n cadw IACS ar y system newydd, ceir risg sylweddol amlwg o ran ein rheolaeth gyffredinol dros y taliadau a wnawn. Felly, penderfynasom yn gynnar yn y dydd fod yn rhaid inni roi IACS a'n holl beirianweithiau rheoli ar CAPIT ac yna gyflwyno, ar yr adeg briodol, y trefniadau dilysu a thalu ar gyfer pob un o'r cynlluniau hyn, fel sy'n briodol. Fel y dywedodd Nick, mae'r bwrdd prosiect wedi gwneud llawer o benderfyniadau drwy gydol y prosiect, i fynd gyda datblygu gallu ar y system newydd ynteu glynu wrth allu'r hen system. Yr oedd hynny'n dibynnu'n aml ar faint

o waith datblygu yr oedd yn rhaid ei wneud.

**Mr Brodie:** So, in other words, Chair, we have made as much use as was sensible, in our judgment, of the old system.

[37] **Glyn Davies:** Do you want to come back on that, Rhodri?

[38] **Rhodri Glyn Thomas:** Ydwyf, ar y pwynt hwn. Caniatâf i aelodau eraill o'r Pwyllgor ddod i mewn cyn imi ddod yn ôl at y cwestiynau cyffredinol. Ond, ar y pwynt hwn, credaf mai'r hyn sy'n gwbl glir o'r dystiolaeth yr ydym wedi ei derbyn yw bod y penderfyniad gwleidyddol i drosglwyddo i'r system newydd hon yn benderfyniad anghywir, oherwydd nid oedd y gwaith paratoadol wedi cael ei wneud er mwyn sicrhau bod y system honno yn effeithiol. Nid bai y Gweinidog presennol yw hynny, ond mae camgymeriad gwleidyddol sylfaenol wedi'i wneud yn y fan honno. Mae hefyd yn gwbl amlwg y bydd trosglwyddo i'r system newydd hon yn fuddiol yn y pen draw i'r diwydiant amaethyddol, oherwydd gallwn ddatblygu system lle mae taliadau yn ddibynnol ar gyfuniad o IACS a chynllunio gwybodaeth ddaearyddol. Mae'n hen bryd i ni sicrhau bod hynny'n digwydd a bod system o sicrhau bod yr holl broses o daliadau yn symlach o lawer, ac mae modd gwneud hynny. Fodd bynnag, ni allwn osgoi y ffaith bod penderfyniad gwleidyddol anghywir wedi cael ei wneud flwyddyn neu fwy yn ôl i drosglwyddo i system newydd nad oedd yn mynd i weithio oherwydd nad oedd y gwaith paratoadol wedi ei wneud.

[39] **Glyn Davies:** Well, now is your chance, Minister. Do accept everything that Rhodri has said and sort of dump all the blame on your predecessor?

**Mr Brodie:** Felly, mewn geiriau eraill, Gadeirydd, yr ydym wedi defnyddio cymaint ag a oedd yn synhwyrol, yn ein barn ni, ar yr hen system.

[37] **Glyn Davies:** A ydych eisiau dweud mwy ar y pwynt hwn, Rhodri?

[38] **Rhodri Glyn Thomas:** Yes, on this point. I will allow other Committee members to come in before I come back to the general questions. However, on this point, I believe that what is completely clear from the evidence that we have received is that the political decision to transfer to this new system was the wrong decision, because the preparatory work had not been done in order to ensure that that system was effective. It is not the current Minister's fault, but a fundamental political mistake was made there. It is also completely clear that transferring to this new system will ultimately be beneficial to the agricultural industry, because we can develop a system whereby payments are dependent on a combination of IACS and GI planning. It is high time that we ensured that that happens and that there is a system to ensure that the whole process of payments is far simpler, and there is a way to do that. However, we cannot avoid the fact that an incorrect political decision was made a year or more ago to transfer to a new system that was not going to work because the preparatory work had not been done.

[39] **Glyn Davies:** Wel, dyma eich cyfle, Weinidog. A ydych chi'n derbyn popeth a ddywedodd Rhodri a rhoi'r holl fai, mewn ffordd, ar eich rhagflaenydd?

**Michael German:** I will not accept that. I have tried to explain and I think that Members are beginning to understand the complexity of this whole operation and that the decision to move in parts as appropriate was taken on the basis of technical information that people had available to them at the time. I think that the decisions taken by the officials were based on the evidence that they had in front of them.

[40] **Rhodri Glyn Thomas:** I am sorry, Chair, but it was not a decision taken by officials; it was a political decision taken by Ministers. We must get away from blaming our officials for this situation. Political decisions are taken by politicians and they have to accept responsibility.

**Michael German:** I do resent the fact that Rhodri is implying that these technical decisions—which they were, because the decision, as you know, was announced before the Assembly began to move to a joint initiative for Government services across Wales programme. For goodness' sake, we are going back years, and I do not have access to that material because, of course, it was prior to the Assembly being formulated. However, on the decisions on technical issues I would suggest that there are not many politicians around this table who would act without the advice of the technical people in front of them. I believe that you have heard today of the way in which the Government officials have approached this matter. Those decisions were taken in the light of the circumstances that were prevailing at that time.

[41] **Rhodri Glyn Thomas:** I am sorry, Chair, but this is totally unacceptable.

**Michael German:** Nid wyf yn derbyn hynny. Yr wyf wedi ceisio esbonio a chredaf fod yr Aelodau yn dechrau deall natur gymhleth yr holl waith hwn ac y gwnaed y penderfyniad i symud fesul cam fel a oedd yn briodol ar sail y wybodaeth dechnegol a oedd ar gael i'r bobl ar y pryd. Credaf fod y penderfyniadau a wnaeth y swyddogion wedi'u seilio ar y dystiolaeth a oedd ger eu bron.

[40] **Rhodri Glyn Thomas:** Mae'n ddrwg gennyf, Gadeirydd, ond nid penderfyniad y swyddogion ydoedd; penderfyniad gwleidyddol a wnaed gan y Gweinidogion ydoedd. Rhaid inni beidio â beio ein swyddogion am y sefyllfa hon. Gwleidyddion sy'n gwneud penderfyniadau gwleidyddol a rhaid iddynt dderbyn y cyfrifoldeb.

**Michael German:** Mae'n fy nigio bod Rhodri yn awgrymu y gwnaed y penderfyniadau technegol hyn—a dyna beth oeddynt, oherwydd y cyhoeddwyd y penderfyniad, fel y gwyddoch, cyn i'r Cynulliad ddechrau symud tuag at gyd-gynllun ar gyfer rhaglen gwasanaethau'r Llywodraeth ledled Cymru. Er mwyn popeth, yr ydym yn mynd yn ôl flynyddoedd, ac ni allaf gael gafael ar y deunydd hwnnw oherwydd, wrth gwrs, yr oedd cyn i'r Cynulliad gael ei sefydlu. Serch hynny, ynghylch y penderfyniadau ar faterion technegol, buaswn yn awgrymu nad oes llawer o wleidyddion o amgylch y bwrdd hwn a fyddai'n gweithredu heb gyngor y bobl dechnegol ger eu bron. Credaf eich bod wedi clywed heddiw am y ffordd y mae swyddogion y Llywodraeth wedi mynd i'r afael â'r mater hwn. Gwnaed y penderfyniadau hynny yng ngoleuni'r amgylchiadau ar y pryd.

[41] **Rhodri Glyn Thomas:** Mae'n ddrwg gennyf, Gadeirydd, ond mae hyn yn gwbl annerbyniol.

[42] **Glyn Davies:** Yes, I will come back to you now, Rhodri. Let me just clarify one point. So, in a sense, there was no political input, no ministerial input into the decision to make these changes at all?

**Michael German:** The decision to move down this direction was taken prior to the Assembly being commenced. It was announced in Parliament. Cynog was there, probably.

[43] **Rhodri Glyn Thomas:** It is Cynog's fault now, is it?

**Michael German:** No, but you cannot hold this Assembly responsible for decisions taken by Parliament prior to 1999.

[44] **Cynog Dafis:** Nid oes neb yn amau doethineb na chywirdeb mynd drwy broses JIGSAW a phenderfynu datblygu system newydd achos yr oedd yr hen system yn llawn problemau. Y pwynt y mae Rhodri Glyn yn ei wneud, fel yr wyf fi'n ei ddeall, yw bod y penderfyniad i ddechrau gweithredu'r system newydd—yn haf y llynedd, fe gredaf—yn benderfyniad anghywir. Nid wyf yn credu fy mod i mewn sefyllfa i roi barn ynglyn â hynny, ond y ffaith amdani yw bod y penderfyniad i wneud hynny yn mynd i orfod aros gyda'r Gweinidog perthnasol. Nid oes llawer o benderfyniadau sy'n cael eu gwneud gan Weinidogion nad ydynt yn dibynnu i raddau helaeth iawn ar gyngor swyddogion. Nid dyna'r pwynt. Mae swyddogion yn cynghori Gweinidogion ar hyd yr amser ond, yn y pen draw, penderfyniad gwleidyddol oedd rhoi'r system ar waith yn y ffordd y gwnaethpwyd ac mae'n bwysig wedyn ein bod ni'n glir mai gyda'r Gweinidog y mae'r cyfrifoldeb terfynol.

[42] **Glyn Davies:** Iawn, fe ddof yn ôl atoch yn awr, Rhodri. Gadewch imi ond cadarnhau un pwynt. Felly, mewn ffordd, ni wnaed unrhyw gyfraniad gwleidyddol, na chyfraniad gweinidogol at y penderfyniad i wneud y newidiadau hyn o gwbl?

**Michael German:** Gwnaed y penderfyniad i symud i'r cyfeiriad hwn cyn i'r Cynulliad gael ei sefydlu. Fe'i cyhoeddwyd yn y Senedd. Yr oedd Cynog yno, mae'n debyg.

[43] **Rhodri Glyn Thomas:** Bai Cynog ydyw yn awr, onid ie?

**Michael German:** Na, ond ni allwch ddal y Cynulliad hwn yn gyfrifol am benderfyniadau a wnaeth y Senedd cyn 1999.

[44] **Cynog Dafis:** Nobody doubts the wisdom or the correctness of going through the JIGSAW process and deciding to develop a new system because the old system was full of problems. The point that Rhodri Glyn is making, as I understand it, is that the decision to commence operating the new system—in the summer of last year, I believe—was the wrong decision. I do not believe that I am in a position to express a view on that, but the fact of the matter is that the decision to do that has to remain with the relevant Minister. There are not many decisions taken by Ministers that do not depend to a very great extent on officials' advice. That is not the point. Officials advise Ministers all the time but, ultimately, it was a political decision to implement the system in the way that it was implemented and it is important then that we are clear that the ultimate responsibility lies with the Minister.



[45] **Glyn Davies:** Are you happy with that assessment of the situation?

**Michael German:** No, I am not, but since I have been blamed for absolutely everything in life, I do not expect anything different.

[46] **Rhodri Glyn Thomas:** Well, you do not take responsibility for anything.

**Michael German:** I think that it is important that Members should also hear what would have happened if we had deferred the decision to implement.

[47] **Cynog Dafis:** Well that is another matter.

[48] **Glyn Davies:** Delyth Evans and Gareth Jones want to come in. Do you want to come in on this specific point, Delyth?

[49] **Delyth Evans:** No, I am happy for Gareth Jones to come in first.

**Mr Jones:** We went live with the new IACS system in May 2002. The planning for that, and the work that led up to that, took us back until 2000 when we first brought in our contractors and our project managers. If we had deferred, if we had taken a decision—it would have been impossible to take a decision in May 2002 to defer for a year because the designs of things like forms, the designs of the scanning system, the designs of the way that all the data would be taken onto the system had been done well in advance of that. To enable us to take a decision to defer, what we would have had to have done last year was to send out to all of our farmers two sets of IACS forms and ask them to fill them both in on the basis that we had not yet taken a decision on whether to go with the new system or the old. So, the decision to go with the new system was, effectively, taken back at the end of 2001 when we started putting together the

[45] **Glyn Davies:** A ydych chi'n hapus gyda'r asesiad hwn o'r sefyllfa?

**Michael German:** Nac ydw, ond gan fy mod wedi cael y bai am bob dim mewn bywyd, nid wyf yn disgwyl unrhyw beth yn wahanol.

[46] **Rhodri Glyn Thomas:** Wel, nid ydych yn cymryd cyfrifoldeb am unrhyw beth.

**Michael German:** Credaf ei bod yn bwysig y dylai'r Aelodau hefyd glywed yr hyn a fyddai wedi digwydd pe buasem wedi gohirio'r penderfyniad i weithredu.

[47] **Cynog Dafis:** Wel mater arall yw hynny.

[48] **Glyn Davies:** Mae ar Delyth Evans a Gareth Jones eisiau dweud gair. A ydych eisiau dweud gair am y pwynt penodol hwn, Delyth?

[49] **Delyth Evans:** Na, yr wyf yn hapus i Gareth Jones ddweud gair yn gyntaf.

**Mr Jones:** Dechreuwyd gweithredu'r system IACS newydd ym mis Mai 2002. Dechreuodd y gwaith cynllunio ar gyfer hynny, a'r gwaith a arweiniodd at hynny, yn 2000 pan ddechreuasom ddefnyddio ein contractwyr a'n rheolwyr prosiect. Pe buasem wedi gohirio, pe buasem wedi gwneud penderfyniad—byddai wedi bod yn amhosibl gwneud penderfyniad ym Mai 2002 i ohirio am flwyddyn oherwydd yr oedd cynllun pethau fel ffurflenni, cynllun y system sganio, cynllun y ffordd y byddai'r holl ddata yn cael ei gymryd ar y system wedi cael eu gwneud ymhell cyn hynny. Er mwyn ein galluogi i wneud penderfyniad i ohirio, yr hyn y byddai'n rhaid inni fod wedi'i wneud y llynedd fyddai anfon dwy set o ffurflenni IACS at ein holl ffermwyr a gofyn iddynt lanw'r ddwy oherwydd nad oeddem eto wedi gwneud penderfyniad a ddylid defnyddio'r system newydd ynteu'r hen un. Felly, gwnaed y penderfyniad i fynd gyda'r

designs of the new IACS forms that, as you will know, Chair, farmers had to fill in and found a great deal easier than in previous years.

If we had taken a decision back at the end of 2001 to defer, that would have been—it is difficult to see on what basis we would have taken that decision. All the planning had been done for us to go with the new system in 2002. I cannot think of any factors that, at the end of 2001, would have forced us down that route and which would have been any different from 2002. Indeed, if we had done so, we would have run the considerable risk of having to run our old system, our legacy system, for yet another year, which consultants were telling us back in 1999 was aged and creaking and about to fall over and extremely expensive to administer. We would also have not been in a position to adhere to European Union regulations of having a system that was based on a GI database. So we would have almost certainly put ourselves in conflict with the European Commission because, further down the track, we would not have had our systems compliant with its requirements. As I say, the planning had been done by the end of 2001, there were no factors in place that would have led us, or indeed me, to advise Ministers to defer for a year, and we simply had to take the decision to go with the new IACS system in 2002 because it was the right decision to take.

[50] **Glyn Davies:** Do you want a last bite at this Rhodri? It will have to be the last bite.

system newydd, i bob pwrpas, yn ôl ar ddiwedd 2001 pan ddechreuasom gydosod cynlluniau'r ffurflenni IACS newydd, ffurflenni, fel y gwyddoch, Gadeirydd, y bu'n rhaid i'r ffermwyr eu llenwi ac a oedd, yn eu barn hwy, yn llawer haws na'r blynyddoedd cynt.

Pe buasem wedi gwneud penderfyniad yn ôl ar ddiwedd 2001 i ohirio, byddai hynny wedi bod—mae'n anodd gweld ar ba sail y byddem wedi gwneud y penderfyniad hwnnw. Gwnaed yr holl waith cynllunio er mwyn inni fynd gyda'r system newydd yn 2002. Ni allaf feddwl am unrhyw ffactorau a fyddai, ar ddiwedd 2001, wedi ein gorfodi i fynd ar hyd y trywydd hwnnw ac a fyddai wedi bod yn ddim gwahanol i 2002. Yn wir, pe buasem wedi gwneud hynny, byddem wedi bod yn agored i'r risg sylweddol o orfod gweithredu ein hen system, ein system etifeddol, am flwyddyn arall eto, system yr oedd ymgynghorwyr wedi dweud wrthym yn ôl yn 1999 ei bod yn hen ac yn gwegian ac ar fin cwmpo ac yn eithriadol o ddrud i'w gweinyddu. Yn ogystal ni fuasem wedi bod mewn sefyllfa i lynu wrth reoliadau'r Undeb Ewropeaidd o fod yn meddu ar system a oedd yn seiliedig ar gronfa ddata gwybodaeth ddaearyddol. Felly byddem, bron yn bendant, wedi rhoi ein hunain mewn sefyllfa o wrthdaro gyda'r Comisiwn Ewropeaidd oherwydd, ymhellach i lawr y lôn, ni fyddai ein systemau wedi bod yn gydnaws â'i ofynion. Fel y dywedais, gwnaed y gwaith cynllunio erbyn diwedd 2001, nid oedd unrhyw ffactorau a fyddai wedi ein harwain ni, nac yn wir myfi, i gynghori'r Gweinidogion i ohirio am flwyddyn ac, yn syml, bu'n rhaid inni wneud y penderfyniad i fynd gyda'r system IACS newydd yn 2002 oherwydd mai hwn oedd y penderfyniad cywir.

[50] **Glyn Davies:** A ydych chi eisiau cyfrannu am y tro olaf at hyn Rhodri? Hwn fydd y cyfle olaf.

[51] **Rhodri Glyn Thomas:** Derbyniaf, Gadeirydd, fod rhaid inni ddod â hyn i ben. Mae'n rhaid imi ailadrodd fy marn bod camgymeriad gwleidyddol—penderfyniad gwleidyddol anghywir—wedi'i wneud. Derbyniaf yr hyn y mae Gareth yn ei ddweud—yr oedd yn rhaid symud at system gyfrifiadurol newydd. Wrth edrych yn ôl, mae'n amlwg imi mai'r hyn a ddylai fod wedi digwydd oedd rhedeg system gyfrifiadurol newydd, nid i wneud taliadau, ond i weld beth fyddai'n digwydd wrth drosglwyddo i'r system gyfrifiadurol hynod o gymhleth newydd hon, a bod y taliadau wedi'u gwneud ar yr hen system.

Derbyniaf fod angen diwygio'r hen system ond, wrth edrych yn ôl, mae'n gwbl amlwg y dylid bod wedi defnyddio'r hen system ar gyfer taliadau, a rhedeg y system newydd mewn ffordd nad oedd yn gyfrifol am daliadau, achos, beth sydd yn rhaid inni gofio yn y pen draw—derbyniaf y problemau a wynebodd y weinyddiaeth, a'r holl bwysau sydd wedi bod ar staff ac ar reolwyr—mai'r hyn sydd wedi digwydd yw bod ffermwyr wedi cael eu gadael mewn sefyllfa lle mae eu sefyllfaoedd ariannol yn hynod o fregus, ac mae rhai ffermwyr yn mynd i fod mewn sefyllfa lle y maent yn mynd i ddiodeff yn eithriadol yn ariannol, a hyd yn oed bod eu busnesau yn mynd i fod mewn sefyllfa lle y gallant fod o dan fygythiad o ganlyniad i hyn.

Felly, derbyniaf, Gadeirydd, na allwn fynd ar ôl hyn mwyach, ond credaf fod rhaid i'r Pwyllgor hwn dderbyn bod camgymeriad gwleidyddol wedi cael ei wneud. Ni ddylid bod wedi defnyddio'r system newydd hon. Yr oedd yn amlwg ei bod yn mynd i fod yn gymhleth, a bod problemau yn mynd i fod gyda hi. Ni ddylid bod wedi chwarae o gwmpas gyda bywiolaeth ffermwyr gyda system newydd nad oedd neb yn llwyr sylweddoli beth fyddai'r problemau â hi.

[51] **Rhodri Glyn Thomas:** I accept, Chair, that we have to draw this to a close. I must reiterate my view that a political mistake—an incorrect political decision—was made. I accept what Gareth is saying—we had to move to a new computer system. Looking back, it is obvious to me that what should have happened was that the new computer system should have been run, not to make payments, but to see what would happen if we were to transfer to this new, extremely complex system, and that the payments should have been made on the old system.

I accept that the old system needed to be reformed, but, looking back, it is perfectly clear that the old system should have been used for payments, and that the new system should have been run in a way that was not responsible for payments, because, ultimately, what we must remember—I accept the problems that the administration has faced, and the whole pressure that has been on staff and on managers—is that what has happened is that farmers have been left in a position where their financial position is extremely precarious, and some farmers will be in a position where they will suffer terribly in financial terms and that even their businesses will be under threat because of this.

Therefore, I accept, Chair, that we cannot pursue this further, but I believe that this Committee must accept that a political mistake has been made. This new system, should not have been used. It was obviously going to be complex, and it was obvious that there were would be problems with it. Farmers' livelihoods should not have been played around with by using a new system when no-one fully realised what the problems would be with it.

**Michael German:** Huw wants to explain.

**Mr Brodie:** I can understand what Rhodri is saying: that it would have been ideal to have brought in a new system in shadow form while continuing to run the old, but the simple fact is, that in practical terms, that was not an option that we judged to be workable. In terms of the competing resource constraints, as Nick has already explained, it is not as if the old system does not require a lot of work to keep it up to date with the new requirements, so there would have been a lot of work going into keeping the old system going for another year. It simply, in practical terms, given the competing demands on the time of expert staff and of the consultancy support, would not have been possible to have implemented what Rhodri was suggesting. Gareth, I do not know whether you would like to add anything.

[52] **Glyn Davies:** You are repeating what you said before in a different form, and Rhodri was repeating to some extent.

**Mr Brodie:** I think that Rhodri was making a new point, a new proposal, and I think that it is important that we help the Committee to understand the practicalities that underline what are obvious, sensible suggestions, asking why we could not have done it in a certain way. I am afraid that there are normally extremely good reasons—very practical reasons about logistics, pressures on staff, numbers of staff and so on—as to why those things cannot work in quite the way that you might think that they ought to be able to.

[53] **Glyn Davies:** Gareth, do you want to add something?

**Michael German:** Mae ar Huw eisiau esbonio.

**Mr Brodie:** Gallaf ddeall yr hyn y mae Rhodri yn ei ddweud: sef y byddai wedi bod yn ddelfrydol cyflwyno system newydd fel cysgod tra'n dal i weithredu'r hen system, ond y ffaith syml ydyw, yn ymarferol, nad oedd hynny yn opsiwn y teimlem a fyddai'n ddichonol. O ran y cyfyngiadau croesdynnol ar adnoddau, fel y mae Nick eisoes wedi'i esbonio, nid mater o wneud ychydig o waith ar yr hen system er mwyn iddi gyd-fynd â'r gofynion newydd ydoedd, byddai'n rhaid bod wedi gwneud llawer o waith er mwyn dal i weithredu'r hen system am flwyddyn arall. Yn syml, o gofio'r holl alw groesdynnol ar amser y staff arbenigol ac ar y gefnogaeth ymgynghorol, ni fyddai wedi bod yn ymarferol bosibl gweithredu'r hyn yr awgrymodd Rhodri. Gareth, ni wn a fyddech chi'n hoffi ychwanegu unrhyw beth.

[52] **Glyn Davies:** Yr ydych yn ailadrodd yr hyn a ddywedasoich o'r blaen ar ffurf wahanol, ac yr oedd Rhodri yn ailadrodd i ryw raddau.

**Mr Brodie:** Credaf fod Rhodri yn gwneud pwynt newydd, cynnig newydd, a chredaf ei bod yn bwysig ein bod yn helpu'r Pwyllgor i ddeall y pethau ymarferol sy'n tanlinellu yr hyn sy'n awgrymiadau synhwyrol, amlwg, gan ofyn paham na allem fod wedi ei wneud mewn ffordd benodol. Mae arnaf ofn bod rhesymau eithriadol o dda fel arfer—rhesymau ymarferol iawn am logisteg, pwysau ar staff, nifer y staff ac ati—pahan na all y pethau hynny weithio yn union fel y credwch y dylent fod yn gallu gwneud.

[53] **Glyn Davies:** Gareth, a hoffech chi ychwanegu unrhyw beth?

**Mr Jones:** Just to say, Chair, that, in one sense we have run the two systems in parallel. We have kept the two systems going to try to de-risk payments to farmers and, indeed, we ran a number of payment routines on the old system to make sure that we could get, for example, SAPS payments out in the time we did, by the end of November. However, true parallel running of two systems is risky, highly expensive and, in some senses, simply not possible in the environment in which we are trying to operate.

[54] **Glyn Davies:** Delyth, do you want to come in on this?

[55] **Delyth Evans:** Yes. I think that it is important to make a distinction between what are clearly technical problems and technical decisions and how you then deal with the consequences of those decisions and those difficulties. I think that that is what we need to focus on really. If you look at point 10 of the background paper, which goes through some of the problems that have arisen during the lifetime of the project, some of those problems clearly are technical problems, but they are not all technical problems. Some of them are to do with things like foot and mouth disease, some of them are to do with things like staffing resources and so on. So, it does seem to me that there was fair notice given. Alarm bells should have been ringing quite a long time ago around this issue. Clearly, we have heard that it would have been difficult to foresee and to deal in any different way with the technical side of things. However, there are other things that might have been done differently and this is what we need to be considering. The question, clearly, for Mike here is, when was he alerted to the gravity of the situation, and the likely hardship and difficulties that farmers

**Mr Jones:** Dim ond er mwyn dweud, Gadeirydd, ein bod, mewn un ystyr, wedi gweithredu'r ddwy system yn gyfochrog. Yr ydym wedi dal i weithredu'r ddwy system er mwyn ceisio dad-berylgu taliadau i ffermwyr ac, yn wir, bu inni redeg nifer o drefniadau talu ar yr hen system er mwyn gwneud yn sicr y gallem gael, er enghraifft, daliadau'r cynllun premiwm blynyddol defaid allan yn yr amser y gwneuthum, erbyn diwedd mis Tachwedd. Fodd bynnag, mae gwir weithredu dwy system yn gyfochrog yn beryglus, yn ddrud ac, mewn rhai ystyron, yn amhosibl yn yr amgylchedd y ceisiwn weithredu ynddo.

[54] **Glyn Davies:** Delyth, ydych chi eisiau dweud gair am hyn?

[55] **Delyth Evans:** Ydwyf. Credaf ei bod yn bwysig gwahaniaethu rhwng yr hyn sy'n amlwg yn broblemau technegol a phenderfyniadau technegol a sut yr ydych wedyn yn delio gyda chanlyniadau'r penderfyniadau hynny a'r anawsterau hynny. Teimlaf mai ar hynny y dylem fod yn canolbwyntio. Os edrychwch ar bwynt 10 y papur cefndir, sy'n trafod rhai o'r problemau a gododd yn ystod oes y prosiect, mae rhai o'r problemau hynny yn amlwg yn broblemau technegol, ond nid problemau technegol mohonynt oll. Mae rhai ohonynt yn ymwneud â phethau megis clwy'r traed a'r genau, mae rhai ohonynt yn ymwneud â phethau megis adnoddau staffio ac ati. Felly, mae'n ymddengys imi y rhoddwyd rhybudd teg. Dylai'r clychau rhybudd fod wedi bod yn seinio gryn amser yn ôl ynghylch y mater hwn. Yn bendant, yr ydym wedi clywed y byddai wedi bod yn anodd rhagweld a delio mewn unrhyw ffordd wahanol gydag ochr dechnegol pethau. Fodd bynnag, mae pethau eraill y gellid bod wedi eu gwneud yn wahanol a dyma beth y dylem fod yn ei ystyried. Y cwestiwn i Mike yma, yn amlwg, yw pa bryd y rhybuddiwyd ef o ddifrifoldeb y

would suffer as a result? Did he at any stage consider taking any other measures to assist farmers in those difficulties that, at some stage, everybody could see were going to happen?

We have heard that parallel systems would not have been possible. Obviously we have to accept the explanation that has been given about that. But what about things like organising interim payments, or emergency payments, based on historic payments? What about bringing in significant additional staffing to deal manually with payments as and when they needed to be paid out? I think that we need to focus on the bigger picture here, and get away from the technical explanations, and just ask ourselves whether anything could have been done, focusing very clearly on the recipients of the payments, not on the system, to alleviate the hardship.

**Michael German:** In the beginning of September I was informed that we could possibly have a delay of several weeks in making the first payments from the new structure. At that time I made it clear that the industry was to be informed as we went through and that we were to look at all possible ways in which we could restrict the possible delays to the minimum, which is the regime that has been in place since that time. We did look at the specifics of whether we could make interim payments, historic payments, but all of those would have required European Commission approval. We did seek that and we were rejected by the commission from even considering that because, as you know, the important thing is that this is a validation and control system that we are putting in place, which is essential.

sefyllfa, a'r anawsterau a'r caledi tebygol y byddai ffermwyr yn eu dioddef o'r herwydd? A wnaeth ef ar unrhyw adeg ystyried cymryd unrhyw gamau eraill i gynorthwyo ffermwyr yn yr anawsterau hynny y gallai pawb, ar ryw adeg, weld eu bod yn mynd i ddigwydd?

Clywsom na fyddai systemau cyfochrog wedi bod yn bosibl. Yn amlwg, mae'n rhaid inni dderbyn yr esboniad a roddwyd ynghylch hynny. Ond beth am bethau fel trefnu taliadau interim, neu daliadau argyfwng, ar sail taliadau yn y gorffennol? Beth am recriwtio staff ychwanegol sylweddol i ddelio gyda thaliadau â llaw fel a phan yr oedd angen eu talu? Credaf fod angen inni ganolbwyntio ar y darlun ehangach yma, a symud ymaith oddi wrth yr esboniadau technegol, a gofyn i ni ein hunain pa un ai a ellid fod wedi gwneud rhywbeth, gan ganolbwyntio'n gwbl bendant ar dderbynwyr y taliadau, nid ar y system, er mwyn lleddfu'r caledi.

**Michael German:** Ddechrau Medi, fe'm hysbyswyd ei bod yn bosibl y byddai oedi o nifer o wythnosau cyn gwneud y taliadau cyntaf o'r strwythur newydd. Ar yr adeg honno, dywedais yn bendant fod yn rhaid hysbysu'r diwydiant wrth i bethau fynd rhagddynt a bod yn rhaid inni edrych ar yr holl ffyrdd posibl o gyfyngu cymaint ag y bo modd ar yr oedi posibl, sef y drefn a fu'n gweithredu ers hynny. Bu inni edrych ar nodweddion pa un ai a allem wneud taliadau interim, taliadau hanesyddol, ond byddai'n rhaid inni fod wedi cael cymeradwyaeth y Comisiwn Ewropeaidd ar gyfer y rhain oll. Gwnaethom gais i'r perwyl hynny ond gwrthododd y comisiwn ni rhag ystyried hynny oherwydd, fel y gwyddoch, y peth pwysig ydyw mai system ddilysu a rheoli ydyw hon yr ydym yn ei gweithredu, mae hynny yn holl bwysig.

[56] **Delyth Evans:** May I clarify that? Are you saying that you asked permission of Europe to make interim payments?

**Michael German:** Yes. Gareth will explain in detail.

**Mr Jones:** For the suckler cow payment system, which we knew, and we made clear for some time, was going to be later than other systems, I approached the co-ordinating body that is responsible in the UK for co-ordinating all UK paying agency activities, and informed it of some of the difficulties we were facing and the likelihood of delays. I made the case very strongly to it that the industry in Wales would find it difficult to cope with these delays, and that it would help to alleviate some of the problems our farmers were facing if we could make suckler cow payments on the basis of unvalidated data, basically. In other words, that we would pay a proportion of the advance payment that we normally pay. We normally pay an 80 per cent advance; my proposition was that we would pay 50 per cent to farmers on the basis of unvalidated information—on the basis, in fact, of the claim that they put in.

On my advice, the co-ordinating body went informally to the commission to discuss with it what its view would be of such a proposal, and we were told very firmly by the commission that that would not be acceptable in terms of audit control. The reason that the commission took that view—and I have to say, Chair, that I am not in the least surprised that the commission took that view, but I did think that it was worth trying on the basis of the difficulties that I knew that farmers would face—was that, as far as it is concerned, the payment period for the suckler cow scheme, which is exactly the same as for the beef special premium scheme, extensification and the slaughter premium, is between 16

[56] **Delyth Evans:** A gaf fi gadarnhau hyn? Ai dweud ydych eich bod wedi gofyn caniatâd Ewrop i wneud taliadau interim?

**Michael German:** Do. Bydd Gareth yn esbonio yn fanwl.

**Mr Jones:** Gyda'r system taliadau buchod sugno, system y gwyddem, ac y gwnaethom yn glir ers tro, y byddai'n hwyrach na systemau eraill, cysylltais â'r corff cydlynu sy'n gyfrifol yn y DU am gydlynu gweithgareddau holl asiantaethau talu y DU, a'i hysbysu o rai o'r anawsterau yr oeddem yn eu hwynebu a bod oedi yn debygol. Cyflwynais yr achos yn bendant iawn iddo y byddai'r diwydiant yng Nghymru yn ei chael yn anodd iawn i ymdopi gyda'r oedi hyn, ac y byddai'n helpu i leddfu rhai o'r problemau yr oedd ein ffermwyr yn eu hwynebu pe gallem wneud taliadau buchod sugno ar sail data heb ei ddilysu, yn sylfaenol. Mewn geiriau eraill, y byddem yn talu cyfran o'r blaen-daliad yr ydym yn ei dalu fel arfer. Fel arfer, talwn flaen-daliad o 80 y cant; fy nghynnig oedd y byddem yn talu 50 y cant i ffermwyr ar sail gwybodaeth heb ei dilysu—ar sail, mewn gwirionedd, yr hawliad a gyflwynasant.

Ar fy nghyngor, aeth y corff cydlynu yn anffurfiol at y comisiwn i drafod gydag ef beth a fyddai ei safbwynt ynghylch cynnig o'r fath, a dywedodd y comisiwn wrthym yn gwbl bendant na fyddai hynny yn dderbyniol o ran rheolaeth archwiliadau. Y rheswm paham y cymerodd y comisiwn y safbwynt hwn—a rhaid imi ddweud, Gadeirydd, nad yw safbwynt y comisiwn yn syndod o gwbl imi, ond credwn y byddai'n werth gofyn oherwydd yr anawsterau y gwyddwn y byddai ffermwyr yn eu hwynebu—oedd, cyn belled ag yr oedd ef yn y cwestiwn, yw bod cyfnod talu'r cynllun buchod sugno, sy'n union yr un fath â'r cynllun premiwm arbennig eidion, y taliadau dad-ddwysáu a'r premiwm lladd,

October and 30 June. The commission accepts that we make an advance payment and a balance payment in the UK, but that, in a sense, is a matter for us provided that we clear it with the commission. All that the commission requires is that member states make those payments by 30 June. There was not then, and there is not now, a question mark over whether we will make the payments within the payment window, so the commission's view is, 'Sorry that you are having difficulties, but provided that you can pay within the payment window, that is what the regulation requires.'

[57] **Glyn Davies:** May I just clarify one point before Delyth comes back in? You have just discussed this principle in relation to suckler cow payments. Is it your assessment that the response would have been the same on all other payments? What about annual payments that do not have a window, such as the agri-environmental payments? Could those have been made on an interim basis?

**Mr Jones:** My judgment is that the commission would have taken the same view on any payments that have the same regulatory control as suckler cow payments.

[58] **Glyn Davies:** What was the problem with regard to the other point that Delyth raised on bringing in extra staff to deal with the problem of delays?

rhwng 16 Hydref a 30 Mehefin. Mae'r comisiwn yn derbyn ein bod yn gwneud blaen-daliad a thaliad o'r gweddill yn y DU ond, mewn ffordd, mater inni yw hynny cyn belled â'n bod yn clirio hynny gyda'r comisiwn. Y cwbl y mae'r comisiwn yn ei fynnu yw bod yr aelod wledydd yn gwneud y taliadau hynny erbyn 30 Mehefin. Bryd hynny, ac yn awr, nid oes marc cwestiwn ynghylch a fyddwn yn gwneud y taliadau o fewn y cyfnod talu, felly safbwynt y comisiwn yw, 'Mae'n ddrwg gennym eich bod yn cael anawsterau, ond cyn belled ag y gallwch dalu o fewn y cyfnod talu, dyna sy'n ofynnol dan y rheoliadau.'

[57] **Glyn Davies:** A gaf fi gadarnhau un pwynt cyn i Delyth ddweud gair drachefn? Yr ydych newydd drafod yr egwyddor hon yng nghyswllt taliadau buchod sugno. Ai eich asesiad chi yw mai'r un a fyddai'r ateb ynghylch yr holl daliadau eraill? Beth am daliadau blynyddol nad oes ganddynt gyfnod talu, megis y taliadau amaeth-amgylcheddol? A ellid fod wedi talu'r rheini ar sail interim?

**Mr Jones:** Fy marn i yw y byddai'r comisiwn wedi cymryd yr un safbwynt gydag unrhyw daliadau sydd â'r un rheolaeth reoliadol â thaliadau buchod sugno.

[58] **Glyn Davies:** Beth oedd y broblem o ran y pwynt arall a gododd Delyth ynghylch tynnu staff ychwanegol i fewn i ddelio gyda phroblem yr oedi?



**Michael German:** That was obviously the second route that we looked at: to see how we applied sufficient resource in human and capital terms to ensure that we could accelerate the process. There was a quite technical answer to that, which I think that Nick will have to provide because, of course, it relates to the matrix, to the thousands of scripts that have to be written and to the resource that you can put into it. The only way that I can explain it is by asking Nick to explain why we could not apply more people to the system.

[59] **Glyn Davies:** Do you want to come back in, Delyth, before Nick answers that?

[60] **Delyth Evans:** I would like to hear Nick's answer first.

**Mr Lilley:** In terms of numbers of people, there is a limit in terms of how much resource you can put on a particular activity. For example, if you take, in information technology terms, writing code or constructing computer code, only one person can touch that line of code at that point in time. It is not as simple as doubling the resource to halve the time that it will take to complete the task. In terms of testing, the approach that you are almost obliged to take in this environment, because of the regulatory controls, is a linear approach. You complete the first wave of testing, you take the results of that, you do some more work—because clearly it will not work the first time—and then you test again. You go back over that whole set of scripts again. So, again, trying to double the resource there will not help. You need the same people with the same expertise and the same understanding to complete the first set and move on to the second. What we have always tried to do is to optimise the resource effort on all levels: either on development, testing or implementation. I am comfortable that we have done that. I cannot see with hindsight

**Michael German:** Hwn, wrth gwrs, oedd yr ail drywydd yr edrychasom arno: er mwyn gweld sut yr oeddem yn defnyddio adnoddau gweithlu ac adnoddau cyfalaf digonol i sicrhau y gallem gyflymu'r broses. Yr oedd ateb eithaf technegol i hynny, ateb y credaf y bydd yn rhaid i Nick ei roi oherwydd, wrth gwrs, mae'n ymwneud â'r matrices, â'r miloedd o sgriptiau y mae'n rhaid eu hysgrifennu ac â'r adnoddau y gallwch eu rhoi i hynny. Yr unig ffordd y gallaf fi ei esbonio ydyw drwy ofyn i Nick esbonio paham na allem roi rhagor o bobl i weithio ar y system.

[59] **Glyn Davies:** A ydych eisiau dweud rhywbeth arall, Delyth, cyn i Nick ateb hynny?

[60] **Delyth Evans:** Hoffwn glywed ateb Nick yn gyntaf.

**Mr Lilley:** O ran nifer y bobl, mae terfyn o ran faint o adnoddau y gallwch eu rhoi tuag atar weithgaredd penodol. Er enghraifft, os ystyriwch, o ran technoleg gwybodaeth, ysgrifennu codau neu lunio codau cyfrifiadurol, un person yn unig a all ymwneud â'r llinell god honno ar yr adeg honno. Nid ydyw mor syml â dyblu'r adnoddau er mwyn haneru'r amser a gymer i gwblhau'r dasg. O ran profi, y dull y mae'n rhaid ichi ei ddilyn o reidrwydd bron, oherwydd y rheolaethau rheoliadol, yw'r dull llinellol. Yr ydych yn cwblhau'r gyfres gyntaf o brofion, yr ydych yn cymryd canlyniadau'r cam hwnnw, yn gwneud rhagor o waith—oherwydd mae'n amlwg na fydd yn gweithio'r tro cyntaf—ac yna yr ydych yn profi eto. Yr ydych yn mynd yn ôl dros y set gyfan honno o sgriptiau eto. Felly, unwaith eto, ni fydd ceisio dyblu'r adnoddau yn helpu yn y fan honno. Rhaid ichi gael yr un bobl gyda'r un arbenigedd a'r un ddealltwriaeth i gwblhau'r set gyntaf a symud ymlaen i'r ail. Yr hyn yr ydym wastad wedi ceisio ei wneud yw gwneud y defnydd gorau o'r adnoddau ar bob lefel: boed hynny wrth ddatblygu, profi neu

where we could have put more resource into a particular area to get a different result.

[61] **Glyn Davies:** Are you happy with that, Delyth? Do you want to come back in?

[62] **Delyth Evans:** No, I think that that is all.

[63] **Glyn Davies:** Cynog, do you want to come in on this?

[64] **Cynog Dafis:** Ydw. Yr wyf yn cymryd y byddwn yn symud yn awr i drafod beth yn union y byddwn yn ei ddweud yn ein hadroddiad—pa gasgliadau sy'n deillio o hyn, gan dderbyn dadl Huw Brodie na fyddai rhedeg cynllun peilot a system gyfochrog wedi bod yn bosibl. Hoffwn dynnu sylw at ddau bwynt. Ynghylch yr ymateb i gwestiwn Delyth Evans ar bosibiliadau gwneud taliadau interim a thaliadau a oedd yn cael eu gwneud mewn ffordd anarferol, os hoffech, un cwestiwn sy'n codi yw pam y gadawyd y gwaith o archwilio'r posibilrwydd hwn i swyddog?

Gan fod y sefyllfa mor ddifrifol, a chan fod yr effeithiau ar fywoliaeth ffermwyr mor sylweddol, onid oedd hyn y math o beth y dylai fod y Gweinidog ei hunan wedi holi'r comisiwn yn ei gylch? Mae'n wir i ddweud bod y comisiwn yn rhoi pwys mawr ar gael gwaith wedi ei wneud yn rheolaidd, ond mae digon o adegau wedi bod pan fo'r comisiwn wedi gwneud cyfaddawd ac wedi ildio ar adegau pan oedd pwysau arbennig iawn ar fywoliaeth ffermwyr mewn amgylchiadau arbennig.

weithredu. Yr wyf yn gyfforddus ein bod wedi gwneud hynny. Ni allaf weld, o edrych yn ôl, ym mhle y gallasem fod wedi rhoi rhagor o adnoddau i faes penodol er mwyn cael canlyniad gwahanol.

[61] **Glyn Davies:** A ydych chi'n hapus â hynny, Delyth? A ydych chi eisiau dweud rhywbeth arall?

[62] **Delyth Evans:** Na, dyna'r cyfan yr wyf yn credu.

[63] **Glyn Davies:** Cynog, ydych chi eisiau dweud gair am hyn?

[64] **Cynog Dafis:** Yes. I take it that we will now move on to discuss what exactly we will say in our report—what conclusions arise from this, given Huw Brodie's argument that running a pilot scheme and a parallel system would not have been possible. I would like to draw attention to two points. With regard to the response to Delyth Evans's question on the possibility of making interim payments and payments that were made in an unusual manner, if you like, one question that arises is why was it left to an official to investigate this possibility?

Given that the situation was so grave, and that the impact on the livelihood of farmers was so substantial, was this not the kind of issue that the Minister himself should have taken up with the commission? It is true to say that the commission is very particular about having work done in a certain way, but there have been plenty of occasions when the commission has compromised or relented when there was a very particular pressure on the livelihood of farmers in special circumstances.

Nid wyf yn credu fy mod yn gallu derbyn na fyddai posibilirwydd o gael consesiwn gan y comisiwn pe bai pwysau gwleidyddol o ddifrif wedi ei roi. Ni allaf ond dychmygu beth fyddai'r sefyllfa pe bai hyn wedi codi mewn rhan arall o Ewrop—yn un o Länder yr Almaen, neu yn Ffrainc. Nid wyf yn amau y byddai'r Gweinidog perthnasol wedi mynd at y comisiwn ac wedi dechrau bwrw'r ddesg a dod o hyd i ffordd o gael consesiwn yn y mater hwn. Dyna un cwestiwn sy'n codi.

Mater arall sy'n mynd i godi yn yr adroddiad, yr wyf yn gobeithio, yw'r anghysondeb rhwng y negeseuon a gawsom ar hyd yr amser a'r dystiolaeth a gawsom gan yr undebau, ynglyn â rhagweld maint y broblem. Rhoddodd yr undebau dystiolaeth i ni—a bydd rhaid dychwelyd at y cofnodion i weld beth yn union a ddywedwyd—sy'n awgrymu nad oeddent wedi cael rhybudd digonol y byddai'r sefyllfa mor ddifrifol ag y mae. Credaf fod angen darlun clir iawn yn ein hadroddiad o'r gwahaniaeth rhwng y negeseuon sydd wedi cael eu cyflwyno gan y weinyddiaeth a'r Gweinidog i'r Pwyllgor ac i'r Cynulliad ar y naill llaw, a'r realiti fel yr oedd yr undebau yn ei weld ar y llaw arall.

Y pwynt arall yr wyf am ei wneud, sy'n gysylltiedig â hynny, yw y codwyd y mater hwn nifer o weithiau yn y Cyfarfod Llawn fis Tachwedd os y cofiaf yn iawn. Cawsom atebion cysurion, a oedd yn dweud, 'Oes, mae problemau, ond yr ydym yn hyderus y bydd taliadau ac yn y blaen yn cael eu gwneud cyn bo hir'. Ond nid felly y mae wedi troi allan. Yr wyf yn teimlo y dylai'r Cyfarfod Llawn a'r Pwyllgor hwn fod wedi cael eu rhybuddio bod tipyn o argyfwng gennym ar ein dwylo mewn da bryd fis Medi diwethaf pan oedd y Cynulliad yn cwrdd am y tro cyntaf ar ôl yr haf. Dyna'r math o bethau y dylid eu nodi yn yr adroddiad.

I do not believe that I can accept that there would not have been any possibility of gaining a concession from the commission if serious political pressure had been brought to bear. I can only imagine what the position would have been if this had occurred in another part of Europe—in one of the German Länder, or in France. I do not doubt that the relevant Minister would have gone to the commission and started thumping the desk and found a way of getting a concession on this issue. That is one question that arises.

Another issue that will be raised in the report, I hope, is the inconsistency between the messages that we have been receiving all along, and the evidence that we received from the unions regarding anticipating the scale of the problem. The unions gave us evidence—and we will have to go back to the minutes to see exactly what was said—that suggests that they had not been given adequate warning that the situation would be as grave as it is. I believe that we need a very clear illustration in our report of the difference between the messages that have been presented by the administration and the Minister to the Committee and the Assembly on the one hand, and the reality as the unions saw it on the other.

The other point that I wish to make, which is linked to that, is that this issue was several times in Plenary in November, if I remember correctly. We were given reassuring answers, saying, 'Yes, there are problems, but we are confident that payments and so on will be made soon'. However, that is not how it has turned out. I believe that Plenary and this Committee should have been forewarned in good time that we had quite a crisis on our hands last September when the Assembly met for the first time after the summer. Those are the kinds of things that should be noted in the report.

[65] **Glyn Davies:** Thank you, Cynog, particularly for moving on to what we might include in a report. Does any other Member want to comment?

[66] **Peter Rogers:** Yes, I do.

[67] **Glyn Davies:** Peter, I want you now to refer specifically to what we might include in the report.

[68] **Peter Rogers:** I just wanted to go back just a touch—

[69] **Glyn Davies:** As long as you do not make a five-minute speech. You will interfere with people's rights if you do that.

[70] **Peter Rogers:** I am not going to make a five-minute speech. I listened very carefully about the additional staff. One issue that worries me is this. I understood that a lot of these claim forms are sent in any time 12 months ago and then they are validated, and a lot of those are processed manually. I understood that many of these payments are being held up because of the validation: going through these forms and finding mistakes, such as wrong dates or fields. Many of those are done manually. I understood, particularly for the environmental schemes—the ESA—that staff were moved off those jobs last spring, when they should have been validating those forms ready for payment, on to other work. It is not always a case of having additional staff. I understand fully Nick's comments about IT and bringing in people to work more computers. It is a time factor and you ought to be able to work that out. However, one of my concerns is that the processing was not going on during the time when you could not make the payments while all this trial work was going on. For example, many of the farmers who have been disqualified from payments for having mistakes on their forms—which are not always their fault, but are

[65] **Glyn Davies:** Diolch ichi, Cynog, yn enwedig am symud ymlaen at yr hyn y gallem ei gynnwys mewn adroddiad. A oes gan unrhyw Aelod arall unrhyw sylw?

[66] **Peter Rogers:** Oes, mae gennyf fi.

[67] **Glyn Davies:** Peter, yr wyf eisiau ichi yn awr gyfeirio'n benodol at yr hyn y gallem ei gynnwys yn yr adroddiad.

[68] **Peter Rogers:** Yr oeddwn eisiau mynd yn ôl ryw ychydig —

[69] **Glyn Davies:** Cyn belled nad ydych yn rhoi araith bum munud. Byddwch yn ymyrryd â hawliau pobl os gwnewch hynny.

[70] **Peter Rogers:** Nid wyf yn bwriadu rhoi araith bum munud. Gwrandewais yn astud ynghylch y staff ychwanegol. Un peth sy'n fy mhoeni yw hyn. Deallais fod llawer o'r ffurflenni hawlio hyn yn cael eu hanfon i mewn ar unrhyw adeg 12 mis yn ôl, ac yna yn cael eu dilysu, a chaiff llawer ohonynt eu prosesu â llaw. Deallais fod llawer o'r taliadau hyn yn cael eu dal yn ôl oherwydd y broses ddilysu: mynd drwy'r ffurflenni hyn a chanfod camgymeriadau, megis dyddiadau neu feysydd anghywir. Gwneir llawer o'r rhai hyn â llaw. Deallais, yn enwedig ar gyfer y cynlluniau amgylcheddol—y cynllun ardal amgylchedd arbennig—y tynnwyd staff oddi ar y gwaith hwnnw y gwanwyn diwethaf, pryd y dylent fod yn dilysu'r ffurflenni hynny yn barod i wneud taliadau, i wneud gwaith arall. Nid mater o gael staff ychwanegol ydyw bob amser. Yr wyf yn llwyr ddeall sylwadau Nick am TG a dod â phobl i mewn i weithio rhagor o gyfrifiaduron. Ffactor amser ydyw, a dylech fod yn gallu rhoi trefn ar hynny. Serch hynny, un o'm pryderon yw nad oedd y gwaith prosesu yn mynd rhagddo yn ystod yr amser pan na allech wneud y taliadau tra bod yr holl waith treialu hwn yn mynd rhagddo. Er enghraifft, gallai llawer o'r ffermwyr hynny a

sometimes due to misinterpretation by the offices—could have been continually told that they had been disqualified, or continually questioned during those summer months before we got to issuing the payments. That is now holding up the whole system. In consequence, what I am saying is that it was not always about additional staff, it was that staff were moved away from ESA, and perhaps from organic aid also, and that is one of the reasons.

[71] **Glyn Davies:** Do you want to comment, Gareth? Please comment briefly, because I want to move on to what might be included in our report.

**Mr Jones:** Briefly, Chair, I am constantly juggling staff and priorities. I do not know about individual cases, but just as an indication of the timescale that Peter is talking about, in the spring I did indeed move an awful lot of staff off their normal duties, to complete a very major cattle tracing system cross-check exercise to enable us to get SCPS and BSPS payments out. If we had not done that, we would not have got last year's SCPS payments out as successfully as we did.

[72] **Christine Chapman:** May I come in on that?

[73] **Glyn Davies:** I am thinking about the report, Chris. Sorry, to be fair, you have not come in at all.

wnaed yn anghymwys i dderbyn taliadau am fod camgymeriadau ar eu ffurflenni—camgymeriadau nad ydynt bob amser yn fai arnynt hwy, ond sydd weithiau oherwydd camddehongli ar ran y swyddfeydd—fod wedi cael eu hysbysu'n barhaus eu bod yn anghymwys, neu gael eu holi yn barhaus yn ystod y misoedd hynny cyn inni symud at gyflwyno'r taliadau. Mae hyn yn awr yn dal yr holl system yn ôl. O'r herwydd, yr hyn yr wyf yn ei ddweud yw nad oedd bob amser yn ymwneud â staff ychwanegol, yr oedd yn ymwneud â bod staff yn cael eu symud oddi wrth y cynllun ardal amgylchedd arbennig, ac efallai oddi wrth gymorth organig hefyd, a dyna un o'r rhesymau.

[71] **Glyn Davies:** A oes gennych chi sylw, Gareth? Byddwch yn gryno, os gwelwch yn dda, oherwydd yr wyf eisiau symud ymlaen i'r hyn y gellir ei gynnwys yn ein hadroddiad.

**Mr Jones:** Yn fyr, Gadeirydd, yr wyf yn ceisio cydbwysu staff a blaenoriaethau yn barhaus. Ni wn am achosion unigol, ond fel arwydd o'r amserlen y mae Peter yn sôn amdani, yn y gwanwyn bu imi, yn wir, symud llawer iawn o staff oddi ar eu dyletswyddau arferol, er mwyn cwblhau ymarferiad croes-archwilio sylweddol ar y system olrhain gwartheg er mwyn ein galluogi i wneud taliadau'r cynllun premiwm buchod sugno a'r cynllun premiwm arbennig cig eidion. Pe na baem wedi gwneud hynny, ni fyddem wedi cael taliadau'r cynllun premiwm buchod sugno allan y llynedd mor llwyddiannus ag y gwnaethom.

[72] **Christine Chapman:** A gaf fi ofyn rhywbeth ar hyn?

[73] **Glyn Davies:** Yr wyf yn meddwl am yr adroddiad, Chris. Mae'n ddrwg gennyf, i fod yn deg, nid ydych wedi dweud gair o gwbl.

[74] **Christine Chapman:** I have just a very small question on staffing. You have had telephone conversations with people who are obviously impatient and frustrated and I just wondered what sort of training has been done in customer care, and how to deal with people who are obviously anxious and worried about these things? Are you satisfied that this has happened or should we be doing more?

**Mr Jones:** I think that you can always do more, Chair, but my staff are very experienced and very skilled in coping with such calls. In the front offices in particular, they get specific training on customer care and dealing with customers both face to face and on the telephone. The recent experience with the advice line—which, as Members will know, has now closed—showed us that that sort of training for those staff was crucial to enable them to deal with very difficult calls from, as you say, in some cases, farmers who were upset and desperate for answers.

[75] **Glyn Davies:** If anyone wants to give us any sort of a steer in terms of the sort of report that we should prepare, I would be pleased if you could do that now. Or, if you felt more inclined to think about it a little, then perhaps you can contact the clerk afterwards. We need a steer as to the sort of report that we need to prepare. Clearly, we have a verbatim report of everything that has been said today, and minutes of the last meeting. I suppose that we will bring the report back for the next meeting or, certainly, we expect, or hope to bring it to our next meeting.

[74] **Christine Chapman:** Cwestiwn bychan iawn sydd gennyf am staffio. Yr ydych wedi cael sgyrsiau ffôn gyda phobl sy'n amlwg yn ddiamynedd a rhwystredig ac yr oeddwn yn meddwl tybed pa fath o hyfforddiant a ddarparwyd mewn gofal cwsmeriaid, a sut i ddelio gyda phobl sy'n amlwg yn ofidus ac yn bryderus ynghylch y pethau hyn? A ydych chi'n fodlon bod hyn wedi digwydd ynteu a ddylem fod yn gwneud rhagor?

**Mr Jones:** Yr wyf yn credu y gallwch wastad wneud rhagor, Gadeirydd, ond mae fy staff yn brofiadol iawn ac yn fedrus iawn o ran ymdopi â galwadau o'r fath. Yn y swyddfeydd blaen yn enwedig, cânt hyfforddiant penodol ar ofal cwsmeriaid a delio gyda chwsmeriaid, wyneb wrth wyneb a thros y ffôn, fel ei gilydd. Dangosodd y profiad diweddar gyda'r llinell gyngor—llinell sydd bellach, fel y gwyr yr Aelodau, wedi cau—fod y math hwn o hyfforddiant i'r staff hynny yn hanfodol i'w galluogi i ddelio gyda galwadau anodd iawn gan, fel y dywedwch, mewn rhai achosion, ffermwyr a oedd yn ofidus ac yn daer eisiau atebion.

[75] **Glyn Davies:** Os oes ar unrhyw un eisiau rhoi rhyw fath o arweiniad inni o ran y math o adroddiad y dylem ei baratoi, buaswn yn falch pe gallech wneud hynny yn awr. Neu, os teimlwch y byddai'n well gennych feddwl ychydig am y mater, yna efallai y gallwch gysylltu â'r clerck yn ddiweddarach. Mae arnom angen arweiniad o ran y math o adroddiad y mae angen inni ei baratoi. Yn amlwg, mae gennym gofnod gair-am-air o bopeth a ddywedwyd heddiw, a chofnodion o'r cyfarfod diwethaf. Mae'n debyg y byddwn yn dod â'r adroddiad yn ôl ar gyfer y cyfarfod nesaf neu, yn bendant, yr ydym yn disgwyl, neu yn gobeithio dod ag ef i'n cyfarfod nesaf.

[76] **Rhodri Glyn Thomas:** May I come in on that?

[77] **Glyn Davies:** Rhodri, is this a contribution? This is not just another question?

[78] **Rhodri Glyn Thomas:** No, it is not.

[79] **Glyn Davies:** I bet that it is. [*Laughter.*]

[80] **Rhodri Glyn Thomas:** O ran paratoi adroddiad ar y mater hwn, a gaf fi ddweud, Gadeirydd, fy mod i, yn bersonol, yn credu ein bod gryn bellter o fod mewn sefyllfa i baratoi adroddiad. Yr wyf wedi cyflwyno nifer o gwestiynau ysgrifenedig manwl ynglyn â system gyfrifiadurol i'r Gweinidog ac yr wyf wedi derbyn ymateb ganddo bod y cwestiynau dan ystyriaeth ar hyn o bryd ac y byddaf yn derbyn ateb. Nid wyf yn bwriadu mynd ar drywydd y cwestiynau hynny heddiw ond yr wyf yn credu, pan gaf fi ateb, y bydd cwestiynau pellach.

**Michael German:** They have been issued.

[81] **Rhodri Glyn Thomas:** I have not had them yet. They are presumably in the system, Mike.

**Michael German:** They were sent to you on 25 February.

[82] **Rhodri Glyn Thomas:** They may have gone to my constituency office, but I have not received them as yet. I will look at them when I receive them. I received a holding reply from you.

**Michael German:** I can give you a copy now.

[76] **Rhodri Glyn Thomas:** A gaf fi ddweud gair am hyn?

[77] **Glyn Davies:** Rhodri, ai cyfraniad yw hwn? Nid cwestiwn arall mohono?

[78] **Rhodri Glyn Thomas:** Na, nid cwestiwn mohono.

[79] **Glyn Davies:** Mae'n siwr mai dyna ydyw. [*Chwerthin.*]

[80] **Rhodri Glyn Thomas:** As regards preparing a report on this matter, may I say Chair that I, personally, think that we are quite a way away from being in a position to prepare a report. I have tabled a number of detailed written questions to the Minister about the computer system and I have received a response from him that the questions are currently being considered and that I will receive a reply. I do not intend to go into detail about those questions here today but I believe that, when I receive a reply, there will be further questions.

**Michael German:** Maent wedi eu rhyddhau.

[81] **Rhodri Glyn Thomas:** Ni chefais hwy eto. Mae'n siwr eu bod yn y system, Mike.

**Michael German:** Fe'u hanfonwyd atoch ar 25 Chwefror.

[82] **Rhodri Glyn Thomas:** Mae'n bosibl eu bod wedi mynd i fy swyddfa etholaethol, ond nid wyf wedi eu cael hyd yma. Byddaf yn edrych arnynt pan dderbyniaf hwy. Yr wyf wedi cael ateb dros dro gennyh.

**Michael German:** Gallaf roi copi ichi yn awr.

[83] **Rhodri Glyn Thomas:** Okay. I think that we need to look at those, as they were quite detailed questions and I am grateful for your response. I think that we are quite a distance away from actually submitting a report on this. I think that some substantial questions have arisen this morning that we need to look at.

Chair, you suggested that perhaps I did have a question, and the question is a very simple one. Minister, I understand that there is a proposal to move the work of developing the CAPM software to Mumbai. Is there any truth in that, and are we losing very skilled jobs from Wales?

[84] **Glyn Davies:** Moving to where?

[85] **Rhodri Glyn Thomas:** Mumbai.

**Michael German:** That is the first that I have heard of it, but if anybody else has any information—

[86] **Glyn Davies:** Where is Mumbai?

**Michael German:** I know where Mumbai is.

[87] **Glyn Davies:** Well, I do not.

**Michael German:** It used to be called Bombay, Chair.

[88] **Glyn Davies:** I see. I thought it was still called Bombay. Oh well, there we are. What was it called? Mumbai?

**Michael German:** I am grateful to Rhodri for drawing this matter to my attention. That is the first I have heard of it and I will make investigations.

[83] **Rhodri Glyn Thomas:** Iawn. Credaf fod rhaid inni edrych ar y rheini, oherwydd yr oeddynt yn gwestiynau eithaf manwl ac yr wyf yn ddiolchgar am eich ateb. Credaf ein bod gryn bellter i ffwrdd o allu cyflwyno adroddiad ar hyn. Yr wyf yn credu bod rhai cwestiynau pwysig wedi codi'r bore yma, cwestiynau y mae'n rhaid inni edrych arnynt.

Gadeirydd, awgrymasoch efallai fod gennyf gwestiwn, ac mae'r cwestiwn yn un syml iawn. Weinidog, deallaf fod bwriad i symud y gwaith o ddatblygu meddalwedd is-adran reoli'r polisi amaethyddol cyffredin i Mumbai. A oes unrhyw wirionedd yn hyn, ac a fyddwn yn colli swyddi medrus iawn o Gymru?

[84] **Glyn Davies:** Symud i ble?

[85] **Rhodri Glyn Thomas:** Mumbai.

**Michael German:** Dyma'r tro cyntaf imi glywed am hyn, ond os oes gan unrhyw un arall unrhyw wybodaeth—

[86] **Glyn Davies:** Ym mhle y mae Mumbai?

**Michael German:** Yr wyf yn gwybod ym mhle y mae Mumbai.

[87] **Glyn Davies:** Wel, nid wyf fi'n gwybod.

**Michael German:** Arferid ei galw yn Bombay, Gadeirydd.

[88] **Glyn Davies:** Yr wyf yn gweld. Yr oeddwn i'n credu mai Bombay oedd yr enw o hyd. O wel, dyna ni. Beth oedd yr enw? Mumbai?

**Michael German:** Yr wyf yn ddiolchgar i Rhodri am dynnu'r mater hwn at fy sylw. Dyma'r tro cyntaf imi glywed amdano ac fe ymchwiliaf iddo.



[89] **Rhodri Glyn Thomas:** Because if we have problems now, then—

[90] **Glyn Davies:** It was a good question, I am glad that you asked it, Rhodri. At the next meeting we will have a draft report and that will be the occasion for you to pursue other points, Rhodri, if you so desire. It will be a draft report, it may even be a first draft report. We cannot be sure. We will now move on.

[89] **Rhodri Glyn Thomas:** Oherwydd os oes gennym broblemau yn awr, yna—

[90] **Glyn Davies:** Yr oedd yn gwestiwn da, yr wyf yn falch eich bod wedi ei ofyn, Rhodri. Yn y cyfarfod nesaf, bydd gennym adroddiad drafft a dyna pryd y cewch fynd ar drywydd pwyntiau eraill, Rhodri, os dymunwch. Adroddiad drafft a fydd hwn, adroddiad drafft cyntaf o bosibl, hyd yn oed. Ni allwn fod yn sicr. Symudwn ymlaen yn awr.

*Daeth y sesiwn cymryd-tystiolaeth i ben am 10.19 a.m.  
The evidence-taking session ended at 10.19 a.m.*