

Update to Rural Economy and Connectivity Committee 21 September 2016

SUBORDINATE LEGISLATION

Question:

To outline the procedure for the replacement of lost tags and any resulting penalties (OR Col 7).

Response:

Once the farmer has inserted the tag into the animal's ear the sample pot should be removed from the tag and sent on to the lab. If there were an issue with a sample that made it unuseable the farmer would be able to contact the lab and have another tag issued. If, once the tag had been applied and the sample pot had been removed, there was an incident which caused the tag to break free from the calf, there would be no requirement for a replacement tag to be attached as the sample would have already been taken at the point of applying the tag.

Given that this is not an official identification tag and that the dislodging of a tissue tag would be beyond the control of the farmer, no penalties would apply. For the purpose of genotyping we would be able to confirm with the lab that the calf's sample had indeed been sent to them. The key requirement is for the farmer to send the sample to the lab.

Question:

To respond to a question on the proliferation of tags and how many tags it was reasonable to use in practical terms and in terms of animal welfare (Col 8).

Response:

In practical terms four tags per animal is reasonable and acceptable for use in cattle. This comprises two official identification tags, one in each ear, plus one additional tag in each ear for the purposes of management, disease testing and/or genotyping.

Given the increasing use of tags for tissue sampling the Scottish Government will review the use of tags in the Beef Efficiency Scheme as the scheme progresses and look to encourage through guidance the use of official identifiers for the additional purposes of tissue sampling and disease testing where practicable and compatible with the requirements of the European Union. The intention will be to keep the number of tags applied to an animal to a minimum for welfare reasons and to reduce the risk of infection or injury if tags get caught in feeders or fencing etc.

COMMON AGRICULTURAL POLICY PAYMENTS

Question:

To confirm how many of the 473 farm businesses (as at 14 September, 2016) that have not had their payment processed, have received a loan (Col 15-16).

Response:

As at 14 September, 191 farm businesses of the outstanding 473 payment cases (at that date) had received a loan payment.

To date on 4 October, of the 350 farm businesses whose payment is still being processed, 279 have received a loan payment.

Of the 71 remaining businesses, five have opted out of the loan scheme and we anticipate that some others in this 71 will be found to be ineligible for CAP payments.

Question:

To provide some examples of the kind of difficulties that occur when processing payments every year, including reductions, exclusions, private contracts, cross-border cases and entitlement cases (Col 16 and 19).

Response:

Examples of cases include:

cases where the farmer who qualified for 2015 entitlements applied to immediately transfer them to someone else using the 'Private Contract Clause'. These cases required additional IT functionality.

Multiple scenarios where producers made some form of administrative error on their application, which we have allowed them to correct, but for which we either have not yet received the correction or where we had to persistently chase the information.

Cross Border cases where the claimant has land in other parts of the UK. Depending upon which paying agency is considered the "lead agency" in each case, we either have to: Receive data from England, Wales or Northern Ireland and carry out calculations before making payments; or provide data to another paying agency who will then make the payment.

Question:

To supply a breakdown of overtime costs, including the number of additional staff employed and the amount of overtime accumulated (Col 21).

Response:

Overtime costs for RPID Area Office staff in financial year 2015/16 totalled just under £348,000 for the year.

In the last two years of the old CAP system area office overtime ranged from £184,000 to £210,000, so the additional amount in 2015/16 was in the region of £150,000.

During the 2015/16 financial year, approximately 72 members of staff were recruited to Area Offices to promote front-line support to farmers and crofters.

CAP IT SYSTEM

Question:

To provide a list of functionality specified, but not delivered as yet on the IT system (Col 24 and 25).

Response:

In order to deliver 2016 Pillar 1 payments and annual payments on land-based Pillar 2 schemes, work is underway to improve upon and add all the necessary new elements to the 2015 functionality, so that the system is set to process 2016 Single Application Forms. As announced in the statement to Parliament on 13 September, this is expected to be delivered early next year.

Other projects that are not needed for the immediate processing of 2016 applications, but which will deliver additional benefits, relating to improved customer service, improved efficiency, improved business processes, include:

- New Land Parcel Identification System (LPIS)
- Scheme Accounting and Customer Account Management System (SACAMS)
- Increased automation of administration for Pillar 2 schemes.

Question:

To breakdown the measures that have been added to the contract to incentivise success going forward in terms of efficiencies and penalties to the developer (Col 24 and 25).

Response:

We have negotiated a number of changes to the contract with the main supplier which seek to reduce costs. These include:

From November 2016, there will be a 10 per cent or more reduction in costs, which the main supplier is underwriting. In short, if the main supplier is unable to reduce the costs of contractors, it will bear the effect from November.

We have also activated financial penalties to cover the remaining development of the programme, and introduced a risk / reward regime that is linked to key business outcomes for AFRC – farmers payments. This means the contractor is incentivised to meet the timetables it has committed to and incurs penalties if it does not.

Question:

The number of tasks that there are and the work breakdown structure:

Response:

The Futures Programme has delivered a number of functional releases which AFRC have put into Operational use. The information provided below in response to the questions relate to the coming releases currently being prepared and expected to be available for operational use later in 2016 and enable 2016 BPS payments in early 2017.

Functional releases, or drops, are defined, and referred to, in terms of the business functionality (Feature(s)) they provide, or extend.

There are currently approximately 1200 tasks relating to functional releases (drops) expected to be made operational in the above period. There are still some additional functional releases to be agreed and more information can be provided about these once they are added to the active IT delivery plan.

Question:

2. the number of delivery phases that the project office has chosen to adopt:

Response:

There are 5 delivery phases for each planned feature:

1. Analysis & Design
2. Development
3. System Integration Testing
4. User Acceptance Testing
5. Hypercare

Question:

3. From the change log, the number of outstanding changes, the number that have been redressed and the number that have been deferred to other phases; and, of those changes, the proportion that have come from the client:

Response:

Outstanding change requests

There are 217 outstanding change requests. None of these have yet been redressed and remain outstanding for delivery. When the information was queried from the defect and change request management system (Jira) on Friday 30 Sept 2016, there were 719 closed change requests. Closed change requests predominantly indicate that a change has been made to the system. However, in some instances tickets may be closed because the change is no longer required, or because the described change is being delivered as part of the core functionality of a particular feature release. The change request system was modified around September/October 2015 to allow change reasons to be recorded. Prior to that there was no specific provision for that information in the change request template.

Redressed change requests

From the outstanding 217 change requests, 61 are scheduled for Drop 6, 6A and 6B – of these, 52 are scheduled for delivery with upcoming feature release Drop 6A in November, 5 are scheduled for delivery with Drop 6B in November, and 4 are scheduled for delivery with Drop 6, which is scheduled for January 2017. The remaining change requests will, where appropriate, be aligned for delivery as part of future feature releases, with the priority of delivery informed by potential impact and business activities underway at the time.

The reasons for change / deferment to other phases

Of the 217 outstanding change requests, the reasons for change were as follows:

- Business Requirements have changed – 60 (driven by regulatory clarity or new regulation/simplification measures)
- Business Requirements specified incorrectly – 32 (requirements unclear and lead to incorrect build)
- Incorrect Build assumptions – 16
- Other – 109 (a mix of internal IT CRs and uncategorised)

*The figures provided may include some tickets which have not yet been assessed and accepted as valid changes. The change request system was modified around September/October 2015 to allow change reasons to be recorded, prior to that there was no specific provision for that information in the change request template.

Question:

The number of errors that have been found in the error log; of those that have been found, the number that have been fixed; and the current estimate of the number of errors still to be found. (If this information cannot be provided, the member also requested a copy of the testing approach) (Col 27 and 28):

Response:

By way of context, we estimate that the new IT system extends to around half a million lines of code.

Closed defects

There are 19,893 closed defects.

Defects volumes by year (Closed)

- 2016 – 6,343
- 2015 – 9,378

Outstanding defects

There are 2,226 outstanding defects identified through formal testing processes.

Errors to date have been high due to the approach taken to get the system into production quickly. The bulk of payments to farmers for 2015 have been made, and the system has been exhaustively tested through both formal and production stage usage. While it is impossible to predict what future system errors may arise with any degree of certainty, given that 2015 has exercised the installed system in a thorough manner and the 2016 testing regime is more rigorous than the 2015 regime, we expect the number of any errors found will be both reduced, and of a less serious nature than those found previously.

In order to reduce production errors a review of the testing approach identified the need for increased coverage of SIT (System Integration Testing) to lessen the dependence on UAT testing. The increased emphasis on SIT has led to a smoother path through to production.

Question:

Once available, to provide the committee with estimated disallowance figures for 2015 payments, in comparison to the rest of the UK and Europe (Col 32).

Response:

A final assessment of any late payment penalties can only be undertaken after October 2016 and in conjunction with the other parts of the UK. We will provide the information requested when it is available.

CAP AND EU MEMBERSHIP

Question:

The committee requested an update on the review of CAP allocations and specifically whether work has been undertaken by Scottish Government officials to design a Scottish system for use from 2020 (Col 34 and 35).

Response:

Our focus currently is two-fold. Firstly, we are doing all we can to protect Scotland's place in Europe, maintain our membership of the single market and freedom of movement of labour.

Secondly, Scotland needs to have a role in decision making and be fully involved in all UK negotiations relating to the EU referendum outcome.

We will seek to use whatever influence we have to shape the best - or more accurately, the least bad – outcome, not just for Scotland but for the whole of the UK. In the First Minister's view that means the UK continuing as a member of the single market.

Assuming the Prime Minister's commitment for full engagement is met we will take part in the discussions in good faith.

I think until we have clarity and certainty on all of this, it is premature to consider post Brexit policies, though everything that we do will be framed around the five key national interests articulated by the First Minister.