



Northern Ireland  
Assembly

Committee for Agriculture and Rural  
Development

# OFFICIAL REPORT (Hansard)

Programme for Government 2011-15  
Delivery Plans: DARD Briefing

11 September 2012

# NORTHERN IRELAND ASSEMBLY

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**Members present for all or part of the proceedings:**

Mr Paul Frew (Chairperson)  
Mr Joe Byrne (Deputy Chairperson)  
Mr Thomas Buchanan  
Mr Trevor Clarke  
Mrs Jo-Anne Dobson  
Mr Chris Hazzard  
Mr William Irwin  
Mr Declan McAleer  
Mr Kieran McCarthy  
Mr Oliver McMullan  
Mr Robin Swann

**Witnesses:**

Mr Paul Donnelly	Department of Agriculture and Rural Development
Mr Colin Hart	Department of Agriculture and Rural Development
Mr Keith Morrison	Department of Agriculture and Rural Development
Mr Graeme Wilkinson	Department of Agriculture and Rural Development

**The Chairperson:** I welcome to the meeting, from the Department of Agriculture and Rural Development (DARD), Graeme Wilkinson, an assistant secretary; Paul Donnelly, a principal officer; Keith Morrison, an assistant secretary; and Colin Hart, the deputy chief veterinary officer. Gentlemen, you are privileged; this is our first presentation since recess. Graeme, will you lead off?

**Mr Graeme Wilkinson (Department of Agriculture and Rural Development):** Yes. The presentation is very short, Chair.

**The Chairperson:** Good; I am glad to hear that. We will take questions after your presentation. Without further ado, away you go.

**Mr Wilkinson:** Chair and members, thank you for the opportunity to present the Department's four delivery plans for the block DARD commitments included in the Programme for Government (PFG). Copies of the first version were forwarded to the Committee for consideration at the end of June. However, you will see from the papers supplied last week that there have been a few revisions from the original plans. We are keen to hear from the Committee and take on board any of your views in order for us to deliver the plans. The process is *[Inaudible.]* and the plans will no doubt change over the next number of years. We view the Committee as having a fulsome role in shaping our delivery plans.

Members will recall that the Department has four commitments, which I will outline: to bring forward a £13 million package to tackle rural poverty and isolation over the next three years; to develop a strategic plan for the agrifood sector; to eradicate brucellosis in cattle by March 2014; and to advance the relocation of the Department's headquarters to a rural area by 2015. Each commitment has an appointed senior responsible officer (SRO). I am joined today by Keith Morrison, the SRO for the agrifood strategy commitment, and Colin Hart, the SRO for the brucellosis commitment. Pauline Keegan, as you know, is the SRO for the rural poverty initiative and is represented today by the programme manager, Paul Donnelly. Wendy Johnston is the SRO for the HQ relocation commitment. However, as Wendy is on leave at present, I am representing her today. I hope that, between us, we will be able to provide the Committee with any necessary clarification on the delivery plans.

I will provide the Committee with some background to the PFG commitments. You will recall that the Programme for Government established five priorities, which were supported by 82 individual commitments. I will outline those priorities again for the Committee: to grow a sustainable economy and invest in the future; to create opportunities, tackle disadvantage and improve health and well-being; to protect our people and the environment, and to create safer communities; to build a strong and shared community; and to deliver high-quality and efficient public services. The commitments relating to the agrifood strategy and brucellosis sit under priority 1, and those relating to rural poverty and the DARD HQ relocation sit under priority 2.

I know that the Committee is interested in performance management and, in particular, the governance arrangements. I will outline the monitoring and reporting process in relation to the Programme for Government. The Office of the First Minister and deputy First Minister (OFMDFM) has put in place a monitoring and delivery framework to ensure that there is a focus on delivering against the Programme for Government commitments. The Executive programme board oversees the programme. The board is chaired by the First and deputy First Ministers. It is attended by the Finance Minister and supported by the head of the Civil Service. That is underpinned by the delivery oversight group, which is chaired by the head of the Civil Service, is attended by permanent secretaries and supported by the PFG central team. A key function of the delivery oversight group is to consider and recommend ways and means to address any issues that might arise and, if necessary, to escalate any unresolved issues to the Executive programme board. In the Department, my division — finance — will monitor and report delivery against the Programme for Government commitments. In addition to co-ordinating the completion of the quarterly reports for consideration by the departmental board, the Minister and this Committee, the finance division will provide a challenge role on the quality of information provided. In areas in which there are concerns, those will be identified and notified to the departmental board, along with any recommendations for remedial or corrective action.

To report progress, each Department will be required to provide OFMDFM with a first progress report as of the end of September, which is the first half-year of the Programme for Government. The departmental report will be sent to this Committee in the autumn, along with a full report of progress against the Department's other business plan targets. Monitoring and reporting will subsequently be quarterly, with the relevant commentary published online by OFMDFM. In addition, an annual report on progress will be published by OFMDFM.

That concludes my introductory comments. I am sure that members will have points that they want to raise or may want to ask for any clarification that we might be able to give you today.

**The Chairperson:** Thank you very much, Graeme. I will open up the Floor to members in a moment. We could ask questions on all four points. They have been headline points so far, and it is good to see some context to them. However, the decision has been made politically to relocate headquarters to the Ballykelly site. What sort of business case evolved around that decision? Are you sure and content that the estimated £26 million will be fit to cover the costs of relocation to Ballykelly? I recall the Minister stating that the Department could use buildings in the former camp, which surprised me. I know the camp pretty well, and I cannot recall any buildings on that site that would be fit for purpose for DARD headquarters. Do you have specific buildings in mind on the site of Shackleton Barracks in Ballykelly? Are you confident that £26 million is enough to cover the cost to relocate?

**Mr Wilkinson:** You will be aware that the decision has just been announced. We are at the very early stages of considering the configuration of our new headquarters, and it will take more time to understand better what that configuration will look like and what the cost might be. Therefore, there is much work to be done in determining future costs. It is a positive that that infrastructure is already in place, and I know that the Committee raised concerns previously about the figure of £26 million. Given the infrastructure and the office accommodation that is already in place, I am hopeful that that

will help to reduce the figure as we move forward. However, I will add a caveat by saying that more work remains to be done. We are working closely with the Central Procurement Directorate (CPD) and the properties division in the Department of Finance and Personnel (DFP) to get a better understanding and feel for the total cost.

**The Chairperson:** Given the Minister's statement, I take it that you have earmarked some buildings on the site that are fit for purpose.

**Mr Wilkinson:** From what I have seen, there is a mixture of buildings on the site. There is office accommodation, and some of the site is used for housing and sheds, but some of it we could not possibly use. However, we will not know the extent of what we can use until a conditional survey is carried out and individual buildings are assessed.

**The Chairperson:** The following question might sound like a bad joke, but it is not. Are you aware of any flooding issues on the Ballykelly site?

**Mr Wilkinson:** I am not aware of any flooding issues. That will be part of the process that we need to go through in the conditional survey and our understanding of the site. The site is a significant size. I understand that it is in excess of 700 acres, and I do not expect that the Department will need all that land. Therefore, we will need to see the layout of the site, and if there are any issues such as flooding, those will need to be considered.

**Mr Byrne:** I will follow up on the question about the DARD headquarters relocation. What comparative analysis was done between different sites? What criteria were used? Was there any private sector tendering? Those are the open questions, and no answers have yet been given.

**Mr Wilkinson:** We are not yet at the tendering stage in the process. We are at the stage of identifying a site that we could use. I will go back to my earlier point. The Committee's concern about costs was one of the big issues that we took away, and also understanding and trying to identify some way that would help to reduce costs. When we considered a newbuild, we thought that it would be on a greenfield site. As members can imagine, that would cost. An Executive-owned site is a real benefit for us in trying to keep a cap on the cost of the HQ relocation process.

**Mr Byrne:** Chairman, I will ask the question again. How could a business case have been done on a particular chosen site if no comparative analysis was done with tendering bids from, perhaps, private landlords who might want to tender or offer suitable offices?

**Mr Wilkinson:** Again, as part of the process, we looked at available land that is owned by the Executive because the use of such land would be much cheaper than purchasing land from, as you say, the private sector. That would add to the cost of the process. It is imperative that the Executive utilise the assets that they have in the first instance. That is why the Minister has decided on Ballykelly as the chosen location.

**Mr Byrne:** I formally request that we get a serious business case paper from the Department outlining what criteria and parameters were considered in the matter.

**Mrs Dobson:** Graeme, I will start with brucellosis eradication targets. We all know that this is an easy target for DARD to meet, but farmers want to know exactly when the need for blood tests will end, because we know how expensive and time-consuming they are. I declare an interest as a beef farmer. Ending the need for blood tests would be very welcome for farmers. What are the departmental plans?

**Mr Wilkinson:** Colin, I will defer to you on that question.

**Mr Colin Hart (Department of Agriculture and Rural Development):** It may help to state where we are at with the eradication programme, because its dismantling is linked to the current state of play. We have had only a single confirmed outbreak of brucellosis since July 2011; in fact, the most recent confirmed outbreak was in February 2012. We still see occasional reactors to the brucellosis test — we have had six such herds this year — but none of them has confirmed. In EU language, the confirmed outbreaks are vital. It will be three years from the time of the most recent confirmed outbreak before we can seek EU country freedom from brucellosis. We have made exceptional

progress to date with the help of excellent support from the farming stakeholders. It is a combined effort, and we are making really good progress.

The fact that we have had only one confirmed outbreak in a year means that the annual confirmed herd incidence is the lowest it could possibly be before it would go to zero. It is 0.005 at the moment. If there had not been that one outbreak, the annual confirmed outbreak incidence would be zero. You may remember that we had a very good run of freedom before the February 2012 confirmed outbreak, which was in an inner ring to a previous confirmed outbreak. So we were not totally surprised that that one occurred. That set the clock back slightly, but since February 2012, we have had a run of freedom. We feel that brucellosis eradication is within our grasp, and one final push from everyone should remove it permanently from the country and, indeed, from the British Isles, because the South of Ireland and GB are free.

I will now answer the question directly about the dismantling of the programme and, particularly, the expensive blood tests and the burden that they pose for farmers. Of course, we are already seeing an easement, because the risk tests for those farmers who are adjacent to a breakdown are reducing considerably. We have had only six reactor herds this year, only one of which confirmed in February. That means that very little risk testing has been done. We will be able to start to dismantle the programme in three years from February 2012, but we will not rush into it. You have seen what has happened in the South of Ireland, where the pre-movement test has been widened. Instead of doing away with it altogether, it has been extended to 60 days. We could start to think about those types of things. Risk testing is already reducing, so farmers will have only the annual brucellosis herd test.

Doing away with the annual herd test will not happen at three years; that will have to be thought through very carefully, because we must remember that the EU has a three-year requirement here because a significant number of infected cattle will not react to blood tests until they calve or abort. Calves will have to grow to adulthood before we can be sure that they have not been exposed to the infection, which is why we need to be very careful for a period.

Before I finish, Chair, may I mention the message to farmers at the moment? The message is this: continue to report all abortions; do your brucellosis herd tests on time; ensure cattle that are moving are subject to pre-movement testing, where that is required if they are over 12 months of age; calve animals in isolation indoors as far as is practicably possible; keep a closed herd where practicably possible; avoid contact with neighbouring herds where practicably possible; and remember any out farms, because it is possible to be caught in contact at an out farm.

Jo-Anne, in the middle of all that, I was trying to answer your question. It will be two and a half years before we can start to think about ending blood tests.

**Mrs Dobson:** You have a target date for brucellosis eradication, but you cannot give farmers a date for which they can plan.

**Mr Hart:** The earliest date that we can give now is three years from February 2012. At that point, we can look at the issue and, because it is a shared risk, have discussions with our stakeholders about the appropriate way to dismantle the programme. In the years following that, we can start to look at extending the frequency of testing and making the pre-movement test eligible for a longer period. In other words, there will not be too radical a change immediately.

**Mrs Dobson:** Are you saying that there is no definitive date for when farmers can stop doing blood tests?

**Mr Hart:** I think that it would be unwise to set that date at the moment.

**Mrs Dobson:** That will be very unwelcome news.

Colin, you may also want to answer the following question. Your delivery plan, under "probability of risk occurring", lists "deliberate, malicious infection of herds" as a three. That is quite a high grading. Is it a fair grading?

**Mr Hart:** As you know, the compensation rules changed recently. If there was a financial incentive to introduce brucellosis infection to a herd, it has now been removed. However, we know, and have sources of information to suggest, that the brucellosis organism is being stored in the country. It can be stored in a domestic freezer. We saw the incident in Lislea, whereby an infected foetus was laced

with animal feed and left in a field in which animals were grazing, with the sole intent of infecting those animals. We know that unscrupulous individuals could, with the right incentive, pay a neighbour back for some previous fallout. If the organism still exists, I am afraid that the risk still exists.

**Mrs Dobson:** Do you not think that farmers who are abiding by the law and complying with the herd routine and pre-movement testing will be concerned that that represents a lack of faith on the Department's part?

**Mr Hart:** Absolutely not. We have total faith that we could not have reached this stage in the brucellosis eradication programme without the commitment of the vast majority of farmers. So I can only pay tribute to —

**Mrs Dobson:** However, you have graded it three.

**Mr Hart:** It was given a three for impact. Were it to happen, it would be devastating .

**Mrs Dobson:** The delivery plan states: "deliberate, malicious infection of herds".

**Mr Hart:** That is the impact that it would have. One single outbreak —

**The Chairperson:** It was graded five for impact.

**Mr Hart:** It is a subjective issue. We could revisit that, but it is certainly not a lack of faith in the farming family.

**Mrs Dobson:** To me, giving it a three reads like a lack of faith.

**Mr Hart:** We will look at that again, Jo-Anne, because there is certainly no lack of faith. I appreciate that we could not have reached this point without the support of the farming public.

**Mrs Dobson:** Following on from the comments of the Chair and the Deputy Chair, I will ask a quick question on the headquarters relocation. Farmers will be wondering — rightly — what real benefits they will get from the move to Ballykelly. What changes can they expect to see in the way in which DARD operates?

**Mr Wilkinson:** Is that question for me, Jo-Anne?

**Mrs Dobson:** Are systemic and operational changes planned, Graeme?

**Mr Wilkinson:** As I said to the Chair earlier, we are still at the very early stages as to what will be at Ballykelly.

**Mrs Dobson:** You are bound to have thought through how you might do things differently. Will it be the same old DARD, simply in a different location?

**Mr Wilkinson:** No. I think that, in the move to Ballykelly, there are many positives about changing the way in which we operate and how we deliver the service.

**Mrs Dobson:** So changes will be made to how —

**Mr Wilkinson:** It would be a missed opportunity if there were no changes to the way in which we operate the Department and how we deliver services to our customers. It gives us that opportunity. As I said previously, the Committee has looked at our estates strategy, and I will bring that issue back to members. The move will have a big impact on the shape of our estate across the Province. Our thinking is that, now that we have a location, we have to go through that process and understand its impact on the rest of our estate.

**Mrs Dobson:** Graeme, have you made provision in your plans for the changes that will occur as a result of the current reform of the common agricultural policy (CAP)? Has that been taken into consideration?

**Mr Wilkinson:** Do you mean with regard to the HQ?

**Mrs Dobson:** Yes.

**Mr Wilkinson:** CAP reform is a policy change.

**Mrs Dobson:** How is it administered, and how will it affect the function of DARD? Will we be ready for CAP reform? I am trying to find out whether it will be the same old DARD in a shiny new headquarters. Will we be ready for CAP reform? What will be done differently in Ballykelly from what has been done in Dundonald House?

**Mr Wilkinson:** I would not like to think that it will be the same DARD. As I said earlier, I would like to think that the relocation will be a catalyst for change in the Department.

**Mrs Dobson:** Have you envisaged a physical size for the new headquarters in comparison with Dundonald House? Will it be larger, smaller or the same size? Have you any details?

**Mr Wilkinson:** I have no details at this stage. We have a location, which is a real positive. An early decision on location gives us time. As you know, the Programme for Government commitment has to be met by 2015. So having a location allows us to make plans and to start the process.

**Mrs Dobson:** If we have no details, how do we know the final cost of the project and the size the building? Clearly you know —

**Mr Wilkinson:** We need to develop all those things in our economic appraisal. Now that we have a location, we can quickly start to ramp up through all that process. Those are very good questions, Jo-Anne, and they raise issues that we need to consider in the fullness of time. However, we have just had the location decision so it will take some time. I expect that we will have a much clearer picture, certainly by the end of the current financial year. It will take a number of months to work through all those issues.

**Mrs Dobson:** Perhaps, Chair, the Department will come back to the Committee with some of those answers. Joe has already asked for information.

**The Chairperson:** The Deputy Chairperson has asked for all the details.

**Mrs Dobson:** There are too many ifs and maybes. Thank you.

**Mr Swann:** Thank you, gentlemen. Keith, just in case you thought you would escape, I will ask you about the agrifood sector. In the development of key performance indicators and strategies, we are looking to 2012-13. How far down the line are we? I know that a new Agri-food Strategy Board has already been appointed. All members are fully aware of the importance of agrifood. The last thing that we want to hold up the process is agreement on key performance indicators and strategies. Will you give us an update on where we are in that process?

Will any additional support be made available or given to our agrifood industries as a result of that? There is talk of implementation plans and funding options being explored, but I am aware of the timelines, even through rural development. If we have a good agrifood project, a good sector that needs support, can we get cash to support it quickly? Will the board be able to do that for us?

**Mr Keith Morrison (Department of Agriculture and Rural Development):** As a general update, the Committee heard from Tony O'Neill just before recess, and there was a good exchange. I think that you got a sense of how Tony wants to drive the process. He was very clear that the summer was to be used usefully, and it has been so used. Members may be aware that he talked about a subsectoral approach to that. Nine of those subgroups have been set up. They have all been meeting over the summer and have worked their way through to identifying the challenges that face each sector, some of the barriers and cross-cutting issues in planning, energy, and so on. The subgroups are starting to put recommendations together to feed into the main board's report. Since Tony was here last, the main board has met five times and is due to meet again in a couple of weeks' time in, I think, early October. We have also put out a call for evidence, because Tony was very clear that not everybody

would be involved in the sectoral subgroup work. More than 80 individuals are involved in the nine groups, but he was very conscious that that did not cover everybody. Therefore, we have made a broader call for evidence, which closes, I think, on 14 September. That will give us a broader perspective of what sector people represent, the challenges they face, the opportunities and some of the cost-cutting issues. There is a lot of gathering of evidence, which aligns with the delivery plan, and we are on target. Last Friday, at the most recent meeting of the main board, the chairs of all the sectoral subgroups said that they were on target to bring back their reports by the end of September. That will enable us to feed into the work on the broader strategy that needs to be done by October/November, which is what is in the delivery plan. Therefore, we have a positive story to tell about the activity, as well as the visibility and engagement, of the board.

Your second question was on support. The Departments and the industry expect recommendations that we need to take action in certain areas. It will then be up to DARD, the Department of Enterprise, Trade and Investment (DETI), Invest NI and the industry to ask how we can achieve the funding needed for those actions. So if ideas come out that need to be implemented quickly, we will all have the means to look at what we can do. You are quite right that our main vehicle is the rural development programme. We are developing the new programme, and that will probably pick up some of the issues and recommendations that emerge. If ideas come forward on research and innovation or anything similar, we have other means to pick those up a bit more quickly.

**Mr Swann:** Somebody in the agrifood sector could come up with a new product or idea, which could be funded through this programme, especially through research and development, but if they cannot get it into production quickly, there is a chance of a company in another jurisdiction picking it up and delivering it to market far more quickly than someone here could. Therefore, people here could be doing all the research and development and all the brain work without that benefiting any of our agrifood products.

Is the 2010 'Focus on Food' document defunct? Is it no longer fit for purpose, or will it be used as a building block?

**Mr Morrison:** That is exactly what will happen. The valuable work in 2010 was done in partnership with the industry. The Government did not issue that document; it was developed by the industry. There is a good carry forward of some of the people involved in 'Focus on Food' in 2010 into this new board. The 'Focus on Food' document also helps us to shape some of the targets. It starts to examine some of what we would want to measure, such as what value added is being put on the table and where we might want to go. Therefore, it is very much a building block. However, I think that what we will get out of this strategy is a sharper and more focused document, which does focus on growth and says that we think that we can grow the pig sector by x%, with the same applying to the dairy sector and bakeries. Therefore, I expect it to be a sharper conclusion to the original 'Focus on Food'.

**Mr Buchanan:** I will just briefly go back to the issue of the headquarters. How many sites did the Department consider prior to coming to the decision on the one chosen? Were a number of sites considered before a shortlist of one or two was drawn up and then this site was chosen? I know that the Deputy Chairperson touched on this issue, but what criteria were used to identify the selected site as the best for the relocation of the headquarters?

**Mr Wilkinson:** We were seeking to move jobs to a rural area, ensuring that doing so would have a high impact. The project team had set a number of criteria, such as the extent of deprivation, unemployment and lack of public sector jobs in different geographical areas. Limavady scored very highly against those criteria.

As I mentioned earlier, the other compelling feature was having access to land that was owned by the Executive. Ballykelly is a particularly good site: it has the infrastructure in place, a road network and office accommodation. It was a very good decision in respect of giving us a good start to the whole process and making sure that we deliver against our commitment within the timescales. So multiple factors were involved in making the decision. It was not just about having the site; it was about the various criteria set by the project team.

**Mr Buchanan:** I will leave it at that, as the Deputy Chairperson has asked for the criteria to be forwarded to the Committee.



**The Chairperson:** On the back of that, may we have all the information on the relocation of the Forest Service headquarters? In the same vein, its headquarters are to be relocated to Fermanagh.

**Mr Clarke:** I apologise for being late. From what Tom has just said, it appears that the question that I was going to ask has been covered. Maybe Joe also asked about what other locations were looked at. If that has been covered, I am happy enough.

**The Chairperson:** You are now the third. .

**Mr Clarke:** Sorry. I apologise, but I am interested in that.

**Mr Irwin:** I also apologise. I had to ask a question in the Chamber, and I was in a bit of a panic.

When Colin talked about brucellosis earlier, I think that he said that the pre-movement testing of animals would remain in place until after the eradication date. That is burdensome for farmers. I am aware that only a very small number of animals have tested positive for brucellosis in pre-movement testing in Northern Ireland. I think that the number is minute, much less than 0.5%, or it was at one stage. Does he feel that there is a need for that testing to stay in place for the longer term? It seems unfair to the farmer if there is no need for it. That is one criticism that we have of Departments: we wait for ages before they make decisions on such matters.

**Mr Hart:** You are right: the numbers of positives identified by pre-movement tests have been very small. Of course, with the disease levels as low as they are at the moment, we hope that the numbers would be minuscule or nil. The issue is what happens if we get it wrong. I remember the 1990s, when a very large outbreak spread throughout the country because of animal movements. You might remember that. All of a sudden, from being almost clear of brucellosis, we were in big trouble again. Animals went through markets, were distributed, and so on. The question is whether to take the risk or play it safe, which I think is a discussion for another day, William. All that I am saying is that there is a need for caution. Remember, there are enough bacteria in one aborted foetus to infect all the cattle in Europe. I am constantly reminded of that by my brucellosis team, and it is quite a thought. We dare not get this wrong: if we do, we will be back to square one.

**Mr Irwin:** Referring to the Agri-food Strategy Board's strategy, you say:

*"This enhanced Strategy and associated action plan will support export led growth in the agri-food sector, which in turn should contribute to the recovery, growth and rebalancing of the wider local economy."*

That is all very good, but it is vital that primary producers, who are critical to the future growth of the agrifood industry, are protected. At the moment, many produce pork and beef at a loss, and it is very important that the Department and board understand that. The strategy must take into account primary producers — not the end game. If the primary producers are not looked after, it will be impossible to increase the output of the agrifood industry. Do you accept that?

**Mr Morrison:** I do. You might have been at the board meeting last week, because there have been a number of discussions in that area. Primary producers are well represented on the board. There are those who used to be producers and are now processors. John Thompson and Ian Marshall are both on the board and make that exact point. There is also broad representation on the sectoral subgroups, which takes account of the production and processing sides. There is a lot of debate about where the margins are and who makes them, and the common challenge is to find a way of working through the chain that not only makes it more efficient but distributes the profits as well as we can. Those sorts of discussions are coming up fairly regularly at board level and at the sectoral subgroups.

**Mr Byrne:** Following on from what William said, I also want to ask about the make-up of the board. It seems to be heavily loaded with industry experts, but they are all on the processing or retail side. There is a lack of primary producers on the strategic board. As William said, there is a sense, certainly in the farming community, that there is a gross imbalance in the food chain, in that primary producers, largely those in milk, beef and pig meat, get a price at the farm gate that is less than the cost of production. If that were to continue, the industry would produce nothing. Where does the Department sit on the issue of the imbalance on the board and on representing the interests of the farming community?

**Mr Morrison:** It is an industry board and is not designed to be representative of all sectors. It was designed to have the skills to be able to deliver on the strategy. There is representation from the primary production side on the board and the sectoral subgroups. From our perspective, the DARD member on the board is very mindful of the primary production side and would contribute to those discussions, just as we have colleagues from DETI or Invest NI who have more knowledge of the processing side. To be frank, a number of people on that board do understand, because they depend on primary production and raw material. The chain does not operate in isolation, so only by listening to the primary producers who are part of the subgroups and contribute to that discussion can we grow the sector. There is a lot of discussion about processing not being able to deliver growth on its own and about the very real need to take account of the primary production side. Many of DARD's support mechanisms are designed to support primary production, whereas Invest NI and DETI are, perhaps, more able to support the processing side. So there is a good balance between what comes out of the strategy and the Departments working together to try to deliver on it.

**Mr Byrne:** Chairman, you, I and others have attended many recent meetings involving farmer groups. We had a very informative meeting at the "Cookstown sizzle" factory last Friday. There was some scepticism from the management there about reinventing the wheel in relation to the future of the pig meat industry. I am not too sure whether the current exercise will be better than what came before or whether it will merely be a recycling of that.

**The Chairperson:** A strategy came out of the report by Cogent Management Consultants, and there is frustration —

**Mr Byrne:** Yes, because investment could be put in jeopardy.

**The Chairperson:** — that we are going over this ground when that report needs to be implemented. That is one person's or, if you like, one company's view. How do you respond to that, Keith?

**Mr Morrison:** We have a strategy for the whole sector, which tries to convey how important the agrifood sector in Northern Ireland is and that we want to grow it by x% over the next 10 years through added value, output or productivity. It is a way of capturing all the sectors. I understand your point. I have not been at meetings of the pig subgroup, but the feedback was that the Cogent report maps out a way forward for us. We accept that recommendations in that report will feed into our work. However, we are adding to that by asking people by how much they think that we can grow the sector.

The Deputy Chairperson asked what was different about the strategy. My sense is that the industry members around that table are very clear that this is about delivering on growth and focusing on what we need to do that. As Mr Swann said earlier, the 'Focus on Food' document did not go there. I understand and accept the frustration of the pig sectoral group because that fairly recent report on it from Cogent said, "Here is the future, and this is where we need to go." However, some sectors have had no reports produced on them, and others have some that are out of date, so new information is coming through to us. This strategy is a chance to look at the whole agrifood sector and identify what will take us forward and grow the whole sector.

**The Chairperson:** I have just one question, because I do not want to leave Paul out. It is about the £13 million package to tackle rural poverty and isolation — £4 million, £4 million and £5 million in the next three years, in that order. What plans are in place to make sure that we do not spend the majority of that money, or a good lot of it, on administration? We all know about the many problems with the rural development programme and how heavily burdened it was with administration, especially at the front end of the process. You have certain sets of criteria and priorities, but how can the Department stop that happening?

**Mr Paul Donnelly (Department of Agriculture and Rural Development):** That is a very interesting question. You can see from the document the range of our initiatives, and the focus on tackling poverty and isolation is about reaching out to the people on the ground, first and foremost. You are right to say that that could still involve a lot of administration. One unique way in which we are doing that is working across government with those Departments that already work in those areas. That definitely reduces the administrative burden, and it has proven very successful. We are working with the Department for Social Development on fuel poverty because it has the skills and has already been out there doing it, we are working with the Department for Regional Development on transport, and we are working with the Department of Health, Social Services and Public Safety. That is very important.

However, on the minutiae, every individual initiative requires a business case, and we need to cost all the various layers required to deliver it. We are keeping our administration to a minimum through working in partnership. We have involved rural service networks and the community and voluntary sector. It is about trying to get as many people, who are currently out there anyway, working through this. Some of the work is voluntary and some of it is paid, because certain elements require that. We know that, in this instance, the bulk of the money is reaching, or providing that service to, the end beneficiary.

**Mr Irwin:** I want to emphasise a point concerning an earlier issue. The Deputy Chairperson talked about the pig industry. The Department and the industry must realise that, in the late 1990s, we lost 50% of the breeding sow herd in Northern Ireland as a result of big losses by the producers. We now face a similar situation, and it is crisis time for those producers. It is very important for the Department and the industry to realise how bad the situation is. As I have said before, we cannot expect to grow the agrifood sector while the primary producers are making losses and going out of business. There has to be a fair share all round, and the Department needs to get to grips with that.

**Mr Byrne:** I have a supplementary question on rural development programmes. Over the summer, different groups applying for funding under the capital schemes experienced great frustration. There were varying deadlines among the different local strategy groups across Northern Ireland. Why was there such a narrow window of opportunity for those who wanted to submit a proper economic appraisal? They did not have the time to do that and, as a result, the process will end up in chaos and funds will not be sent. That is all down to, I will not say maladministration, but it is down to poor administration. Do you have any comments, Chairman?

**The Chairperson:** I am aware that that matter is not in the Programme for Government, but maybe you could give a brief answer, Paul. If not, we will put those questions in writing to the Department.

**Mr Donnelly:** I will be very brief. I appreciate the member's concerns. No concerns from that perspective have been put to the Department yet. We are quite hopeful that the strategic projects, which is what I think that you are talking about, will be successful. There has been a high level of interest. Over 60 good applications have come forward, and most were able to make the economic appraisal. Some clusters took the decision, despite the advice from the Department, to change the closing date, but they did that for various reasons. We encouraged all of them to close by 30 June, and most did. We are working through that process now, and I am very hopeful that that will help, first and foremost, the rural communities, as well as the spend situation.

**The Chairperson:** Joe, are you happy enough with that, or do you want the Committee to write to the Department?

**Mr Byrne:** I just wanted to put that point on the record, because there is a lot of frustration among various groups about the perceived differences in administration systems and projects across the North.

**The Chairperson:** I asked whether you wanted to write to the Department, because I am aware that it is not in the Programme for Government.

Thank you, gentlemen, for your presentation and for your presence here. I think that we were able to put questions to all of you, which is good.