



Northern Ireland
Assembly

Committee for Agriculture and Rural
Development

OFFICIAL REPORT (Hansard)

Rural Development Programme:
DARD Update

12 November 2013

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)
Mrs Jo-Anne Dobson
Mr William Irwin
Mr Declan McAleer
Mr Oliver McMullan
Mr Ian Milne

Witnesses:

Mr Gareth Evans	Department of Agriculture and Rural Development
Mrs Pauline Keegan	Department of Agriculture and Rural Development
Mr Michael McLean	Department of Agriculture and Rural Development

The Chairperson: Members will be aware that we received a briefing on the agrienvironment scheme a few weeks ago. That aspect will not be covered today. I welcome Pauline Keegan, an assistant secretary in the Department of Agriculture and Rural Development (DARD), and Gareth Evans and Michael McLean, who are principal officers in the Department.

Members have had the opportunity to read your briefing paper. I ask you to be brief and concise in addressing the Committee. It would be helpful if you could outline the main issues or provide any new information that is not in your papers.

Pauline, you will probably kick off. I will give you and your team five minutes to present, and we will then go straight into questions. Members, will you keep your two questions short and concise? If there is time, we will do another round of questions. If all the questions are not answered, we can write to the Department. Without further ado, Pauline, please proceed.

Mrs Pauline Keegan (Department of Agriculture and Rural Development): Thank you, Chairman. Thanks for inviting us along. We are pleased to have the opportunity to update the Committee on the current rural development programme (RDP).

I am the director of rural development, and one area that I have responsibility for is axes 1 and 3 of the RDP. As you said, Chairman, axis 2 and how it relates to agrienvironment, land and the countryside management scheme has been the subject of some discussion with Andrew Elliott previously. However, if there are any issues that you want to raise that I cannot answer, I am happy to take those back to Andrew and to write to you. With me are Michael, who is head of branch for axis 1 and farm safety issues, and Gareth, who is head of branch for all axis 3 measures.

The RDP is important for the rural community. No other programme puts as much money into the countryside. There has been some criticism of axis 3 in particular, but it is spending well now, and local action groups (LAGs) and joint council committees (JCCs) are working hard to maintain that. I have to say that achieving full spend is still a challenge, but there is certainly a lot of hard work going on.

The axis 1 delivery agent, the Countryside Agri-Rural Partnership (CARP), is also delivering well, particularly on the farm modernisation programme and the collective skills work on health and safety, bovine viral diarrhoea (BVD) and information and communication technology (ICT). The processing and marketing scheme is delivered directly by DARD.

Members have in their papers statistics on progress for both axes, and we are happy to take questions on them. On axis 1, the total programme spend at the end of October is £30.5 million against a budget of £48 million. That is excellent, steady progress. On axis 3, the total programme spend is £52.9 million against a budget of £100 million. Axis 3 spans six diverse measures, as members will know, for both farmers and the wider rural community. To reach the target of £100 million this year and next, which is the last year of the programme, will be, as I said, a challenge. The good progress must be maintained and constantly monitored.

Collective skills within axis 1 has received good feedback from stakeholders. On ICT, for example, 98% of the evaluation of the ICT courses rated them as "good" or "excellent", which is good to hear. On Stay Farm Safe awareness, nearly 1,400 people have registered for training. Some 82 Stay Farm Safe sessions have been completed, and nearly 1,000 farm family members have been trained.

Axis 3's target is to assist children and young people, in line with the Executive's strategy on children and young people. The target is 5%, but we are sitting at 18%. We do not often talk about that in relation to axis 3, and I thought it worthwhile mentioning.

Members will have also seen the good and varied projects that axis 3 has assisted. At times, that fact tends to get lost in some of the criticism of the programme, but much excellent work has been done. LAGs and JCCs are working hard to continue to fund projects that they feel will have an impact on the countryside. The support of the Department and this Committee is important for the LAGs and the work that is being done on axis 1, and I am certain that that support will continue as we move into the new programmes spanning 2014 to 2020.

That concludes my introduction.

The Chairperson: Thank you very much for being so timely, concise and clear, Pauline. We appreciate it. I will go straight into questions.

The debate on the rural development programme will always centre on spend and what the money has been spent on. Those have always been the two main issues. I am sure that that frustrates you. However, I will give you the opportunity to explain to the Committee the aims of the development programme. As you rightly said, axis 1 aims to:

"Improving competitiveness of the agricultural and forestry sector",

and axis 3 aims to improve:

"The quality of life in rural areas and diversification of the rural community".

Will you explain to the Committee, without using figures of spend and projects, how you have met those aims and objectives?

Mrs Keegan: Yes. It is unfortunate that the programme is split up into two axes. I hope that that will not be how we talk about things in the future. Axis 1 concentrates mostly on farmers and farm families. The objective of improving competitiveness in particular has been met. The farm modernisation programme, which we accept gives only small grants, helps to modernise farms, and there has been a good take-up. Even without mentioning the dreaded word "spend", there has been a little bit of underspend in farm modernisation, but it has generally been received extremely well. The whole premise behind that is modernising our farming industry.

We also do work on skills. I mentioned BVD, health and safety — a very important topic — and ICT, which is also important because everything is moving online. Again, that will help the farmer and the farm family. The idea is to get some people trained, so that they can see how to help their own business. Essentially, that is what we are doing.

Focus Farms is another, and it is to do with best practice. It looks at finance and succession planning. The sort of measures that we have put in place under Focus Farms have genuinely contributed. That is not just my view. We talk to stakeholders and the farming unions, and we did so before we put a lot of the measures in place in order to find out whether those objectives were being met.

Early in the skills programme, what we were doing was really of no value to the industry, if I can be as blunt as that. We completely turned that around and changed it. We asked the industry to tell us what would be of value, if we were to give training courses. These were the sorts of issues that came up. Objectives have been met, simply because stakeholders are saying what they need and want. There is not a huge amount of money in axis 1. We have already talked about the silos. However, what we have done with that money is provide the processing and marketing grant (PMG) scheme for the processors.

Do you want to add to that, Michael?

Mr Michael McLean (Department of Agriculture and Rural Development): With respect to financial targets, we secured additional funds for programmes such as Farm Mod. When we set out, we established key progress indicators (KPIs) for how many farmers we should be targeting. For skills, we targeted 3,120 farmers. The early skills courses did not deliver, as Pauline said, but then we came up with collective skills. Now, we have raised that target from 3,120 to 8,400. Currently, we are sitting at 6,000 people trained in the important themes of BVD, ICT and health and safety.

With respect to Farm Mod, operating in tranches, going out every time to consultation and adding items based on the needs of the industry, we have moved from well under 100 items to well over 200. Indeed, with the extension to Farm Mod, we are offering additional opportunities to avail of the larger number of items.

Focus Farms is another aspect. We had targeted 10,000 visitors, but now we project that there will be 17,000. There have now been upwards of 15,600 attendees at that. As you know, we use Focus Farms as a medium through which to conduct some of the health and safety training. The Committee, having recently visited one of our Focus Farms, will be aware of the type of work that is ongoing. Those are greatly valued elements within the programme.

Mentoring is another aspect. We are conscious that it is a highly valued element, together with succession planning. We were conscious that we might not hit the target, but now we are scheduled to hit it. Across all measures in axis 1, we have achieved the targets. That includes PMG, in which we were to target 100 projects, but now we are planning to exceed that.

Mrs Keegan: So, we have good figures on axis 1.

Part of what axis 3 does is involving the community through local action groups. That is part of the way to achieve objectives as well. To have a sustainable rural community, we must involve the people who are there. That is certainly what we do with the local action groups. People on this Committee also sit on the local action groups, and that is a good thing. By doing this, people who are close to their community can make decisions about what is best for it and decide what calls for applications to make, because they will know that there is an issue, perhaps in their particular area, whether it is for farm diversification, tourism, business or whatever it might be.

Axis 3 tries to improve the quality of life for a sustainable rural community, and working with the local action groups has been a good thing, albeit there are problems that we all know about, and which we are getting past. I think that that is a big part of it.

Previously, there was a bit of criticism from the industry that DARD was delivering the Peace II farmers' programme directly. That was one of the reasons why we looked at using a delivery agent, someone close to the community and who understands the issues well. I think that that is right, and it is probably what government should be doing. Within axis 3, objectives have been met as well.

Gareth, do you want to add anything about axis 3?

Mr Gareth Evans (Department of Agriculture and Rural Development): It would be wrong to say that it was not hard at the beginning. The poor economic climate hit axis 3 of the programme very hard. I can say that we are now coming out the other side. We are making significant progress, and we have more than doubled the spend every month. We are working very closely with clusters and, where necessary, we are working with applicants along with cluster staff. We are trying to pull through good investment on the ground. Despite the economic climate, we have had a good impact across business and farm diversification. On the social side, particularly in tourism, we have some very significant projects out there that are starting to see end results and an increase in visitors in rural areas.

The Chairperson: Thank you. That is your positive question over. We will go back to the underspend. There is underspend in axis 1 and axis 2, but it is more stark in axis 3, as Gareth explained. We know the reasons for that, and it is not least the financial climate. The planning department had a major part to play in that also, and so on. However, we are at this point now. This question could be positive too: what is your master plan for spending all of that, approximately, £100 million? There are only so many multi-use games areas (MUGA) pitches that the country can take. What is your master plan?

Mrs Keegan: One of the things that local action groups need to do, and are trying to do, is to make sure that they commit as much money as possible through letters of offer, that they get good projects and that they get their commitment out there.

We are working with them to make sure that they have their commitment and, perhaps, reserve projects if some fall by the wayside. We also want to know whether they have something that they can bring forward, because that, if you like, is their plan B, and they have to have that. Local action groups are genuinely trying to do this. If some of the bigger projects — for example, those that we talked about in the Committee previously — fall for one reason or another, then something else can be brought forward. That is a plan that all local action groups have bought in to, and they all know that that is the thing that they want to do.

Some of them are even starting to think that they might open up again and, perhaps, have another call. I think that some are looking at farm diversification again and trying to get planted ancient woodland sites (PAWS). We will have the list there so that we can spend. We know that there is dropout on some projects for various reasons that may have nothing to do with the local action group, but some projects just do not go. That is the first plan.

We are talking to local action groups tomorrow in a strategic forum, and David Small and I are going out to see them individually. As you would expect, they tell us that they want to spend the money. They really do want to spend it, because they represent their area. Nobody wants to have to say, "Well, we haven't spent it", even if it is nobody's fault. Therefore, they are working very hard. If, for some reason, the money is not spent, we have to see whether something can be done with it for the rural area. We are all together as partners in this with the local action groups, and we want to try to make sure that it goes out to those areas.

Mr Byrne: I welcome the presentation. It is fair to say that there was a mixed bag of views about the rural development programme in the past. We are becoming a bit more understanding about why farm diversification, microbusiness support, tourism and the private sector may not have worked as well as was intended. Largely, it was because they could not get core funding from their bank or from their own resources.

Do you have any concerns about cultural, sporting or community-based projects being funded generously? It seems to be easier for them to get money from the rural development programme, but it is fair to say that they are also in a stronger position to get funding from councils and/or other public bodies. That is where the mixed bag of views is causing tension. We have to look at how we can marry the objective of rural development, which will be the private sector business and farm-related premises, alongside community development projects. I am better informed than I was some time ago, but I still think that there is a gross sense of injustice among the farming community. They feel that their modulation money is being tipped into projects that are, as they see it, benefiting some communities or some areas but are not directly related to their efforts.

Mrs Keegan: First, we do not want the farming industry to think that way. The farming industry gets 80% of the rural development programme as a whole. Obviously, a large majority of that is through

axis 2, but some is also through axis 1, which we have just talked about, and, indeed, there is the farm diversification measure in axis 3. So, a lot of money goes out.

To go back to your point about community development programmes or sporting organisations; yes, there has to be some sort of balance as well about what goes out there. Axis 3 is for the wider rural community and is there for everyone. On the sporting point, we do not directly fund sporting organisations for their core business; and the Chairman mentioned multi-use games areas, 3G pitches and everything. That is not what it is about. We fund organisations and projects that have a wider rural community benefit. I appreciate that that is not always accepted or that the perception is not always there. However, Joe, I think that it is about trying to get some sort of balance between helping the community and industry, which is very much what DARD wants to do and feels that it does through the RDP, and Michael talked about numbers and everything else. Indeed, through farm modernisation, you are helping suppliers as well; you are helping the economy. So, it is going directly into farmers' pockets, and you know that a bigger capital scheme is there for the new programme if that takes off. But you have the whole economy being involved in that as well.

However, rural people and community associations will say, "Well, you know, we want our chance to work on broadband or on our own rural business", whatever that may be. It is about getting the balance right, and that comes back to the point that I made earlier. It goes out through local action groups, and even though there are six priorities in axis 3, those groups make decisions on the ground. As I said at the beginning, I think that it is right that they should, because they know their areas. For example, a local action group in Fermanagh will know that you may want to do more in tourism. That is what it is about, and they will know whether there are gaps that they should be targeting, including on the farm diversification side.

Mr Byrne: I will just follow up on that, Pauline. You mentioned "broadband", which many in rural communities feel very aggrieved about.

Mrs Keegan: Yes.

Mr Byrne: We have heard so many times in the Assembly from DETI and DARD about money being put into broadband, but people see no tangible improvement. There seems to be something badly wrong with the way that contracts are issued to companies that are asked to deliver broadband but that do not perform. I certainly know farmers and people with rural businesses and who feel very annoyed that there is no broadband service where they live, despite being told that money has gone into different projects.

Mrs Keegan: At the moment, as you now, our Minister's intention is to put £5 million into the DETI broadband project. She has been very clear with us that it will go into the rural community and that we must see that happening. There are issues with broadband, about whether suppliers sometimes feel that it is commercially worthwhile to put it into very remote areas. That is a commercial issue that we have seen.

Mr Byrne: But, in the past, lucrative contracts were given to particular private companies and there has been non-delivery and non-performance.

Mrs Keegan: It is not in DARD's remit to give the contracts directly. However, clearly, the Minister agrees that broadband for the rural community is important. We are trying to see what we can do, but we cannot do it in DARD. I think that you are right and I accept that there have been problems and they are well known. We are trying to push this through. Gareth, do you want to add anything about broadband?

Mr Evans: Yes, The £5 million that we are putting into the project will be targeted. There are 7,539 rural postcodes that have been declared "not spots", in other words they have a service of less than 2 megabits, and the DARD funding will be targeted at those "not spots". We are very keen to see that and the Minister is certainly extremely keen to see it. We are looking at providing some mechanism in future programmes for very small areas that may not be covered. There will still be some small areas that are not covered by the next project, so we are looking at a mechanism we can put in place to provide some funding to bring those communities on board.

Mrs Dobson: Pauline, the previous programme came in for much criticism when we held our stakeholder event. Can you give us a commitment that you will adopt a can-do attitude towards

applications and move away from the administratively heavy and inflexible process? I am sure you are aware of the damage it has done to the reputation of the programme. Will those who applied under the current programme be helped to reapply?

Mr Evans: Pauline, I will answer this. In the new programme, one of the things that the European Commission was very keen to see was animation on the ground. In other words, it wanted to see groups going out and helping individual applicants to bring forward applications. So, in the new programme, there are 5% additional administrative funds to help provide for that so that groups can go out and work with individuals on the ground to bring the projects forward. So, instead of having an open call and getting 1,000 applications, you will have an open call and have very targeted applications coming in because you have already dealt with the initial surge of people who do not know whether they can apply or not. That will definitely be in the next programme.

Mrs Dobson: That is something that was certainly lacking in previous programme, so you have learned the lessons.

Mr Evans: It is also down to a recognition from the Commission.

Mrs Dobson: That is very welcome.

Mrs Keegan: Gareth made a good point. Sometimes, and you can understand this, people would apply and not really know whether they could get through the process or whether their project meets the criteria. So, the animation that Gareth is talking about, which we hope to see as soon as possible, will be helpful.

Generally, with administration, you are right that there has been frustration about bureaucracy. There will always be a level of bureaucracy, and there is no point in saying anything different, because it is public money and it has to go through processes. It is always the one project that does not work or goes dreadfully wrong that everybody hears about: they may not hear about the 4,000 other projects that are fine. I know you appreciate that.

We will look, where we can, at the requirements in the programme. We will ask whether a £250,000 project and a £5,000 project have the same requirements. Some may be the same in some ways, but others may not need to be that way. Nobody really wants the programme known for bureaucracy. One of the reasons why I put the project list on was to show that it is known for the good projects. We have done some simplification on the axis 1 side as well.

Mrs Dobson: Certainly, as you say, more needs to be done to make the process simpler, because if you are applying for £1,000 or £100,000 the process is the same. One size does not fit all, and you can see why so many people are put off. So, you are addressing those issues.

Mrs Keegan: Yes, we are taking that on board. We tried to do that in farm modernisation, where we went for the reference pricing as regards a whole lot of quotes. That was simplification that, to be honest, we had to do a bit of work on. We would like to see how much more we can do. There will still be the requirement for audit: there will still be our own audit and the European audit.

One of the good things, talking about local action groups, is that they have learned about it as has the axis 1 delivery agent. They have learnt how to deal with it: they may not like it an awful lot, but they have learned how to deal with it. In answer to your question, where we can, we will.

Mr Evans: We suffer really badly from not hearing from the people who go through the process, find it easy and come out the other side. We had the Balmoral show last year, and the Department was very determined that we would try to give a good front and show projects. I went round every one of the, I think, 33 projects there. It was good, from my side, to hear that the majority of people thought that it was a good process and that they understood why some of the bureaucracy was there. Those are the people whom we sometimes just do not hear about.

Mrs Dobson: So, you are promising a better, improved new programme. You spoke about going out to the farms and whatever, but how are you going to ensure that groups such as young farmers and rural entrepreneurs will have the information that they need in order to apply? Do you see a need to resell it, so to speak, to the communities that have switched off? If so, how will you do that?

Mr Evans: Again, it is back to the animation. When done properly, it is a very powerful tool. As a Department, we are very keen to go out at the first opportunity and — this is the best phrase that I can think of — market the new programme. When the programme is there, we want to go out and market it in order to inform people about it. We will then, very quickly, bring the local action groups along to start the animation process and build up a head of steam so that we can dispel some of the myths around the current programme and provide a feel-good factor.

Certainly, as we move into the last couple of years of the current programme, a feel-good factor is starting to come in. People in the local action groups and on the ground are starting to see the spend and the projects. We have over 1,500 projects on the ground now, and there are some extremely good ones. As I say, there is a list of them there. So, we definitely have a plan going forward.

Mr McLean: We are happy to report that over 90% of applications to the current farm modernisation programme were made online. It was a very objective-setting measure, but, again, it was very much a one-way transaction where farmers would provide off-the-shelf specific items, and we would come in later to provide verification and administration. The vast majority of those applications have been welcomed by the community and have gone through. OK, there are some cases where we have had to provide, for example, verification and anti-fraud controls.

We have received the consultation responses to the new programme, and we are looking at the three tiers that have been put forward for farm business investment. That is why we are looking at business plans that are proportionate to the level of grant that they are looking for and to the level of effort needed. Rather than it being a one-way process, we want it to be a two-way process, in which we seek to find out the farmers' needs. We are setting up business support groups that will look at and try to channel their needs, do a needs assessment and then feed that into it.

So, we are working more in a partnership arrangement. We have seen that with the likes of PMG for the larger projects. We work very closely with project promoters. We have a good relationship with them, and we have allowed flexibility and change throughout. We have also downscaled and made it proportionate. We have reviewed continuously and brought in a simplified process for those saving under £50,000 where they do not need a full business plan. Really, that is where we have listened to promoters. We have listened to the community and tried to improve as we go along. So, we are currently considering the responses not just to the PMG under priority 3 but to the farming community under priority 2 and, obviously, to the wider industry.

Mrs Dobson: Will you consider collecting the views of all applicants so that you can evaluate how successful the new programme has been in meeting their needs? That would certainly be useful data for you and would give you a broader picture.

Mr McLean: We certainly want to learn lessons from the current programme. In training, for instance, you would have evaluation information about what farmers want. Take health and safety, for example: we get figures back on how many want to go forward for accredited training and how many want to have farm inspections. So, we get a good feel for what they want. We want to make use of that evaluation information.

As you will be aware, under the next programme, we will have to go to our ex-ante-evaluators to talk about the rationale behind what we are doing and whether that feeds in with the needs of the community. So, all those lessons will be learned, and we will certainly take recognition of all the consultation responses, which we are doing at the moment.

Mrs Dobson: Finally, and this is something that was touched on earlier, you said that there will always be administration, but what will you do to reduce the percentage of funding that is allocated to administration of the programme?

Mrs Keegan: Take the LEADER programme as an example: as Gareth said, along with the money that will be there for animation work, which is, I think, important, and which what we want to do, there will be 25% available. The good thing with this programme has been the fact that local action groups have not just spent the money because it is there. We tie it to the project spend, and we will probably look to do that again. Depending on what we have to do from the regulation and everything else, and on what is really good practice in procurement and everything else, we will listen where we can and we will talk to stakeholders. To go back to an earlier point that you made, it is most unlikely that measures will go out without our speaking to stakeholders across the board. We did that the last time

as well. Where we can, we will try to make sure that the money goes out on the projects. That is always what everybody wants, including the local action groups. Your point is well made.

Mrs Dobson: Can you give a guarantee that the costs of administration in the new programme will be less than they are currently?

Mrs Keegan: Rather than give guarantees at this point — and I am not trying to be slippery with you on this — we have listened and we know that administration has been a criticism. Again, I would have to say on behalf of the local action groups, because there was quite a lot involved in setting it up — and there genuinely was quite a lot involved in setting it up — that the administration costs have continued to come down and down. If we want to involve local people, there is a cost to that. What we all want to do, and that includes the local people, is to keep the cost as small as possible. To answer your question, it is important and it is being looked at seriously. It has not been set aside.

Mrs Dobson: Is it in line with the DARD targets?

The Chairperson: I am going to have to move on.

Mr Irwin: Thank you, Chairman.

As the previous member has highlighted, I think that it is absolutely vital that there is a simple process in regards to small amounts of money. There is no doubt that those applicants who are looking for, say, between £1 and £5,000 walk away just before they go through all the red tape. I declare an interest as a member of Southern Organisation for Action in Rural Areas, but we had quite a high level of decommitment, and quite a high number of those were people who were fed up with the red tape. You can put a glossy picture on it, but even staff in some of the LAGs will tell you that they, too, are frustrated with the process at times. They may not say it openly, but they will say it to me. Clearly, the process is over-burdensome, and something has to be done to rectify that in the next programme. Again, I think that that is one reason for the high level of spend as far as administration is concerned. It is burdensome and problematic. All those people who decommitted had to go through a process, and staff had to spend a lot of hours on that.

I am looking at a total spend of £52.9 million, £41.5 million on the project and £11.4 million on administration so far. A further 295 applications have been processed, and £15 million has been sought for that. I see that there are another 156 applications for which £6.1 million has been approved. Are those 156 applications part of the 295?

Mrs Keegan: My understanding is that those are additional, so it would be £15 million for the 295 applications. These letters of offer are actually ready to be issued, or in some cases may have gone out and need approval to come back in, so that would be additional.

Mr Evans: That is on top of the £82 million that is quoted. The up-to-date figure, as of today, is that we now have a commitment of £83.3 million. We have £5.3 million of applications that have been approved and which local action groups are processing to letter of offer or are holding in reserve to keep them to 100%. We also have another £11.8 million of applications going through the process. As Pauline said earlier, we have been talking to each of the clusters and we have been getting them to the point where everybody understands that 100% is our target and we are trying to build in a bit of fat around the process. We are working towards having a reserve list in each of the clusters so that, as we get a bit of decommitment on the way through, that can be replaced. The knack is getting that at a point in time to come in as close as you can to the 100%.

Mr Irwin: You said that there is £88 million at the moment.

Mr Evans: There is £83 million.

Mr Irwin: How much of that is for strategic projects?

Mr Evans: Seventeen million pounds.

Mr Irwin: Those were brought in to try to utilise moneys that were not going to be spent. Is that right?

Mr Evans: It was to rebalance the books a bit going through the process. The good news is that just over £3 million has been spent this year. Another £6 million will be spent before the end of this year. It will significantly raise the spend and investment across axis 3.

Mr Irwin: That was not the aim of the programme at its outset. The aim was to create jobs and sustainability in rural areas. Is that right?

Mr Evans: One of the things that I would point you to — Paul alluded to it in the introduction — is quality of life. A significant part of what we are doing now goes towards quality of life and the economic side. It is a balance between the two.

Mr Irwin: I think that the goalposts had to be changed a few times.

Mr Evans: Pardon the pun.

Mrs Keegan: I am not sure that they have. There is no point in trying to hide the fact that spend has been difficult. We have talked about that many times at Committee. Some of the local action groups said that being able to get the bigger projects going out, which would have more of an impact on an area, is a good thing and something that they supported and that they wanted to do. It is a balance. I am not saying that it does not help spend. There is no point in giving money back. That would be crazy. I know that everybody agrees with that around this table. You also want to spend it on projects that actually have an impact. I hope that the majority of those do.

Mr Evans: Do not forget, William, that a lot of the strategic projects are build projects. The building industry in rural areas has been heavily hit. This has had an impact on that and has in some way rebalanced it a bit around some of the rural areas.

Mr Irwin: Absolutely. None of us in this room wants to see money being sent back. It is probably a lesson for the next programme that we try to get things right so that we are not sitting in the last year trying to throw money everywhere we look to try to get rid of it.

Mrs Keegan: I agree. I do not think that the local action groups would say that that is what they are doing.

Mr Evans: You always need to invest money. We never throw it away.

Mr Irwin: A lot of people would say that.

Mr McAleer: Since I signalled my wish to speak, my questions have already been asked, so I will just make a point. It is important that we look at the broad rural areas as well as the needs of the farming community. We should not underestimate the impact of some of the projects. On Thursday, I attended the opening of a preschool project in Drumquin that was part-funded through ARC North West. It is not on your list yet, but it will probably be on an updated list. We cannot underestimate the impact that that will have on that dispersed rural community. It was part-funded by DARD and a cocktail of other funders. The point that I want to make is that it is important that we look at the broader needs of the communities as well as the needs of the direct farming community.

Mr McMullan: I came in near the end of the conversation with the other people. If the money is transferred from pillar 1 to pillar 2, how will that affect your six measures? I am worried a wee bit about the community and village renewal. Do you have a plan for that, or what?

Mrs Keegan: Well, the measures are a little bit different in the new programme, Oliver. It is not the six measures, although, having said that, it is not terribly far away from them, because there is tourism, village renewal, business and everything else. As Rosemary said, we will just have to wait and see how that works out. From the point of view of priority 6 in the new programme, we do not know what the budget is. It has not gone to the Minister yet, or anything else. We are considering all of the responses to the consultation. So I cannot really give you an answer to that, because I do not really know what it is.

Mr McMullan: We have an idea how much less we have.

Mrs Keegan: No, we really do not. Not until everything comes into place. Priority 6, which is the wider rural community measures, is as important as any of the other priorities.

Mr McMullan: Can you see yourself going head to head with the farming lobby?

Mrs Keegan: I hope not.

Mr McMullan: Are you prepared to?

Mrs Keegan: I see the farmers as being part of what we do. I know, and we have talked about it, that there has been some tension in the past, but I do not think there should be, because farmers need money for their industry, and there will be priorities that help that from a competitive point of view. Farmers can also apply for farm diversification, tourism projects, rural businesses and everything else. I do not think I want to go head to head, simply because we need to be in this together.

Mr McMullan: The last thing is, when your new programme comes in, do you see a role for the joint council committee (JCC)?

Mrs Keegan: That is an interesting question.

Mr McMullan: That has always been mine, anyway.

Mrs Keegan: I know.

Mr McMullan: Do we have that in there? Is there a need for that layer of bureaucracy?

Mrs Keegan: It was part of the consultation. I have to say, from speaking to some local action groups and other stakeholders, that they would say that maybe the JCC has not been a great thing, maybe it has slowed things up, and maybe we should not have it next time around. To be honest, one or two have said that it has worked OK for them, because they have managed to get it through the local action group and the JCC very quickly, but from the point of view of bureaucracy, speed, getting things out and everything else — I would not like to say before consultation, stakeholders or the Minister — there might be an argument for there not being a JCC next time.

Mr McMullan: That is fair enough.

Mr Byrne: To follow on the general thrust, are LAGs all performing equally, or are some performing better than others?

Mrs Keegan: I think they are all performing pretty well now. I think it took some of the smaller ones a bit longer to get up and running, but I think they are all performing pretty well now. As I said earlier, the LAGs tend to look to see what the needs are in their community, and they are different right across the board. From my point of view, over the last couple of years we have all learned things about the programme, and as you learn you get better at it. That is for all of us.

Mr Byrne: Do some LAGs have a different ideological outlook? I heard recently of a LAG that rejected four or five private sector projects because they favoured some of the social and community projects.

Mrs Keegan: You have that situation if you have 20 people sitting in the room, half of whom are councillors and the other half of whom are rural stakeholders, including farmers and whoever else that may be. The thing about the bottom-up process is that they are the ones who make the decisions. I would be surprised if local action groups were not giving money to business and the private sector, because that helps that economy. There is a need for local action groups to look right across the measures that they have. If, for example, one measure was not getting any money, we would want to know why and we would be talking to the LAG about that. However, you do have that situation when it is bottom up and it is not people sitting in ivory towers, as some people might describe DARD. It is people who are in the community making the decisions.

Mr Byrne: I respect that, and I can see that there are different ideological sentiments or objectives. However, the professionalism of the officers is crucial in this regard. Can we be confident and content that there are the same professional standards across the board?

Mrs Keegan: I think that the local action groups, and the councils that have been involved with getting staff into the local action groups, have been particular about the type of people that they have brought on board. The local action groups tell me that their managers and project officers are of a good standard and understand what they are doing. Joe, I think that everybody has learnt. I have to say that. As Jo-Anne said, people feel a lot more confident now dealing with the bureaucracy of a programme like this. I agree; it is important that people who work in the local action groups understand what they are doing. At the beginning of the programme, we put training courses in place to try to help people through the finance stuff and all the EU stuff, and we will be doing the same again. We hope to work with the councils in the same way.

Mr Byrne: Thank you, Chairman. I have said enough in that area.

The Chairperson: I feel your burning frustration at times too, Joe. To finish up, a number of questions regarding the capacity to spend in some areas have come out of what Joe has said. We know that some of the areas are much more urban than not, and that there are only so many farm holdings or agriculture businesses. This could be controversial, but is there the need to be able to transfer funds from one area to another, because they have more capacity to spend?

Mrs Keegan: That could be the case.

The Chairperson: Is that part of your thinking to wrap up the programme?

Mrs Keegan: It is part of our thinking now that we can do that, and I suppose that it has been for a while, because, as you say, if an area hits a brick wall on something and feels that it is maxed out, and another area says, "We could get 600 applications in on that", there is no reason why that should not happen, Chairman.

The Chairperson: OK. They would be facilitated.

Mrs Keegan: Yes, we would like to facilitate that, because there is logic to it.

The Chairperson: Another thing that I have always felt aggrieved about, although I have not been on top of it over the past six to 12 months, was the system whereby a business was located within the 30 mph speed limits of a town. You may be on the edge of a town or an industrial estate, yet you supply to and service everything in the rural area, whether that be machinery, fencing or whatever. So you are, for all intents and purposes, an agriculture business, but, for planning reasons, you are based in an industrial estate on the edge of a town, and that has restricted you from applying. Maybe it is the case that you have looked at that.

Mrs Keegan: It is the case that somebody who is doing something that benefits a rural area, exactly in the way that you have described, should be looked upon favourably, if everything else meets the criteria, obviously. It should always have been the case.

Mr McMullan: There was one in Ballycastle that was funded in my time. It was in a town, but it was proven that it supplied 60% or 65% of the rural area. That was proved in the application and was passed.

Mr Evans: It is down to the evidence of proving, but it has always been in the programme. It was carried over from LEADER+. We introduced it to LEADER+. We had a number of cases; in fact, we had one, in particular, where the 30 mph sign was outside the front door of the business.

The Chairperson: That is good news. I was not aware of that. There are no further questions. Thank you very much for your time, information and answers.