



Northern Ireland
Assembly

Committee for Agriculture and Rural
Development

OFFICIAL REPORT (Hansard)

Business Plan 2013-14 Progress Report:
DARD Briefing

26 November 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Paul Frew (Chairperson)
Mrs Jo-Anne Dobson
Mr William Irwin
Mr Declan McAleer
Miss Michelle McIlveen
Mr Ian Milne
Mr Robin Swann

Witnesses:

Mr Andrew Elliott	Department of Agriculture and Rural Development
Mrs Pauline Keegan	Department of Agriculture and Rural Development
Mr Graeme Wilkinson	Department of Agriculture and Rural Development

The Chairperson: I welcome Graeme Wilkinson, assistant secretary; Pauline Keegan, grade 5 assistant secretary; and Andrew Elliott, grade 5 assistant secretary from the Department of Agriculture and Rural Development (DARD). You are very welcome, as always. You are no strangers to the Committee.

Members have had the chance to read your briefing paper, so I ask you to be concise in addressing the Committee. It would be helpful if you could outline the main issues and provide new information that is not in your paper. Graeme, if you are leading off, I will give you about five minutes if that is OK. I remind members to be succinct and to keep to two questions if possible. If that is clear, it is over to you, Graeme.

Mr Graeme Wilkinson (Department of Agriculture and Rural Development): Thank you, Chair. I will be brief. Thank you for the opportunity to present the Department's mid-year report on our business plan targets. You will see from the information provided that a detailed analysis of each target has been completed. The results of that are in appendix 1 to the report. A financial analysis of goal 1, target 2 is in appendix 2. I have also provided the Committee with the Programme for Government target updates as of 30 September. Those are included in annexes A to D.

The report has been produced using the normal red, amber, and green statuses for each target. As of 30 September, 18 of the targets are reported as green, six as amber/green, three as amber and three as red.

I advise the Committee that three of the four Programme for Government-related business plan targets are reported as green. The exception is goal 2, target 3, which is recorded at page 12 of the report. That relates to the relocation of our headquarters. You will see from the update provided that

progress is being made; however, the business case process was not completed at the end of June, and it has therefore been reported as red. I advise members that the business case is in the process of being quality assured and that the overall Programme for Government commitment of advancing the relocation of headquarters remains broadly on course to be achieved.

The other red targets in the business plan relate to the publication of the rural White Paper action plan and commencing the procurement of a new Northern Ireland food animal information system (NIFAIS). Although good progress has been made by all Departments in the first year of implementing the actions in the action plan, the target to publish an annual progress report by 30 September was not met. The reporting period ended on 30 June, but, in practice, it proved difficult for some Departments to draft and obtain ministerial approval for their input over the holiday period. We are in the process of finalising the report, and it will be formally submitted to the Executive for consideration. Work is progressing on the NIFAIS project; however there have been some delays in updating the business case. This has had a knock-on effect on the project timetable, and it is unlikely that the competitive dialogue process will commence in this financial year.

The report identified three targets as amber. Those are the maintenance of flood protection; managing the Department's funding within 98.5%; and achieving a staff absenteeism target of 7.8 days or fewer. Updates on each of those have been included in the report.

That concludes my introductory comments. My colleagues and I are happy to address any questions that you might have. If there are any questions that require further clarification and that we are unable to answer, we are more than happy to respond to the Committee in writing.

The Chairperson: Graeme, thank you very much for being succinct and clear. I appreciate that greatly. Members, I would appreciate it if we could be just as succinct. We have to be disciplined. This is wide-ranging, there are so many topics and issues, and we could talk all day, but we cannot. I will be very quick, concise and clear.

I want to take you to the Agri-Food Strategy Board's plan, which was published in May. You have the target for that plan as green, and the report states:

"Considerable work has been undertaken to prepare the Executive Response to Going for Growth in the coming weeks. A number of early actions to support the report's recommendations are being planned/have been implemented."

You have that marked as green, and yet we do not know what the formal response is to the Agri-Food Strategy Board's plan. Why is it green, and when are we likely to have the formal response from the Minister of Agriculture and Rural Development or the Executive as a whole on the report, bearing in mind that some of the recommendations are in the process of being implemented?

Mr Wilkinson: At this stage, we are developing that response, and the Minister has been involved in that process. A paper is being prepared to go to the Executive that will put forward our response to 'Going for Growth'. There were quite a number of recommendations in the report — there were 118 — so it has taken a bit of time to digest those and to put in place the actions. That plan has been developed, and our response has been put forward and will be discussed at a future Executive meeting.

The Committee will have seen our capital investment plans that we put forward as part of the 2014-15 capital exercise in the October monitoring round. We were successful in getting some funding — £2 million in the 2014-15 financial year — and we have also been given first call in the June monitoring round exercise in that year. A lot of work has been done in the Department to progress those things. The report will be discussed at a future Executive meeting and, hopefully, we will have a response soon afterwards.

The Chairperson: Why is it taking so long? I know that there are 108 recommendations and that it was a very broad-brush report. Why are the cogs turning so slowly?

Mr Wilkinson: There are 118 different recommendations. It is a very complex area, and the report goes across all the sectors that are impacted in the agrifood industry. It is important to take the time to develop those plans. This is a fundamental change to the way that we view this business, and it is vital if we are to grow the economy. We need to take the time to develop those plans and ensure that

we are doing the right things and are not doing something that would harm or have a detrimental effect on the industry and our growth plan.

The Chairperson: OK. I am going to move you on to goal 3, target 4. That deals with the Northern Ireland food animal information system, which will replace the animal and public health information system (APHIS). That target is red. In the report, the Department commented:

"This target date, which is part of the overall critical path, has not been achieved due to delays in progressing through the quality assurance process and the need to consider the affordability gap for the programme with the Departmental Board."

What do you mean by "affordability gap"?

Mr Wilkinson: As you might imagine, Chair, a number of things have changed with the costs of the overall project. Those costs have escalated during the development of the plans and the design processes. It is about how we fund the project going forward. That is particularly difficult given the longevity of the project. It will be over a 15-year period and will cut across a number of budget exercises. It is about understanding the resource and capital consequences and how we are going to afford that very sizeable project. As you know from previous presentations that have been given to the Committee, a sizeable amount of money is involved in this project. It is about the escalating costs of the project and how we fund it. It is also about our engaging with the Department of Finance and Personnel (DFP) to try to secure the necessary funding. As you can imagine that is a difficult process, given the commitments that we need in future years.

The Chairperson: What items in particular have escalated?

Mr Wilkinson: In particular, it is the exit arrangements with our current contractor that provides the APHIS system. There are contractual arrangements in all of that and financial consequences to that. It is about getting agreements in place with our current provider to allow us to migrate the new system in a planned and managed way. There are financial consequences to that that we did not realise at the start of the process.

Mrs Dobson: Graeme, at our previous briefing in May we touched on the better regulation action plan with regard to the 25% target. I was told in March that you were claiming 4.3%. What is the update on the exact figure now?

Mr Wilkinson: The Committee had a session on better regulation with Gerry Lavery earlier this month. At that point, we were reporting a 10.4% reduction — that was the final out-turn — against the 25% target. The answer to your question is 10.4%.

Mrs Dobson: OK. Can you give us an update on target 3 of goal 3, which is the TB eradication programme? In the target assessment for goal 3, you state that:

"A significant part of the preparatory work for TVR has been completed"

Can you update us on your actions to obtain permission from farmers in the Banbridge and Castlewellan areas and on the possible third area?

Mr Wilkinson: The report sets out where we are at with all that. I am not close enough to it to give you an up-to-date report on where we are, but I know that our colleagues in the Agri-Food and Biosciences Institute (AFBI) are progressing the badger sett surveys. They are doing a lot of groundwork to progress how the test, vaccinate or remove (TVR) programme is going to be rolled out.

Mrs Dobson: It is graded as green here.

Mr Wilkinson: Yes, it is.

Mrs Dobson: Is there any detail that you can give us? In the brief, you state that:

"further progress is dependent on ... approval of the Outline Business Case, approval of the FFP ... and securing funding."

How confident are you that that approval will be forthcoming?

Mr Wilkinson: That is a process that we are currently going through. I understand that the outline business case (OBC) is currently with colleagues in economics, and that will have to be gone through. As I said earlier, affordability is going to be a major point in all this, and doing this research is going to cost a significant amount of money when our resource baseline is under severe pressure.

You will note in my report that I have put our resource out-turn as amber because we are under very tight financial constraints. Affordability will be a major issue for the TVR programme. We are trying to get a good handle on our costs because it would remiss of us, at the outset, not to get a clear picture of the cost of rolling out this research and what the benefits are to that. We are currently looking into that issue to see whether it is good value for money.

Mrs Dobson: Do you have any details on the possible third area yet?

Mr Wilkinson: I could not comment on that, Jo-Anne.

The Chairperson: We can write to the Department.

Mrs Dobson: I suggest that we do that.

Mr McAleer: Graeme, I want to ask about goal 2, target 2, which is to do with the rural White Paper action plan. The commentary states that a meeting took place in July to discuss progress on implementing actions to date. I note that the target assessment is red. What specific actions have been advanced, and what progress has been made on them?

Mr Wilkinson: The target assessment is red because we have not produced the report on time. We are being a bit hard on ourselves, because a lot of the work has been done across a number of Departments, including the Department for Regional Development and the Health Department, and that has been very positive. We are being hard on ourselves by reporting that as red, but work has been completed on that, and we are working well with the various Departments across the Civil Service.

Mr McAleer: Do you have any indication at all of when you will be in a position to formally submit that to the Executive?

Mr Wilkinson: My understanding is that it is currently in draft and that we are not that far away, but I am not in a position to give you an exact date for presenting it to the Executive.

Mr Irwin: I want to ask about the target for TB at goal 3 and the fact that you are trying to secure funding, which is forecast as £4.65 million. I note that there is some concern about the fact that the funding comes to member states rather than regions. Are you saying that if the planned funding for England and Wales is not up to scratch, we could lose our funding?

Mr Wilkinson: That is a risk. We are constantly looking at the TB funding, not only at a regional level but across the Commission. As you will appreciate, the funding available to the Commission is reducing, so that funding may not be available in the future. We are keeping a close eye on that. You are right: there are risks, but we are managing it very closely.

Mr Irwin: So there are no guarantees.

Mr Wilkinson: There are no guarantees with any of that funding. All credit to the Veterinary Service, because it has worked very hard to secure that funding. A huge amount of work and effort goes into making sure that we adhere to the requirements of the EU TB programme. It is very difficult to achieve that. As I say, to the Veterinary Service's credit, it has been delivering against those actions, and we have secured funding in the past number of years.

Mr Irwin: OK. So what you are saying is that you could do all that and still fall down because of other parts of the UK and that, because there are issues with England and Wales's plan, the Northern Ireland funding may be at risk.

Mr Wilkinson: Yes, that is right.

Mr Irwin: So you could do everything in your power and still lose out.

Mr Wilkinson: Yes.

Miss M McIlveen: Thank you very much for your presentation. This is additional to the business plan, and I have mentioned it before. The Minister made an announcement about further financial assistance for the fishing industry in July this year. She said that the Department would look at the need for intervention in the form of a loan fund to assist fishing businesses to take up grant opportunities. I am just looking for an update on where that sits in the Department.

Mr Wilkinson: At this stage, I have not seen a business case seeking the funding for that. Again, I would need to take that back to the Department and then, perhaps, write to the Committee with a formal update on where we are with it.

Miss M McIlveen: I am conscious that we are now at the end of November and that announcement was made in July.

The Chairperson: We can go round again, members. I will give you time to focus your mind if you need or want to ask another question.

This is probably directed at Andrew. I do want to let you off scot-free, Andrew. Goal 5, target 1 is to:

"Meet the EU requirement to pay 95.24% of the value of 2012 SFP by 30 June 2013; publish 2013 SFP payment timetable in November 2013 and adhere to targets."

I know that those are EU requirements, but are they challenging enough? Should the Department seek a target and a level of achievement that is greater than that which the EU sets? Of course, you know only too well about the pressure that we in the Committee and in the Chamber apply on this issue, because it is money that people need for their business.

Also, the Minister stated, perhaps even yesterday, that if we can get people onto the computerised system, the targets for even greater percentages should be achievable. I think that the target of processing 90% of all payments by December is achievable if she can get 40% of people to use the computerised method. So, are the targets challenging enough, and what level should they be set at?

Mr Wilkinson: May I come in before Andrew, Chair? In the 2014-15 business plan, we are looking at putting in a target of the year end in March for the 2014 scheme year payments process. So, we are looking to tighten up our targets. That will come back to the Committee for consideration to make sure that the targets that we include are sufficiently tight and stretching for the Department.

The Chairperson: Are you happy enough with that, Andrew, or do you want to add to it?

Mr Andrew Elliott (Department of Agriculture and Rural Development): I just want to say one thing. I understand your question. This year, we introduced a new mapping system as a control. That created an enormous challenge for us. However, in that context, the target was not, I felt, challenged. It was really challenging to make sure that we were able to deliver payments and put a new control in place. It looks as though there will be a very positive outcome in December, and, hopefully, we will carry that on through. There is no doubt in my mind that we worked through an awful lot of risk this year to reach this position. Indeed, we will continue to work beneath the surface, as it were, and batter away to try to improve the quality of the mapping system. I concur with what Graeme said: we will look again at the targets for next year to see whether we can challenge ourselves even more.

The Chairperson: Thank you very much for your answers.

Mrs Dobson: I want to go back to an issue that the Chair touched on at the very start. Goal 1, target 1 is on the Agri-Food Strategy Board's actions coming from 'Going for Growth', and you said, Graeme, that the Executive's responses will be "in the coming weeks". I share the Chair's concerns that, six months on, we still cannot say when they will be published. The Minister recently responded to one of

my questions for written answer, saying that it would be "in the near future". So, I suppose that "in the coming weeks" is maybe closer.

Mr Wilkinson: I do not know, Jo-Anne. Did I say "in the coming weeks"? I said "at a future Executive meeting", I think.

Mrs Dobson: OK. Will we hear from the board when it is before us on 10 December? Is that likely?

Mr Wilkinson: I am not sure, Jo-Anne, about the choreographing of all that. It will have to go to the Executive for their consideration because there are financial consequences to all of this. It will need to have Executive approval before there is a formal announcement. It is very important to get it to the Executive and to get that agreement to the recommendations. It is also cross-cutting. The focus now is making sure to get it to the Executive and get agreement to the recommendations, and there is a process to go through after that.

Mrs Dobson: Then I will take the Minister's response of "in the near future".

The Chairperson: Before you go off the subject, Jo-Anne, I want to ask a question. The board was very clear that it wants a quick response from government. It wants a favourable response but a quick response. How is it feeling? Is there contact with it, and how do you feel about the speed? What is the critical time?

Mr Wilkinson: I am not sure what the view is from the board, Chair. I am sure that Tony will be able to articulate that. It is about the gravity, size and extent of it and the amount of funding involved. It is a significant amount of money: we are talking about hundreds of millions of pounds. As I said earlier, given the public expenditure climate that we are in, it is a big ask. A lot of thinking is going into making sure that there is a good response that is thought through and is the right one. So, there is lots of work going on in the background, and we are keen to progress it. There is an enthusiasm, and everybody in the Department is working very hard to make that response as quickly as possible. However, as you know, these things take time.

In addition, a lot of our actions will be delivered through the rural development programme, and I can also advise the Committee that lots of work is going on with that as well. That is a very significant programme. Our current programme, the 2007-2013 scheme, is £540 million. So, a lot of work is required to do all of that. Sometimes, it is difficult to appreciate what goes on in the background with business cases, processes and how to deliver these things. It takes time to work through all of that as well.

Mrs Dobson: I look forward to the board presenting to us. I think that it will be on 10 December. Hopefully, we will get some answers then.

I will move to goal 5, target 7. Can you give us an update on the initiatives that the Department is taking to deal with the problem of absenteeism?

Mr Wilkinson: As I said to the Committee during a previous update, we have put in place some processes for people's health and well-being, and there has been a series of sessions at which people have come in and given staff advice about stress, their health and how to look after themselves, and that has been rolled out right across the Department. So, we have been investing in people. We have also invested in the interaction between our departmental HR colleagues and staff to make sure that people get whatever they need to get back to work as quickly as possible. It is about engaging with our staff at every level, and we have continued to do that.

The issue is not unique to DARD. It is spread right across the Civil Service, and corporate HR colleagues are working on it to do all that we can do to address the increasing levels of sickness. DARD is not at the top of the sickness league table. We genuinely do have a good record on sick absences, but that is not to take away from the fact that we need to do as much as we possibly can to make sure that our staff are healthy and well and effective when they are at work and that we do everything that we can to bring those who are not at work back again.

Mrs Dobson: If you are not going to meet your 7.8% target, would it not be better if that were marked as red?

Mr Wilkinson: It is amber at this stage because we are taking those actions and seeking to achieve that target. There are risks in all of that. However, given that we are only halfway through the year, it would be remiss to mark it as red at this stage. We will come back to it as we progress through the year and update it as necessary.

Mr Swann: I am sorry if this has been covered, folks. When do you think that you will have an announcement of dates for the research challenge fund?

Mr Wilkinson: I am not sure, Robin. I would need to come back to you on that one when the dates are issued.

Mr Swann: I know that the Agri-Food Strategy Board is looking for innovative ways of researching, challenging and pulling down R&D. It is one of your targets and goals: goal 1, target 5. I thought that it would have been further up the Department's priority list.

Mr Wilkinson: I do not know, Robin. I will need to come back to you with the date for that, sorry.

Mr Irwin: Goal 4, target 3 is to:

"Open the third tranche of the Manure Efficiency Technology Scheme."

A bid for £1 million capital was unsuccessful. What way does that leave you? Do you have to make another bid for that?

Mr Wilkinson: We were unsuccessful in the 2014-15 capital exercise that was done as part of the October monitoring round. We will put it in as part of the June monitoring round process and seek to secure the necessary funding. We will also look at reprioritising our own capital allocation. We will look at where there are slippages in other projects and where we can identify the funding to make sure that it is available so that they can launch that further tranche.

Mr Irwin: So, at this stage, there is no guarantee of when that will be opened.

Mr Wilkinson: No, there is no funding available for that currently. There is a scheme, but we need to identify the funding to allow them to launch it.

The Chairperson: OK, that finishes the questions in this session. Graeme and Andrew, you are staying for the next session. Pauline, we are losing you. We wish you all the best. Have a good day.

Mrs Pauline Keegan (Department of Agriculture and Rural Development): Thank you, Chair.