



Northern Ireland  
Assembly

Committee for Agriculture and Rural  
Development

# OFFICIAL REPORT (Hansard)

Department of Agriculture and Rural  
Development Business Plan 2013-14

4 March 2014

# NORTHERN IRELAND ASSEMBLY

## Committee for Agriculture and Rural Development

Department of Agriculture and Rural Development Business Plan 2013-14

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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  
Miss Michelle McIlveen  
Mr Oliver McMullan  
Mr Robin Swann

**Witnesses:**

Mr Ian Humes	Department of Agriculture and Rural Development
Ms Elaine McCrory	Department of Agriculture and Rural Development
Mr Tom Rodgers	Department of Agriculture and Rural Development
Mr Graeme Wilkinson	Department of Agriculture and Rural Development

**The Chairperson:** I welcome Graeme Wilkinson, assistant secretary; and principal officers Tom Rodgers, Ian Humes and Elaine McCrory. You are all very welcome to the Committee, as always. Members have had a chance to read your briefing paper. I know that there is a lot of detail in the business plan, so I ask you, Graeme, to give a 10-minute presentation, after which we will ask questions.

**Mr Graeme Wilkinson (Department of Agriculture and Rural Development):** Chair and members, thank you for the opportunity to present the Department's business plan progress up to the end of December. I have also included in your packs the Programme for Government target update, which was presented to the Office of the First Minister and deputy First Minister in January. As you say, Chair, there is quite a lot of detail. You will be relieved to hear that I do not intend to go through each of the 30 targets.

I am joined by Elaine McCrory, who is happy to take any questions on Going for Growth, and Ian Humes, who is from fisheries division and will answer any questions on that. Tom and I will deal with any general queries. If any issues require further information or further clarification, I am more than happy to take those back to the Department.

I hope that the packs are now well embedded and that members are familiar with them. As was the case previously, the Department's 30 targets are set out in appendix 1 and include the achievements in the last quarter, planned action for the next quarter and an overall assessment based on the red/amber/green status. You have also been provided with appendix 2, which includes more detailed financial information on goal 1, target 2.

Overall, 22 of our targets are reported as green, two amber/green, one amber and five red. In September, we reported 18 as green, six amber/green, three amber and three red. The five red targets are the relocation of the Department of Agriculture and Rural Development's (DARD) headquarters; publication of the rural White Paper action plan; implementing rural broadband; the Northern Ireland food animal information system (NIFAIS) procurement; and staff absenteeism.

Progress has been made on the HQ relocation target, but we have not completed the business case process, for which a June deadline was set. However, the final business case has now been completed and is due to be discussed at the departmental board meeting on 12 March.

The publication of the rural White Paper action plan is also recorded as red, and that is because we did not achieve our reporting deadline of September. Although the target is red, it is important to say that a lot of good and important achievements are included in the report. The highlights are outlined on page 9 and include the 300,000 passenger trips funded through the assisted rural travel scheme and the 802 unemployed young people supported by the Boost programme. It is important to reflect the fact that there are some good achievements within that.

There was a procurement problem with the rural broadband scheme, which is goal 2, target 4, and the tendering process was not completed on time to allow us to roll that out. Our intention is to complete the £5 million investment during the 2014-15 financial year.

On goal 3, target 4, as previously advised, the NIFAIS procurement has not progressed in line with our original timeline. I can confirm, however, that, since December, significant work has been done on the financial plan, including the monetary benefits of the project. That is also due to be discussed at the departmental board meeting in March.

Finally, on the staff absenteeism target, you will see from the paper that we now forecast an outturn of 8.9 working days lost, which compares with the 7.8 working days in our business plan target.

The only amber target is the Rivers Agency target for 74% of fluvial defences to be in fair condition. The proportion of those in fair condition is being reported as just over 69%. Rivers Agency has diverted additional resources to address that, but it is unlikely that the target of 74% will be achieved by the year end.

That concludes my introductory comments. I am more than happy to take any questions that the Committee might have.

**The Chairperson:** Graeme, thank you very much for resisting the urge to go into the minutiae. We know that this is very complex, so we appreciate that you kept it very high level. We will try to go into the detail of it now.

Goal 1, target 2 relates to the rural development programme and the European fisheries programme. The targets are for axis 1, axis 2 and axis 3 of the rural development programme and the European Fisheries Fund (EFF). You report that two are green and two are red. What is your logic for assessing the whole target as green?

**Mr Wilkinson:** The logic is that, because we are ahead of our profile position, our spend is ahead of target. Overall, we will achieve our target of £72.7 million. The red assessment reflects the fact that two individual items relating to Forest Service grant claims and fisheries are behind target. Overall, our expenditure is ahead of where we anticipated it would be. So, in global terms, it is green, but we wanted to make sure that the Committee was aware of individual issues in those two areas.

**The Chairperson:** Why has there been such a low uptake of the forestry challenge scheme? It is anticipated that spend will be only £0.075 million as opposed to £1.95 million by the end of the year. I know that it is only a small proportion of the whole business plan, but it is a significant amount for forestry and an area in which we have underachieved for the past number of years. I am keen to find out why we have failed in achieving the target uptake and what needs to happen to change that.

**Mr Wilkinson:** It is difficult for me to be definitive. When we launch these schemes, we anticipate demand based on the details of a scheme. If this scheme is not sufficiently attractive to landowners, there is very little we can do about it. Planting out/afforestation is very important to us, and we will continue to try to make it as attractive as possible. The failure to meet the target is purely down to a lack of demand for the scheme.

**The Chairperson:** The other red assessment is for a £0.61 million underspend on the EFF. What are the reasons for that?

**Mr Wilkinson:** Again, that is predominantly down to demand for the various schemes. It would be remiss of me to not ask Ian to comment because he is closer to fisheries than I am.

**Mr Ian Humes (Department of Agriculture and Rural Development):** Two large projects affect spending, one of which is axis 4 — community-led local development. The difficulty was getting to a point at which we had an agreed business case and allowed the local action group to launch the scheme. It has now launched the scheme and received 35 applications. Although we are not spending on them in the current financial year, it is anticipated that they will spend their full budget by the end of 2015, which is when the current programme will end.

The other element in the underspend is an extremely large scheme that we are looking at. We have involved Invest Northern Ireland in the process of examining it. If successful, it will demand about £2.4 million of public subvention, so it is worth about £6 million overall. We are looking at all of the issues. We have not given any approval or issued a letter of offer. It had been anticipated that we would do so in the current financial year, but we are not there yet. However, if the project goes ahead, there will be a considerable spend before 2015.

**The Chairperson:** Ian, it would be remiss of me not to mention the financial support received by the fishing industry. I know that you will have had a hand in that, so I congratulate the Department.

**Mr Buchanan:** The sickness absence target is 7.8 days, and you are achieving 8.9 days. Sickness absence throughout Departments costs a huge amount. Is the correct policy being fully implemented? Has the Department done any internal reviews? Is the target set too high? If so, what should it be?

**Mr Wilkinson:** You are quite right, Thomas, to say that this impacts on all Departments. The permanent secretaries' group has been looking into it and recently carried out a self-assessment to make sure that the correct process and procedures were in place. I suppose, like everything, there are always things that you can do to improve, and we certainly seek to do so. We also carried out an online training and awareness session for all DARD staff to ensure that they were aware of the various processes and procedures in the Department.

I understand that a NICS-wide stress survey is being carried out to try to get a better feel and understanding of the underlying issues causing the increase in the level of sickness across all Departments. So we are continuing to look at it to make sure that we are doing the right things. You are right to say that there is a financial cost. We are persevering and making sure that we are doing the right things. It is very much on the agenda at the highest level.

**Mr Buchanan:** Thank you. You mentioned a delay in rural broadband. Will you clarify whether the scheme will target all the black spots in rural areas that the upgrading of broadband some time ago did not reach?

**Mr Wilkinson:** It is fair to say that, in the vast scheme of things, investing £5 million not tackle all the broadband issues across the North. I do not have the detail of the outcomes, but it is a step in the right direction. I could come back to you on that.

**Mr Tom Rodgers (Department of Agriculture and Rural Development):** The Department of Enterprise, Trade and Investment has issued a contract for delivery of the broadband improvement project. The tender was won by BT, which is drafting a full technical plan. When that plan is available, it will allow us to identify the areas that will benefit from the investment.

**Mr Buchanan:** Maybe the Committee could get a copy of the plan when it is available. Goal 5, target 5 relates to the delivery savings plan. The target is assessed as green, but the information provided is a bit scant. Will you give us some idea of what the income target saving delivery plans are? How much is involved?

**Mr Wilkinson:** I do not have the details with me. The overall target for the Department was £40 million over the four-year Budget period. There was a series of different priorities, and eight categories were identified. There are 52 savings delivery plans across the Department. I can certainly provide you with detailed information on all of those, if that would be helpful. They include

some big items: for example, we set targets for additional income from the EU and the Forest Service, as well as a range of other cost-reduction measures.

**Mr Buchanan:** Are you satisfied that the target will be fully met?

**Mr Wilkinson:** Yes.

**Mr Byrne:** I see a green light flashing at target 1, which deals with DETI and the Going for Growth strategy. To what extent has agreement been reached between DETI and DARD on the proposals?

**Mr Wilkinson:** My understanding, Joe, is that an Executive paper has been drafted and is subject to a future Executive meeting, and that the two Ministers agree on what is in that paper.

**Ms Elaine McCrory (Department of Agriculture and Rural Development):** A proposed response to the Going for Growth report was drafted between the two Departments, and they brought in other Departments, as appropriate. The two Ministers then circulated a paper to their Executive colleagues outlining that proposed response. We await final confirmation from the Executive on the way forward.

**Mr Byrne:** Given the debacle of the zero transfer from pillar 1 to pillar 2, the lack of agreement on co-match funding and the fact that you mentioned that the resource implications of the proposals will require careful consideration, is there agreement yet on the funding mechanisms, or funding lines, that will be required?

**Ms McCrory:** We are continuing to work up the options for the rural development programme, taking account of the money that we know we have from Europe and then looking at what national funding is available. It will be challenging for us, and we will need additional funding to deliver fully, but the Ministers will work through that.

**Mr Byrne:** This involves two Departments and the private sector. Where is the Department with the private sector commitment, or otherwise, and the funding requirements, or otherwise, that it hopes to get?

**Ms McCrory:** When you say private sector commitment, do you mean in respect of the recommendations that the industry would lead on delivering?

**Mr Byrne:** Your paper states:

*"The recommendations made by the Board are directed at both Government and industry and the investment the Board has identified from both is significant."*

I am trying to find out whether you have yet agreed what the government support will be to the industry for implementing Going for Growth.

**Mr Wilkinson:** That is among the subjects in the paper to be discussed by the Executive.

**Mr Byrne:** So everything is contingent on the Executive paper.

**Mr Wilkinson:** Yes.

**Mr Byrne:** Will you make the 31 March deadline?

**Mr Wilkinson:** We will have to look at our assessment again at the end of March.

**Mr Byrne:** So assessing the target as green could be premature.

**Mr Wilkinson:** It is still green now. We understand that it is subject to an Executive meeting. We will look at the assessment again at the end of March on the basis of progress made.

**Mr T Rodgers:** This assessment was made at 31 December, so it has gone through various phases since.

**Mr Byrne:** In the last week of December, a lot happened that placed in jeopardy some of the financial requirements and agreements reached. So I wonder whether the Going for Growth target is realistic.

**Mr Wilkinson:** That is subject to Executive endorsement of what is presented in the paper. We will look at it again, Joe, at the end of March. That will be subject to progress.

**Mr Byrne:** I appreciate that. You will forgive me for asking the question, but what happened at the end of December caused much uncertainty for the processing industry, as well as for the rural development community generally.

**Mr Buchanan:** You caused some concern when you said that is green now. Is it possible that green will change to red at the end of the month?

**Mr Wilkinson:** We will have to assess it again at that point, and it will depend on progress.

**Mr Byrne:** So this is a flashing green with question marks.

**Mr Wilkinson:** The green is based on our assessment at December, so we will have to look at it again at the end of March.

**Mr Buchanan:** You would think that, if it was green at December, progress would continue and it would stay at green rather than slip back. That is where the concern lies. If we want this to be effective, it cannot slip back; it must keep progressing.

**Mr Wilkinson:** I agree.

**Miss M McIlveen:** I am conscious of the gap between the end of December and 31 March. My focus is on goal 4, target 5, which concerns the infrastructure for flood protection. You said that 69.85% of fluvial defences were in a fair condition or better, against a target of 74%. However, you also suggested that an additional resource was being allocated. How much is being allocated, and will that be spent in a timely manner?

**Mr Wilkinson:** When I refer to resources, I really mean staff time. No additional funding has been put into the Rivers Agency to deal with this. The report says that additional audit work has been done to ensure that the defences are sufficiently robust. The audit work identified some gaps, which is why the target has reduced. This is not an investment issue. Rather, closer and greater scrutiny of the performance of the fluvial defences identified issues. The Rivers Agency is aware of and is addressing those issues. At this stage, it looks unlikely that it will achieve its year-end target. However, the agency is making sure that those resources are retained and are in place to address it, and it hopes to get back up to standard by the end of 2014-15.

**Mr T Rodgers:** I have an additional point of clarification. Within the categories of fluvial defence assets, performance against the very high- and high-risk assets are currently defined as 95% and 77% respectively. Therefore, the shortfall, or underperformance, affects only assets categorised, in fluvial defences terminology, as medium or low risk.

**Miss M McIlveen:** You are on track to meet the target of 98% of sea defences being in fair condition or better. However, the same caveat applies: the figure of just over 98% in the report relates to an assessment at 31 December, but the defences were severely tested earlier this year. I know that an assessment has been carried out since. Do you anticipate that you may need additional financial resources to address any issues associated with that?

**Mr Wilkinson:** I am not aware that any financial resources are required. However, I suspect that, if there is a shortfall after the work has been carried out, we will come back to the Committee, and ultimately to the Executive, to bid for additional resources, if that were necessary. We are not aware of any shortfall at this point.

**Miss M McIlveen:** Even in the period since the tidal surge, have you not had any requests from the Rivers Agency for additional resource?

**Mr Wilkinson:** No.

**The Chairperson:** Goal 3, target 3 is an old bugbear of mine and of the Committee — bovine TB. Kate is not here today to speak on the matter. On 17 September 2013, the Minister announced to the Committee her intention to establish a government/industry strategic partnership group to develop a long-term strategy to eradicate TB from the cattle population in Northern Ireland. Those are fine words, but we questioned her at that time on the need for another strategic partnership group, bearing in mind that, despite all the advice, reporting and surveys, very little action had been taken. How can you suggest that the target is green?

**Mr Wilkinson:** The information provided shows that significant work has been done on progressing the test and vaccinate or remove (TVR) strategy. The badger sett surveys are complete and there is a model and design for the TVR, so the preparatory work for the strategy is finished. We are making progress, and I think that the information included in the report is consistent with the target set at the start of the year.

**The Chairperson:** We await the establishment of another government/industry working group to develop a long-term strategy. That is not even in place yet, so how can we ever move forward? As I repeatedly say to officials who approach me about bovine TB, we keep hearing of yet another report, strategy, strategy group, partnership or survey, but we have not seen any action. When will people be on the ground and dealing with TVR?

**Mr Wilkinson:** Part of what we included in our report is the preparatory work that has been completed to allow TVR to go ahead. Completing that required significant work: the badger sett surveys and various modelling work. We have to go through a number of steps. We also need to ensure that we have the licence agreements in place. Unfortunately, going through all of that takes time, which is reflected in the various actions set out in the report. I understand your frustration and appreciate that it is a difficult disease. I know that the Committee has had various briefings on it. Things are happening, and I hope that the information included in the report provides you with that reassurance.

**The Chairperson:** How much will it cost?

**Mr Wilkinson:** That is subject to the business case, but significant investment is required.

**The Chairperson:** Where is the business case? If you are working on preparatory work for TVR, surely there has to be a business case for that?

**Mr Wilkinson:** Yes. That would require a business case.

**The Chairperson:** So where is the overall business case for TVR and the eradication of bovine TB?

**Mr Wilkinson:** It is being developed by a business area within the Department. It is looking at the various figures attached to it and costs associated with it. Significant investment is required, so affordability will be a key constraint.

**Mr T Rodgers:** Officials from that business area are due to come to the Committee on 8 April to give you a fully up-to-date brief on the whole position.

**The Chairperson:** They cannot come quickly enough for me. You are saying that a significant amount is required, as we all expected. When is your first reasonable chance to bid for funding?

**Mr Wilkinson:** June monitoring, which is not too far away, would be the first opportunity to bid.

**The Chairperson:** Is that your target?

**Mr Wilkinson:** That would be our first opportunity to bid, yes.

**The Chairperson:** That was not the question. Is June a target in the DARD timescale to bid for money for the TVR scheme?

**Mr Wilkinson:** That is our intention, yes.

**The Chairperson:** OK. When can we expect the outline business case? Will it be before then?

**Mr Wilkinson:** I would prefer, Chair, if we waited until the presentation on 8 April, when others closer to the issue will provide you with the details.

**The Chairperson:** OK, but I will still hold you to June.

**Mr Byrne:** About a year ago, we were told that a lot of good progress was being made on NIFAIS, which will replace the animal and public health information system (APHIS). However, the gateway red status signals major problems with the funding affordability gap and uncertainty about the relocation of DARD HQ. When did those problems arise?

**Mr Wilkinson:** Joe, since December, when the report was written, we have made good progress on NIFAIS. We have been working with the individual business area to ensure that there is an affordable financial plan, looking particularly at the monetary benefits associated with the project and making sure that they are more clearly defined. We are now in a much better position to get the approval in place. It is to be discussed at the departmental board on 12 March and will be sent to DFP for sign-off shortly thereafter, hopefully.

**Mr Byrne:** Are there still some residual difficulties around personnel and software contracts pertaining to the old system?

**Mr Wilkinson:** Yes. There are contractual issues that will have to be dealt with.

**Mr Byrne:** Will they have financial implications?

**Mr Wilkinson:** There are financial implications attached. However, they have been included in the business case, and, as I said, we have developed a financial plan with the business areas that will make the system much more affordable. We believe that the plan is now in a position to be sent to DFP.

**Mr Byrne:** What is the quantum of financial investment that will be required for the new system?

**Mr Wilkinson:** Rather than quote a figure, I would prefer to write to you on that, Joe.

**Mr Byrne:** I am worried that the level has escalated since last year.

**Mr Wilkinson:** What was the figure that we quoted last year? The cost did escalate, yes. There is no doubt about that.

I briefed the Committee previously on the additional costs for the exit strategy.

**Mr Byrne:** There are additional costs for the exit strategy.

**Mr Wilkinson:** Yes, there are additional costs for that.

**Mr Byrne:** There are also potential extra costs because of the uncertainty around the relocation of DARD headquarters, and I think that there are some further extra costs as a result of retaining the old system in the meantime.

**Mr Wilkinson:** Yes, there are additional costs associated. However, I balance that by saying that, in the work that we have done, we have identified monetary savings to offset those costs, thus making sure that the new system is affordable.

**Mr Buchanan:** I want to return to the sickness absence levels, although I know that you answered my question. It appears that, since 1 April 2013, 242 staff have been referred to the Occupational Health Service for advice. The paragraph in which the information is contained also states that there were "365 cases considered for inefficiency action". Are the 242 staff part of those 365 cases, or are those staff additional?

**Mr Wilkinson:** My understanding is that they are included in the 365. That is part of the process.

**Mr Buchanan:** There were also 37 formal warnings issued. Have those been dealt with or are they still in limbo, if you like?

**Mr Wilkinson:** Once you receive a formal warning, that is the process until you go off sick again and hit another trigger point. Unless you have gone out as sick again, you will not get another letter.

**Mr Buchanan:** Fair enough.

I want to ask about one other issue, Chairman. Has the business case for the relocation of DARD headquarters to the Ballykelly site been approved?

**Mr Wilkinson:** The business case has been finalised and is due to be discussed at the board meeting on 12 March. My understanding is that the business case is subject to Executive approval.

**Mr Buchanan:** What type of a budget are we looking at for that?

**Mr Wilkinson:** A significant amount of capital funding will be required for it.

**Mr Buchanan:** That is a right clear answer. Can you be more specific?

**Mr Wilkinson:** I would prefer to wait until the Committee is formally briefed on it before committing to figures.

**Mr Buchanan:** That is fair enough. I am happy enough with that.

There will also be an issue with all the functions that will transfer. However, I am sure that that will be dealt with at some future point. Will it?

**Mr Wilkinson:** Yes. That will be part of the process. We have been going through the transitional plans and looking at the functions that will transfer and at how that will be done. It is a very significant move and will have to be done in a phased way. There will be correspondence with staff, etc, after that has been agreed as part of the presentation to the departmental board later this month.

**Mr T Rodgers:** The officials responsible for that area are due to come to the Committee on 8 April.

**Mr Buchanan:** OK. We can question them then.

**The Chairperson:** I am sure that the Committee will be interested to know whether the business case for the relocation suggests that going to Ballykelly is a good idea. Does it suggest that?

**Mr Wilkinson:** My understanding is that the business case is looking at the options on the Ballykelly site, specifically looking at costs and the configuration of the site.

**The Chairperson:** Therefore, it is not an overarching business case for the best place for DARD to go.

**Mr Wilkinson:** It is looking only at the Ballykelly site.

**The Chairperson:** Is the business case perhaps a wee bit restricted in its remit?

**Mr Wilkinson:** That is all that we were asked to look at.

**Mr Buchanan:** It is very convenient that it looks only at the site.

**The Chairperson:** It is a valid question. How can the Executive assess whether an option to relocate anywhere is a good option when you have looked at options only on one particular site? Granted, you were directed to do that by the Minister, but how can anyone make an informed choice about whether a relocation to a specific site is a good thing or a bad thing? How can it be a good thing?

**Mr Wilkinson:** We were asked to look at the Ballykelly site.

**Mr Byrne:** To be fair, the Minister makes the policy decisions. A public announcement was made, and, obviously, the officials have been somewhat constrained by the outline business case's terms of reference.

**The Chairperson:** Do you agree with that analysis?

You are being very candid, Graeme.

**Mr Wilkinson:** I know.

**The Chairperson:** Do members have any further questions?

**Mr Swann:** No, because there are no further answers.

**The Chairperson:** There are no further answers.

**Mr Byrne:** None that can be revealed here.

**The Chairperson:** OK. Thank you very much for your time spent on the progress report on the business plan, which is a very serious matter.