



Northern Ireland  
Assembly

Committee for Agriculture and Rural  
Development

# OFFICIAL REPORT (Hansard)

DARD Corporate Plan 2014-16 and Annual  
Business Plan 2014-15: DARD Officials

1 April 2014

# NORTHERN IRELAND ASSEMBLY

## Committee for Agriculture and Rural Development

DARD Corporate Plan 2014-16 and Annual Business Plan 2014-15: DARD Officials

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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  
Mrs Jo-Anne Dobson  
Mr William Irwin  
Mr Declan McAleer  
Miss Michelle McIlveen  
Mr Oliver McMullan  
Mr Ian Milne  
Mr Robin Swann

**Witnesses:**

|                     |   |
|---------------------|---|
| Mr Gerry Lavery     | 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:** From the Department of Agriculture and Rural Development (DARD), I welcome Gerry Lavery, the deputy secretary; Graeme Wilkinson, an assistant secretary; and Tom Rodgers, a principal officer. In your various guises, you are no strangers to the Committee. Thank you very much for your attendance. My apologies for delaying the presentation, but I wanted to keep the two sessions on the Reservoirs Bill together. Members will have already read your papers. I know that it is a wide-ranging topic, but I ask you to be brief and to take 10 minutes to address the Committee on any additional information.

**Mr Gerry Lavery (Department of Agriculture and Rural Development):** Thank you, Mr Chairman. I will be brief. The purpose of this afternoon's session is to respond to members' questions, so I do not want to spend a long time introducing the topic. You may recall that, last year, I presented the Department's 2020 strategy. A lot of the comment around the table was about what difference it would make, and the corporate plan is part of making that difference. In the corporate plan, you should be able to trace how we are advancing towards the situation that we outlined we wanted to be in by 2020.

The corporate plan sets out what we want to do for the next two years. It covers the same period as the current Executive, so it has the same period as the extended Programme for Government. It is going to be a very volatile period because, on the one hand, we have the large political priorities around relocation, Going for Growth and common agricultural policy (CAP) reform and, on the other hand, we have a difficult financial situation that we have to respond to, absorb a lot of new work and keep an eye on the longer term and where we are trying to get to.

In the document, there are many references to the unprecedented financial pressures faced by the Department. You will be aware that the Chancellor has set out a real terms reduction of around 16.8% over the next five years. Although the Barnett consequential still has to be calculated, it will impact on all Departments. Uncertainty remains around that, but, in this document, for planning purposes, we are preparing for a cut of 5% in 2015-16, as well as absorbing our pay and price inflation costs of around £6 million. That is a very significant issue for us.

In response to that, we need to make changes in the Department. I have spoken previously about our commitment to maintaining services and, at the same time, trying to maintain the level, quality and volume of services, but probably with fewer staff. That takes you in the direction of online and digital services. We can touch on the change programme.

I mentioned relocation. Members will be aware that the Minister set out very clearly in the House last week, in a response to a question for oral answer, that she has presented a paper for consideration at the Executive and that she awaits an opportunity for that to be tabled. I am not sure that I will be able to add a lot to that. I am conscious that there is a slot in your agenda, Mr Chairman, next week. I am happy to attend, but I caveat that by saying that I do not know whether it would be the best use of your time. As I said, I am here to respond.

That is as much as I want to say by way of introduction. At a time of volatility, it is very important to have good planning to be able to see the markers that we are putting down for where we as a Department want to be.

**The Chairperson:** Thank you very much, Gerry, for that succinct presentation and for keeping within the time. I am grateful for that. I will deal with the briefing next week on the HQ relocation. As members heard, it is at the Executive table, so there is nothing new to report at this stage. I am open to the mind of members as to whether we bring the officials here next week about the HQ relocation. I am completely in your hands. Do you think that it is a good idea, or do you want to defer the briefing until such time as the Executive have made a decision and brought it back to the Department, so that the Department can come to us? Do members have any comments?

**Mr Byrne:** Perhaps we will be in a better position towards the end of this session.

**The Chairperson:** We will defer the decision until after the session. We will move into questions.

**Mr Irwin:** With regard to an action plan in response to Going for Growth, paragraph 1.5 of the annual business plan states:

*"Help improve competitiveness and sustainable productivity in primary production through developing, by 31 March 2015, a range of Agri-Food supply chain improvement measures".*

How do you propose to monitor and evaluate the implementation of Going for Growth? How will that be done and by whom? When will it be done, and who will judge whether it has been a success?

**Mr Lavery:** As we state in the corporate plan, we attach a high priority to responding to the Agri-Food Strategy Board's Going for Growth plan. We have jointly prepared with the Department of Enterprise, Trade and Investment (DETI) a draft Executive response. We have submitted that to the Executive, and it depends on where they want to position themselves. There is a lot of support for the actions in Going for Growth. We would like an action plan that is transparent and that we are able to make available to the Committee, which doubtless will hold us to account, and to have a discussion with the Agri-Food Strategy Board, which is still there at present, to see what monitoring mechanism it would like to put in place, because it is very much a partnership. In broad terms, that is where we want to be.

**Mr Irwin:** Are you saying that you will be doing this jointly with DETI?

**Mr Lavery:** Yes, and with industry.

**Mr McMullan:** What about the relocation programme with regard to the fisheries division, the Forest Service and, ultimately, the headquarters itself? Have you anything new in mind?

**Mr Lavery:** The Minister remains committed to the relocation programme. In our estate strategy, we have identified opportunities to make better use of our estate. That would include the relocation of the Forest Service to Fermanagh, the relocation of the Rivers Agency to Loughry and the relocation of the fisheries division to south Down. We believe that those three relocations will justify themselves in pure efficiency and effectiveness terms. They can be timetabled, and we believe that the fisheries division and Forest Service relocations will be completed by June 2015 and that the Rivers Agency will be completed by March 2016. The Minister commissioned a business case that dealt only with the best way of putting a new headquarters on the Ballykelly site, so it requires an endorsement by the Executive as a whole. We have submitted a summary paper and are happy to share the business case with Executive members, looking for a decision. That is where it sits at the moment.

**Mr McMullan:** Hypothetically, if there were a decision in the morning, what would the time frame be?

**Mr Lavery:** We would expect to be on site by 2017. By the end of 2017, we would expect the first phase to be completed, which would be a newbuild of 400 workstations with around 350 staff in them from the outset.

**Mr McMullan:** There has been a lot of talk about wind farms in our forests, and we are aware that the community can buy into that and perhaps benefit from it. Have you looked at that?

**Mr Lavery:** Yes. In January 2014, the Strategic Investment Board identified an individual who is now working in the Department and who is effectively our wind energy expert manager. One of the tasks facing him is to address the issue of community benefit. A fair amount of work has been done on it elsewhere — in Scotland, for instance — because there is a recognition that the environmental costs fall on the local community. The benefit may occur to a landowner — in this case, the Forest Service or the Department — and to an urban population, so there has to be some sharing element. That is what we will be looking for. I am happy to say that work is under way on that point.

**Mr McMullan:** Will you pick out some areas to try it out, or will you just look at a holistic approach for the moment?

**Mr Lavery:** I do not want to be drawn on that too much. My understanding is that we are forming the work scheme, which will identify how to do it and whether we should become an active player or enter into a contract with one or more energy companies. Within that, it may be possible to identify a number of specific sites that we will embark on first. That is probably how it will work.

**Mr McMullan:** There has been a lot of talk recently that the grids cannot take on anything additional. Have you looked into that?

**Mr Lavery:** That is in the west. It could become an issue for us, but we were happy with the response when we carried out market sounding. We certainly want to locate some farms in the west, so we will be talking directly to the grid operator about its ability to maintain the grid in that area.

**Mr McMullan:** There are forests in my area. It would be interesting to know what schemes could be worked out and what would be of most benefit to the community. Are you doing that?

**Mr Lavery:** Yes. I am confident that that is one area on which we will need to arrive at an early conclusion on the policy.

**Mr McMullan:** Do we roughly know when we could arrive at that stage?

**Mr Lavery:** No. I will not be drawn on a definite date.

**Mr Buchanan:** I am looking at the improved sustainable environmental outcomes in the annual business plan. Paragraph 4.2 states that you hope to achieve 100 hectares of new woodland by March 2015. However, my understanding is that last year's target was 250 hectares. Can you indicate why that target has been reduced?

**Mr Lavery:** I suppose that it reflects a couple of things. First of all, demand for woodland grants is receding at the moment, partly because of the uncertainty around land management. Obviously, at present, landowners and farmers, in particular, are facing a lot of choices around how they approach

CAP reform. In the light of that, it is unlikely that they are going to want to commit to long-term woodland use of the land. Secondly, the scheme that we operated under the existing rural development programme operated on the basis of a grant that was paid to the agent who actually planted and managed the woodland, usually on behalf of a farmer. We are not happy with the controls in that area. We would like to see a grant being paid to a beneficiary and the beneficiary paying the agent, and to be able to follow what we would describe as a normal audit trail. Looking down the track, if we are going down that route, it will take time to convince landowners to go through that process. They have been used to a process where they effectively virtually signed away their rights. As I say, in order to get proper controls in the area, we want to have a different arrangement.

I suppose that those things are making us prudent about the demand that we anticipate. I fully accept that 100 hectares is not a level of demand that we want to see. We want to see that growing. The challenge for us as we implement CAP reform is to come up with a scheme that can engender a greater level of demand. That is the target that we feel confident to put into what is an interim year.

**Mr Buchanan:** How does that affect your business case at the minute?

**Mr Lavery:** It does not affect it yet, because the business case for the new scheme has not been written. In terms of where we are going next, the rural development programme has to be formed up effectively over the summer. We have had teams working on measures and schemes. They will then work on the business cases for those schemes. At present, that has not yet featured. We have not got to the point of the business case on that scheme yet.

**Mr Buchanan:** OK. Thank you.

The Department's aim is to work with DOE to agree a nitrates programme. Why was a target on the Small Business Research Initiative (SBRI) competition on chicken litter not included in that, given that the European Commission has indicated that Northern Ireland must address that issue before further derogations on poultry litter will be allowed?

**Mr Lavery:** I suppose that the answer is in two parts. First, I genuinely do not know why there is no target on poultry litter in this particular plan. There are numerous things that we are doing that do not feature in the corporate plan. It does not mean that we will not do them. We have, below the corporate plan, business plan targets and, below the business plan targets, targets for individual divisions. So the second part of my answer is to reassure you that the SBRI competition is being taken forward. We have completed the initial test of the technologies. We have got reports back from, I think, nine phase-one projects, which was the proof-of-concept stage. Those reports have now been reviewed. The project team is now preparing to fund the next stage, which will be a support package to progress the most promising technologies. I agree absolutely that it is something that we and the poultry industry want to see resolved. We need to do it in a way that satisfies the European Commission. Be under no doubt that the project is progressing. As I say, it is one of a number of areas that has not featured in the corporate plan. They are continuing to be worked on.

**Mr Buchanan:** Would the nitrates action programme not have been the place for it?

**Mr Lavery:** We need to agree the nitrates action programme. It probably will feature in discussions with the European Commission, and it probably will be a reassurance to the Commission that we are acting on the intensive sector litter. It may well be that it will come into that programme. I am happy to look at a redraft around that milestone. I have no difficulty with that.

**Mr Buchanan:** Are you satisfied that you will be able to meet the Commission's standards on that issue? Let us remember that it is a big issue that is affecting a huge number of farmers in Northern Ireland and, indeed, results in huge financial expenditure as well. Therefore, it has to be addressed and should have been addressed long before now, yet it still seems to be slipping back onto the back burner. Can you give the Committee a guarantee today that the matter will be resolved to meet the Commission's targets and standards on time?

**Mr Lavery:** That would be a big guarantee.

**Mr Buchanan:** *[Inaudible.]*

**Mr Lavery:** We can guarantee that the work is being done. We can guarantee that the SBRI initiative is moving forward. We can give a guarantee that, in the dialogue, we will aim to convince the European Commission that we are acting on it. At the end of the day, the Commission is the regulator. If it requires us to take a particular action to a certain standard, we will have to comply. There is no doubt about that. However, I am reluctant to say that we will meet a standard that has not yet been set for the new programme.

**Mr Buchanan:** Given that it is not coming through the programme, where is it sitting at the minute? What is driving it through at the moment if it is not in the nitrates programme?

**Mr Lavery:** It is a joint action with the Department of Enterprise, Trade and Investment, and the project team was set up on the basis that it would drive through. We are in dialogue with the industry pretty continually on it. So, that is driving it. It is a commitment, and we have to get back into dialogue with the European Commission this year around our use of the derogation. We are aware of the timescales and aware of the requirement from the European Commission for action.

**Mr Buchanan:** You said that you have to get back into dialogue with the European Commission. Has there been a break in dialogue?

**Mr Lavery:** No, no. What I mean is that it will want to negotiate a new action programme with us. That is all I mean by that. We have been reporting to it on a regular basis.

**Mr Buchanan:** This is a serious issue. It has come before the Committee on numerous occasions, yet it still seems that it is not being driven forward at the pace that it needs to be driven forward at to address the issue. I ask the Department to take a bit more of a serious look at it to ensure that you are pushing it forward at more or less breakneck speed, because the need out there is great. Poultry farmers are coming to us and saying, "Look, we are being hung out to dry here because nothing has been put in place for us." I urge the Department to drive that forward fairly quickly.

I have one other issue. There is reference to an agriculture land use strategy. Can you advise what that is, what its aims are and what it is to be used for?

**Mr Lavery:** Not instantly. I might have come back to you on that one. I will come back to you in writing.

**Mr Buchanan:** OK. I will leave it at that.

**The Chairperson:** You will come back to us on that, Gerry.

**Mr Lavery:** Yes.

**Mr Byrne:** I welcome the presentation. As always, Gerry, you have a fairly broad canvas to paint. You set the context pretty well, with a lot of variables: volatile period, political priorities, Going for Growth, relocation, CAP reform and looking for quality and volume going forward. I am going to go with a generic question. Is there a fundamental review of DARD going on, within the context of reforming and restructuring the organisation against a backdrop of DARD HQ relocation and a new possible comprehensive spending review, given that DARD currently has around 3,000 employees?

**Mr Lavery:** There is not a fundamental review. However, I mentioned that we are responding to a set of pressures here. Our response to those is very much a change programme, some of which we outline in the document. It is a developing picture. We have been looking first at the fundamental drivers of change for the Department. As I outlined briefly, those include political priority around relocation and issues around Going for Growth and CAP reform. On the other side, there is the difficult financial position. Our response is a change programme that includes a commitment to providing greater online services.

The way we have approached that is to try to look for consistency from the drivers of change right through to the actions that we are going to take. We have identified a number of principles that we believe will help us, at every level in the Department, to respond appropriately. Those drivers take us in the direction of a smaller headcount, a more efficient operating model, a higher level of online services, retaining the skills in the Department that it needs to do the job, empowering people to work with our customers, and concentrating on maintaining the quality and volume of services that we offer.

That is where we sit at the moment. So, it is not a fundamental review, but there is a lot of change in the Department.

**Mr Byrne:** OK. That begs the question, then: are we carrying out the review only against the context of some external pressures that require reallocation or reprioritising of resources?

**Mr Lavery:** I do not think so. Around three years ago, I came to the Committee with a strategy to shift the channels that we operate through, and I asked for the Committee's views on channel management and moving to online. The Committee was kind enough, at a late hour in the evening, to agree the channel management strategy. It did not really get traction in the Department, if I am honest. People looked at it but did not really feel that they had to do it.

We have not departed from that channel management strategy, and now we are back in the same dialogue with our operating divisions. We are saying to them, "Now, you are not going to have the same level of funding in a couple of years' time that you have today, and, with a lower level of funding, you will have fewer posts and fewer staff. Therefore, you need to address this issue." So, now we are getting greater traction. From that point of view, we started the exercise, I think appropriately, a couple of years ago. We are getting a much better response now around the Department because the pressures are greater, but people have been well prepared. They have been softened up for this.

**Mr Byrne:** There are a number of big IT capital projects ongoing. How do they fit in with your reform and restructuring theme, given the custom-and-practice approach that pertains generally in government?

**Mr Lavery:** Yes, there are genuine risks in the area. First, we are committed in our 2020 strategy to better animal traceability. To get there and to deliver the sort of traceability that is fundamental to the food chain and to Going for Growth, we need to start to retender the food animal information system. That is the commitment that we are making in the corporate plan: to start that work. That business case has gone to DFP for approval and review.

Originally, the retendering was very much to meet compliance around procurement. Now, it is very much about meeting that compliance around procurement and improving the delivery of the service and yielding efficiencies. So it has become a much more holistic project, hitting many more of the issues for us.

It is a very critical system to us. To attempt to put that project through at the same time as we are doing the ICT for the new land-based schemes and the new rural development programme is ambitious. That is why we created the post of director of digital services, and that is why we are looking all the time at our capacity on the ICT side. So, it is very much a bottleneck for the Department, but it is one that we are managing very carefully and are really aware of.

**Mr Byrne:** Gerry, you made reference to getting some traction at a stage, and then resistance. Does that mean that we are still only tinkering at the edges, given the cash resource?

**Mr Lavery:** No. That goes back to the point that I was making about trying to address change as a comprehensive set of actions. Having identified all of the key drivers of change, we will work our way through the right governance to respond to them and work our way through the goals, as set out in the corporate plan, that are going to be the must-dos. Then we will assemble work streams that address the entirety of what needs to be done. We are not tinkering at the edges: we are going to deliver a transformed Department, and we will start that process now.

**Mrs Dobson:** Thank you, Gerry, for your briefing. With regard to the Going for Growth section of your report, can you outline why you have stated that delivering the recommendations will require a change in approach from all involved? What is meant by that, and what change in approach would you expect to see?

**Mr Lavery:** The targets set out by the Agri-Food Strategy Board are very ambitious: 15,000 new jobs and sales growth of 60% to £7 billion. In terms of the attitudes around the industry and within the Department, we are looking for an aggressive approach to delivering Going for Growth. We are looking for a commitment to making our agrifood industry more competitive and able to respond to market challenges. That, in a sense, requires the Department to become better at facilitating growth and do less intervening by way of financial packages.

We are looking at the sort of thing that the chief vet outlined at the weekend in the media. For example, the work that we are doing on the relationship with China, facilitating trade with China and looking at new opportunities for export health certificates for meat and dairy products. We are looking at improving the animal health system — and, indeed, our level of animal health — to make the industry more efficient, and we are trying to bring all that into play to help the board realise its target of significant growth. That is the broad approach that we are looking for.

**Mrs Dobson:** You say that we need an aggressive approach to delivery. Given that DARD will be involved in the delivery of 80 of the 118 recommendations, and that it is the lead Department on half of them, are you frustrated with the pace of the Executive's response to the action plan? Who has been dragging their feet? Has it been DARD or the Executive?

**Mr Lavery:** I do not believe that the Department has been dragging its feet. It is not for me to be frustrated with the Executive Committee or Ministers. We have correctly put before them a number of options. I recognise that this is a very significant development for the Executive and that they will take the time they need to consider it alongside other potential investments and uses of the resources available to them.

**Mrs Dobson:** I have heard that a draft response is being circulated amongst Ministers. Can you give us any detail on that? When will the Committee be made aware of the response?

**Mr Lavery:** As soon as the response is cleared, of course we will make the Committee aware of it. There is no difficulty about that. I know that the Minister is committed to working with her Executive colleagues, especially in the Department of Enterprise, Trade and Industry to bring the issue forward. I am not sure that there is much more I can add to that.

**Mrs Dobson:** No detail, then?

**Mr Lavery:** It would be premature to release detail when the matter is with the Executive Committee.

**Mrs Dobson:** We await that one with bated breath.

I am looking at the section on digital services. You say that, for DARD, it will result in more efficient processes and reduced costs. Can you explain that statement, including the extent of the reductions of the costs? When can we expect to see the savings?

**Mr Lavery:** In general terms, digital transactions are much more efficient than paper-based ones. In a particular process, we will be looking for a reduction of, say, over 10%. If we can, for example, persuade more people to use the electronic application for the single application form this summer, that is the level of savings that we will be looking for. We will see them in-year and immediately, because we will not be deploying staff on scanning in information and then having to quality assure it.

In part, the difficulty for us is that people perceive a value in the systems that they use at the moment. Sometimes that perception is misplaced. For example, people use fax machines to submit animal movement information. They get a receipt, obviously, from the fax machine. The receipt simply means that the fax has been received; it does not mean that the information in it is correct. However, people wrongly attach value to that receipt. They assume that it means that the information that they have submitted is correct. That is very different from an electronic system. In APHIS online, you submit the information, and certain checks are done instantly and automatically without human intervention. Those checks reassure both the Department and the person submitting it that good information has gone through. That is where significant savings can be realised, in that there is no need for follow-up dialogue. A lot of follow-up dialogue is conducted in writing or by telephone, and it all takes time.

**Mrs Dobson:** So, you envisage a reduction of over 10%?

**Mr Lavery:** In particular transaction streams, yes.

**Mrs Dobson:** When can we expect to see the savings? You said that you had appointed a director of digital services. Is that a new post created by the Department?



**Mr Lavery:** We reorganised my group so that I still have the same number of direct reports, but I got one person to double up on theirs, which gave me room to create the post of director of digital services. I did not increase the number of staff. I would expect to see savings coming through very quickly. As I said, some of them will occur in-year. I will be happy to report on savings as we realise them.

**Mrs Dobson:** That would be very useful. Finally, the replacement of the APHIS system is an expensive process. What are your current estimates for the cost of replacing the system, and how do these costs contrast with the possible savings? Is it likely to cost more to replace than the potential for savings? What is your plan for that?

**Mr Lavery:** We have a commitment to come to the Committee in closed session on this procurement, which will allow us to divulge all the figures. The figures are commercially sensitive, but I outlined earlier that the project to re-procure the information system has purposely been developed so that it looks at leaner and more efficient processes as well as being compliant with the procurement guidelines. The effect of that is that there will be a very significant savings stream which, again, we will outline in closed session, if we may.

**The Chairperson:** The Committee has agreed to a closed session to talk about NIFAIS, which is to be scheduled for post-Easter.

**Miss M McIlveen:** I apologise for missing your presentation. True to my natural form, I will refer to fishing, but the paper is disappointing in that there is very little about the fishing industry outwith the short section on the common fisheries policy. I refer you to point 1.1 in annex A, where you mention rural development and European fisheries programmes, but there is very little else, and even then the document is missing the amount of planned expenditure. Can you give us some more information about what the Department plans to do in and around the fishing industry, and explain why there is a lack of targets?

**Mr Lavery:** I am happy to look at whether we can now give more detail on the targets. At the point where we were drafting this, the common fisheries policy reform had just been agreed. The common fisheries policy has, perhaps, developed a little bit out of step with the common agricultural policy. This time, it focused on regionalisation, decentralisation of decision-making and a reduction in discards.

The large policy issues are pretty well known, but it creates that new tier of regional councils that we are starting to engage in. A council has been agreed for northern waters, of which the Irish Sea forms a part. We expect to work with the other UK fishing administrations on getting that council into being and coming up with plans on how we will implement the discard ban and long-term management plans. We will consult the industry on those. Again, I expect that the pelagic fish — the mackerel and the herring — will come first.

In terms of expenditure, the European maritime and fisheries fund has only just been agreed to come into effect on 1 April. DEFRA has launched a consultation on a UK operating plan on behalf of the United Kingdom as a whole. I think that it closes in May, and we are part of that. So, we have not had those targets. Have you any detail, Graeme?

**Mr Graeme Wilkinson (Department of Agriculture and Rural Development):** In the European Fisheries Fund for 2014-15, £3 million has been allocated for capital grants. That detail is not included in the high-level plan, but that is the amount of money that has been set aside in the European Fisheries Fund.

**Miss M McIlveen:** I suppose that the fishing industry is looking for sustainability. I would like to have seen something in the plan to demonstrate that there was a willingness by the Department to support the industry.

**Mr Lavery:** As I said, we will look again at our drafting. The funding from the European Maritime and Fisheries Fund will assist the sustainable development of the fishing industry. Recently, the Minister said that she is setting up a task force to look at the challenges and opportunities facing the industry and the outworking of that. I am happy to look at whether we should reference that industry task force in the planning and make that commitment manifest so that those monitoring the plan will be able to get a report.

**Miss M McIlveen:** That, at least, would be useful. I would appreciate it if you were to look again at whether there is anything more that could be put in it to give confidence to the industry.

**The Chairperson:** The third strategic goal in the annual plan is:

*"To enhance animal, fish and plant health and animal welfare on an all Ireland basis".*

That section seems to be blind and mute on the work of the Loughs Agency. Gerry, why is that, considering that the Minister said in the Assembly that aquaculture is a priority for her?

**Mr Lavery:** I think that it is an issue of detail. Of course we work with the Loughs Agency on aquaculture. I do not think that there is a problem. Aquaculture is, in fact, one of the priorities identified in the common fisheries policy and, I think, the maritime fund. So there are options in there. Again, I am happy to look at whether we could include a reference to the Loughs Agency. I am confident that the Minister will also be happy with that.

**The Chairperson:** Would that target be around the ambition for seabed leasing? That issue has come up at North/South Ministerial Council meetings, and I have raised it when the Minister has made statements on North/South Ministerial Council meetings in the Assembly. Is it the case that it is not a target for us because our destiny is not our own in this regard and that we are being held up by the Republic of Ireland on it?

**Mr Lavery:** I am happy to look at whether we can formulate a target in that area. That is as far as I can go on that.

**The Chairperson:** It seems to be the case that, although it is good to work in partnership on an all-island basis, it comes with the two-edged sword that we are relying on another body and another organisation to come up with the goods as we do as a Department. Are there problems in moving forward on this? It has been on the agenda for a long time but does not seem to be moving forward or being resolved, yet it will impact greatly on the work of the Department and the Loughs Agency.

**Mr Lavery:** I am happy to look at it. My experience in this area is quite elderly. In the past, I have found that a significant aquaculture industry grew up in Carlingford lough and Lough Foyle without an absolute need for seabed leasing, and we have been able to manage the development of that industry. As I said, I am happy to look at whether we can formulate a target.

**The Chairperson:** Thank you for that and for the work that you are going to do on that.

Subheading 5 is:

*"To manage our business and deliver services to our customers in a cost effective way."*

In paragraph 5.1 you suggest that you will try to complete 93% of single farm payment claims if 40% or more of claims are made online. I understand the logic of that. Why is it that, in paragraph 5.3, you set a target of:

*"35% of farm businesses submitting their Single Application Form"?*

What is the difference? Am I reading the two targets wrong? Are they two different things? Why have you gone for 40% in one and 35% in the other? Is it that two offices are not engaged?

**Mr Lavery:** I think that the issue is one of a minimum standard. We are looking for at least 35% of single application form (SAF) forms and 60% of cattle birth registrations to be completed online. We are also saying that, if we can get over the 40% barrier, we are confident that we will be able to make a higher and speedier level of payment. That is what claimants are looking for.

We did very well indeed this year; I think that it has been our best year ever for the overall performance of claims. Against that, next year there will be further changes to how claims are made, but we would like to maintain and improve on our performance if at all possible.

That is where the two marry up. It is a minimum standard, and then, if you like, a gold standard. We are hoping for the gold standard that will give us a chance to improve on our overall payment performance.

**The Chairperson:** I hear what you say about the performance of the Department this year on the percentage of single farm payments that were made. Mind you, there is a glaring omission in the form of the remote sensing debacle. There is no way to sugar-coat it and no other way to describe it but as a debacle. As it was such a problem and brought such hardship to farmers in a very specific location, why is there no target for remote sensing?

Remote sensing will be the future, but it is whether the Department has the ways and means and capacity to deal with it. Why have you not set a target? Can you give me a specific target for how many cases you will use remote sensing on this year?

**Mr Lavery:** I do not have a number in mind. I think that we will aim to do at least the same level of remote sensing as we are doing at present.

As I am sure the Department has outlined to the Committee, the use of remote sensing was successful for the vast majority of farmers, and, for those who were not inspected, it resulted in faster payments and the best performance that the Department has had. It made a major contribution to the vast majority of farmers. For those whose farms were overflowed, we have carried out follow-up inspections and rapid field visits. Those have been carried out expeditiously and, indeed, those whose farms are being inspected are being cleared faster this year than last year.

That is no comfort whatsoever to two groups. The first is those who still have not received a payment — about 300 farmers. In previous years, that number would have been much higher, but each person who has not received a payment and who entered into commitments on the basis that they would receive a payment has a right to feel unhappy. The second group, which comprises them and others, are those who were not told that their farms were being overflowed. At the moment, the issue that we are looking at is, when can we tell a farmer that his farm has been selected for inspection by remote sensing? It is a difficult issue because the European rules are such that you do not give advance warning of an inspection, and there is a real difficulty in saying to people whose farms are overflowed that they have been selected for inspection before all the rapid field visit work is carried out. That is the issue that we are looking at.

We did not communicate as clearly or as well as we should have, and I am confident that the staff involved have already made that known to the Committee and to the Assembly through the Minister. That is the bit that we need to get better at. Remote sensing appears to have worked well for the group that was not inspected. We have to look again at the overflight because one of the effects is that, in the nature of flying over farmland, you are inclined to carry it out in an efficient way, which means that all the farms in a particular area are selected. That leads to problems. If you are a feed merchant, and 10 farmers all say to you, "I will pay you in the first week of December when I get my cheque", and the first week of December comes, and all 10 of them say, "None of us has had a payment", that is not something that we anticipated, although we should have. We should have thought it through.

**The Chairperson:** That is what happened. It was not tens; it was hundreds.

**Mr Lavery:** We are familiar now with the problem, and we are looking at solving it.

**The Chairperson:** Just to be clear and to have it on the record, with regard to the corporate plan and the annual business plan for this year, there are no targets for informing people in a timely manner on remote sensing, there are no targets for the amount of remote sensing that will be done this year, and there are no targets for when all those receiving remote sensing inspections will be paid.

**Mr Lavery:** I am not aware of any target. Those targets will be in the division. As I have said throughout, the point of coming to the Committee is not to present you with a fait accompli incapable of change. We want to respond to members' concerns. If there are concerns, we will take them away, reflect them to the Minister and look at producing a target that is relevant to them.

**Mr Tom Rodgers (Department of Agriculture and Rural Development):** Business planning is done on a hierarchy, so there are detailed business plans that sit at a level below this, as Gerry said. We try to get an optimum number of targets for this strategic document without overloading it.

**The Chairperson:** The target for single farm payments is the arbitrary one of December, which is set in Europe. That seems to be it. With the hardship that came this year, I think that the Department could look at more detailed targets that would benchmark and tell personnel in the Department, "This is what we mean to do. We mean business." This document is your document for your people to benchmark performance.

**Mr Irwin:** I have a comment in relation to remote sensing. For many, it was the first time, and there may be some difficulties, but remote sensing was done last May, and it is now 11 months later and people have not been paid. That is not acceptable. I am sure that you have to admit that that is not good enough. It is almost a year later, and people have still not been paid.

**Mr Lavery:** We are paying faster on inspections than we did last year, but there is still room to improve. I am happy to accept that there is room to improve.

**Mr Irwin:** I accept that, in many cases, payments were made more quickly after inspections, but specifically in regards to remote sensing, you must accept that 11 months later is not good enough. I know that you do not want to admit that, but having to wait 11 months after an inspection cannot be good by any stretch of the imagination. It is certainly not good for the farm, but it does not look good for the Department either.

**Mr Lavery:** To be clear, yes, I accept that we need to do better on that point; I have no difficulty in admitting that. I would not want to lie on record.

**Mr Byrne:** What stage are we at in having an effective implementation plan for the rural White Paper on tackling rural poverty and social and economic isolation? We recently had a debate about it, and the Minister gave an undertaking in the Assembly that she was in favour of having a statutory basis for an implementation plan, but there is not much reference to it here. Do the bureaucrats want the implementation plan to have a statutory basis?

Secondly, I wanted to ask about the abysmal failure of rural broadband. Despite the money from ETI and DARD, there are still many black spots. In the meantime, the Department is advocating that as many farmers as possible go online and use their broadband ICT systems. We also still have big blanks in rural mobile signals.

**Mr Lavery:** Officials are going back to the Minister with proposals on the statutory basis for an implementation plan, so I am happy that work is ongoing in light of the Minister's commitment.

We have invested heavily in rural broadband, although black spots remain. We are committed to trying to get better coverage in rural areas, although we still have a way to go. Our coverage is not the same as in England, for example. I think that it is on a par with Wales, although that is of no comfort to people who do not have access.

We will be addressing how we deal with people who do not or cannot have access to our digital services and who require what we call assisted digital, whether through an agent, such as a form-filler; a non-payable agent, such as the Department; or a public office such as a library or some other approach. However, we accept that, while coverage remains as it is, there will be a requirement on the Department to be scrupulous in changing its services so that we can always allow for those who cannot have access.

**Mr Byrne:** You accept, hopefully, that there is a contradiction in the Department. It is asking as many farmers as possible to go online, but those people feel grossly frustrated when their son or daughter who is an IT operator still cannot communicate effectively with the Department.

**Mr Lavery:** Yes.

**Mr Byrne:** In the meantime, you are advising them to hire another consultant and pay them money to fill in their form.

**Mr Lavery:** I would not go that far. I have said that our assisted digital policy will have to look at a range of options. Many farmers use form-fillers for a variety of reasons, but the requirement for form-fillers may diminish as we improve our digital service because there would be much more immediate

checking of a form and an inability to put in the wrong information, which has bedevilled farmers' lives for a number of years.

**Mr Buchanan:** I want to come back to the single farm payment. We said that digital sensing would speed things up, and it might have done in some areas, but I have constituents who still have not received their single farm payment. When I contacted Orchard House in Londonderry, they said that they have not received the paperwork yet; when I contacted the local DARD office in Omagh, they said that they have not received the paperwork yet; and we cannot get on to the office that is supposed to be dealing with it because they do not speak to us. There is a huge communication problem. The communication problem for farmers who are prevented from getting their single farm payment through remote sensing is worse now than ever. It is creating a huge difficulty for them, because they cannot even get any information on where it is and when it may be coming forward. Something has to be addressed there, because if we are to go down the road of remote sensing, which is supposed to be the bee's knees for getting single farm payments out, communication will have to be upped somehow or other.

**Mr Lavery:** I take your concerns on board.

**Mr Buchanan:** Why is it that, even as a Member, I cannot get a number for the person who is dealing with it in the Ballymena office, or wherever it is, prior to its coming to Omagh? Why can those folk not be contacted?

**Mr Lavery:** I have to look into it, because —

**Mr Byrne:** They are rather remote, if you pardon the pun. *[Laughter.]*

**Mr Buchanan:** They are remote, yes. It is not a way to operate. There is something wrong when we get a query about a single farm payment that has been running on for some time, but the local office and the office in Londonderry do not have it, and we cannot make contact through to the Ballymena office, or wherever it is that they are running it from.

**Mr Lavery:** I will look at that. A Member should be facilitated in their role.

**The Chairperson:** I have one further question. DARD has two executive agencies — the Forest Service and the Rivers Agency. They operate in accordance with a framework document that describes the relationships and responsibilities between the agencies, the Department and the Minister. Responsibility for plant health policy and delivery has been allocated to Forest Service. What is the difference between Rivers Agency and Forest Service? Why are we going through a move to deagentise? I think that that is the word, although I do not know if it is in the dictionary. Maybe you have invented a new word, which might be a good target to have in a business plan. What is the difference?

**Mr Lavery:** I suppose that the issue is that Rivers Agency does not see much benefit from its status as an agency, and there are some costs, albeit modest. When Next Steps agencies were invented in the 1990s, it was envisaged that chief executives would have freedom to have their own personnel policies and to bring in their own schemes for bonuses and rewards, and freedoms around procurement, managing their assets and disposing of assets, and that it would be a freestanding command that would respond, through a Minister, to the legislative tier. That is not the structure that they are in today.

The structure that we are in today is one where public sector pay is very sensitive and held by Ministers as an issue that they want to deal with across the public sector. We have very strong policies on procurement, which we do not want anybody to go outside. We also have strong policies on managing assets. So they find themselves in a very constrained area, and, as I said, not having a lot of benefit from their agency status and having to, as you outlined, Mr Chairman, support a governance structure, and, in our case particularly, support a set of accounts.

The constraint on us is that, until their accounts are finalised and brought into those of the Department, the Department's accounts cannot be finalised. You are working off a very limited resource in the Rivers Agency, which could, at any stage, not deliver. That is all that there is to it.

The difference for the Forest Service is that, at present, as outlined in the plan, we have asked the chief executive of the Forest Service to take on additional responsibilities relating to plant health. We are also coping with the tree diseases P ramorum and ash dieback.

The Forest Service is also very active, as members said, with wind turbine issues, and there are also issues around recreation and tourism. With all that going on, we do not want to introduce a further change, albeit one that might be helpful. Having embarked on the dialogue there, however, Rivers Agency thought that, because it was a small change, we could accomplish it relatively straightforwardly. There is no hidden agenda. It was a small and, hopefully, more efficient change. We will want to talk to Forest Service in due course about what benefit it gets from its agency status. Other Departments are going through similar dialogue for similar reasons. Although it is, potentially, a good thing to have a free-standing agency, the structure is no longer there for it to operate in a free-standing way.

**The Chairperson:** OK. Thank you very much. There are no more questions. Again, thank you for your attendance and for a very informative session.