

Agriculture, Environment and Rural Affairs Committee

Minutes of Proceedings

13 February 2025

RSPB Window on Wildlife Centre

Present:

- Robbie Butler MLA (Chairperson)
- Declan McAleer MLA (Deputy Chairperson)
- John Blair MLA
- Tom Buchanan MLA
- William Irwin MLA
- Michelle McIlveen MLA
- Patsy McGlone MLA
- Áine Murphy MLA

Present by Video or Teleconference:

Apologies:

In Attendance: Dr Janice Thompson, Assembly Clerk Mr Nick Faulkner, Assistant Assembly Clerk Mr Michael Greer, Clerical Supervisor Miss Sarah Preece Clerical Officer

The Meeting Opened in Public Session at 10.11 am

The Chair reminded Members of the 'Declaration of Interests' and asked if there are any new interests to declare, relevant to the items under consideration at this meeting, that had not already been declared at the first meeting.

Declan McAleer MLA declared that he has recently been named as an executor of a small farm in Co Tyrone.

1. Apologies

None

2. Chairperson's Business

The Chair advised the Committee that he had received correspondence, dated 31 January, from Encirc, a glass container manufacturer and bottler headquartered in Derrylin, Fermanagh, which employs over 2,000 people, with 540 people employed in Derrylin.

They state their ambition is to almost halve their Scope 1 emissions by 2030 and reach a full Net Zero position by 2045 and wished to highlight to the Committee a new Industrial Fuel Switching project they are delivering in partnership with Glass Futures.

The trial will take place this month in Derrylin, using 100% low-grade, waste-derived biofuel, in place of natural gas, for the production of commercial container glass products.

The Chair highlighted that Encirc is already on the list of potential Committee visits and the Committee would aim to visit this year.

Agreed: The Committee agreed to note the correspondence.

The Chair advised the Committee that he had received an invitation from the Rt Hon Alistair Carmichael MP, Chair of the House of Commons Environment, Food and Rural Affairs Select Committee to an online meeting between committee chairs across legislatures to discuss inter-legislature engagement and shared policy areas.

Agreed: The Committee agreed that the Chair should attend the meeting and report back to the Committee.

The Chair referred to the report from The Northern Ireland Rural Valuers Association (NIRVA) entitled 'Initial Assessment of the Values and Numbers of Farm Businesses and Taxpayers in Northern Ireland Affected by the Proposed Changes to Agricultural Property Relief and Business Property Relief from Inheritance Tax'.

The Chair advised that the report provides an analysis of how the proposed inheritance tax changes will adversely and disproportionately effect Northern Ireland farmers and that the UK Government has underestimated the number farms that will be affected here and that DAERA's analysis showed that over 48% of farms here exceed the £1 million threshold.

Agreed: The Committee agreed to note the report.

The Chair advised the Committee that in his capacity as an MLA he has agreed to sponsor an event at Parliament Buildings in June for Advancing the Bio-Economy in the Food Sector led by the UK Research and Innovation Agri-Food 4 Net Zero Network, which seeks to support policymakers in driving transformative change within the bio-economy, particularly in the food sector.

Agreed: The Committee agreed to note the event.

The Chair referred the Committee to The Waste (Materials Facilities) Regulations (Northern Ireland) 2025 that it had been due to consider at this meeting.

The Chair stated that at the meeting on 12 September the Committee considered and noted the consultation on draft legislation and a draft code of practice for Materials Facilities sites (MFs) in Northern Ireland. The Committee then considered a written briefing on 23 January regarding the Departmental Response to the consultation and agreed to request an oral briefing from Departmental Officials when the SL1 was received.

The Chair went on to say that the Department had omitted to submit a formal SL1 letter to the Committee before laying the SR in the Business Office. The submission of the SL1 letter to the Committee has been requested but this means that the Committee is in the position of having to consider the SL1 for an SR that is already laid by negative resolution.

The majority of the Committee expressed frustration at the lack of time it had been given for its consideration of SL1s and SRs generally and on this occasion it appeared to be a case of "putting the cart before the horse".

The Committee noted that a new process regarding the handling of SL1s and SRs, timescales etc. is in development between the Departments and the Assembly.

The Chair sought the agreement from the Committee to arrange an oral briefing on the content of the SL1 and also consider the SR at the same meeting.

Agreed: The Committee agreed to write to the Department and express its dissatisfaction at the situation.

Agreed: The Committee agreed to request an oral briefing on the content of the SL1 and consider the SR at the same meeting.

3. Minutes

Minutes of the 6th February were agreed and signed by the Chair to be published. **Agreed:** The minutes were agreed.

4. Matters Arising

4.1 The Committee considered the response from the Department, dated 7 February, regarding The Animals (Identification, Records, Movement and Enforcement) (Amendment) Regulations (Northern Ireland) 2025.

At the meeting on 23 January, he Committee had queried how many potential offenders were identified each year since the enforcement powers ceased but were unable to be inspected in the absence of the powers.

The response stated that the number of cases referred to the Department's Welfare Enforcement Branch were as follows:

In 2021-11 cases; 2022 - 12 cases; 2023 - 9 cases; 2024 - 11 cases; and in 2025 – 3 cases to date.

The Committee noted that the Department is currently considering what action should be taken in relation to these cases, although it is not possible to retrospectively pursue cases for enforcement.

The Committee had also sought clarification on whether those alleged cases of IRM infringements, would have been referred for cross-compliance checks. The response stated that it would not have been appropriate to adjust the agreed criteria of the risk matrix in order to specifically target some herds for cross-compliance inspection due to notification of possible contraventions of IRM legislation. However, the Department stated that most of these cases have been captured for the risk based cross-compliance checks.

Agreed: The Committee noted the response.

4.2 The Committee considered a chain of email correspondence between Aquaculture NI and a Committee Member that was agreed to be shared with all Members following the briefing from Aquaculture NI at the meeting last week.

Agreed: As it is remains a live issue, the Committee noted the correspondence.

4.3 The Committee considered correspondence from the Minister dated 11 February regarding Fair Pricing - Food Supply Chain.

The Committee noted that it previously wrote to the Minister following consideration of correspondence from the Defra Minister of State on measures to improve fair pricing in the food supply chain and considered the Ministers response to that letter at the meeting of 30 January. It then made further enquiries:

• What specific 'asks' has the Department made for Northern Ireland in the forthcoming fair dealing regulations;

- What specific supply chain issues did the Minister raise at the UK Inter-Ministerial Group meeting in November; and
- What actions the Committee could potentially take to proactively support the Minister in regards to ensuring these regulations meet Northern Ireland needs.

The Chair proposed an informal session with RalSe to discuss the information received to date from the Minister, from Defra and from the Farmers for Action to gain a clearer understanding on the likely impacts of the Defra proposals on the concerns raised.

Agreed: The Committee noted the correspondence and agreed to an informal meeting with RalSe.

4.4 The Committee noted it had discussed the rural impact of the recent storm on a number of occasions, the role of NIE, Forestry Service, and Fibrus all being discussed over the last number of meetings.

As agreed last week, the Clerk had liaised with the Clerk to the Economy Committee regarding what that Committee was doing in this regard.

The Committee noted that The Clerk to the Economy Committee understands that Fibrus has recently met with each of the parties and that the Department for Economy will liaise with the Utility Regulator and NIE Networks after NIE Networks has conducted its post major incident review for the storm.

The Committee noted that the Clerk to the Economy Committee will discuss with his Chair the potential for any AERA/Economy link-up on these matters.

Agreed: The Committee agreed that the Clerk continues to liaise with the Economy Clerk in this matter.

Patsy McGlone MLA joined the meeting at 10.14am The Departmental Officials joined the meeting at 10.31am

5. Briefing from The Department of Agriculture, Environment & Rural Affairs -Update on new Farm Sustainability Standards and penalty regime

This item was recorded by Hansard

The Committee considered the briefing paper - Farm Sustainability Standards (FSS) and Revised Penalty Matrix.

The following Departmental Officials briefed the Committee:

- Dr Jason Foy, Director of Area-based Schemes Division, DAERA
- Mr Aidan McEvoy, Head of Controls & Assurance Development Branch, DAERA
- Dr Elvira McAleese, Divisional Veterinary Officer, DAERA
- Mr Mark Hammond, Head of Natural Environment Operations NIEA

The Committee heard that the purpose of the briefing is to update the Members on the current position of the draft Farm Sustainability Standards (FSS) and Revised Penalty Matrix which have been developed as part of the Sustainable Agriculture Programme (SAP). The FSS is to replace the system of Cross-Compliance which has existed in Northern Ireland since 2005 and they will apply to all farm businesses receiving public subsidy.

The Officials stated that it is proposed to introduce seven new FSS to replace the 20 Cross-Compliance standards: FSS1 – Protection of Waters from Pollution; FSS2 – Protection of Habitats and Biodiversity; FSS3 – Protection of Landscape, Archaeological and Heritage Features; FSS4 – Protection of Soils; FSS5 – Food and Feed, Herd and Flock Health and Biosecurity; FSS6 – Welfare and Protection of Farmed Livestock (including Transport) and FSS7 – Livestock Identification and Traceability.

The Committee heard that the proposals aim to remove the complexities of the current scheme and to offer support, advice and training to farmers to help avoid breaches.

There then followed a question and answer session.

The Committee queried the issue of fairness in approach and the creation of a balanced approach to ensure penalties will be more proportionate. The Committee heard that the proposed matrix will be applied fairly and the main focus will be on repeat offenders.

The majority of the Committee raised concerns that minor breaches such as late cattle registration could still see the imposition of severe penalties.

The Committee also heard that software is being developed to improve standards of evidence gathering to capture evidence at the point of inspection.

The Committee noted that the Department is not planning any further consultation on the FSS as it believes that it has already taken on a sufficient number of views on the Policy.

The Committee also heard that in regard to the issue of environmental protection there will not be a decrease in non-compliance checks and it is anticipated that there will be fewer breaches due to the provision of support to farmers.

The Committee queried when the Nutrient Action Programme Review will be completed.

The Committee thanked the Offcials for the briefing.

Agreed: The Committee agreed to write to the Department enquiring when is it anticipated that the Nitrate Action Programme Review will be completed and what will be the impact on the revision of the Farm Sustainability Standards.

Aine Murphy MLA left the meeting at 10.53am Aine Murphy MLA re-joined the meeting at 10.57am Declan McAleer left the meeting at 11.02am Declan McAleer re-joined the meeting at 11.05am John Blair MLA left the meeting at 11.08am John Blair MLA re-joined the meeting at 11.11am

Patsy McGlone MLA left the meeting at 11.14am Patsy McGlone MLA re-joined the meeting at 11.18am

The Departmental Officials left the meeting at 11.25 am The Departmental Officials joined the meeting at 11.25 am

6.Oral Briefing from The Department of Agriculture, Environment & Rural Affairs – SL1 The Farm Sustainability Payments to Farmers (Amendment)

Regulations (Northern Ireland) 2025 [previously titled: The Direct Payments to Farmers (Amendment) Regulations (Northern Ireland) 2025.]

This item was recorded by Hansard

The Committee noted that the title of the Statutory Rule has been changed from The Direct Payments to Farmers (Amendment) Regulations (Northern Ireland) 2025 to The Farm Sustainability Payments to Farmers (Amendment) Regulations (Northern Ireland) 2025.

The Committee considered the SL1 - The Farm Sustainability Payments to Farmers (Amendment) Regulations (Northern Ireland) 2025. The following Departmental Officials briefed the Committee:

- Mr Jason Foy, Director of Area-based Schemes Division, DAERA; and
- Ms Audrey Henderson, Grade 7 Area-based Schemes Operational Policy Branch, DAERA

The Committee heard that the proposed SR is to make a number of minor legislative amendments:

- the closing date for the transfer of payment entitlements;
- removing the methodology, as prescribed by the EU, to assess the robustness of the Land Parcel Identification System (LPIS); and
- those listed as a Competent Control Authority for cross-compliance has been updated to reflect that DAERA now undertakes this role.

The Committee noted that the SR will be laid before the Assembly under the negative resolution procedure and, subject to Executive approval, it is anticipated that it will come into operation on 6 March 2025.

There then followed a question and answer session:

The Committee heard that the Department intends to simplify the procedures and rules concerning land eligibility.

The Committee recognised the farming industry has welcomed the extension of the Entitlement transfer window by two weeks and that applications can be accessed online. The Committee heard that the Department plan a rapid review process for those farmers who are challenging the decision that they are inactive and not eligible for the Farm Sustainability Payment.

Agreed: The Committee agreed that the Department proceeds to make the SR and it will then consider it and the ESR Report formally in due course.

The Committee thanked the Officials for the briefing.

The Departmental Officials left the meeting at 11.36am The meeting was suspended at 11.36am The meeting resumed at 11.43am William Irwin re-joined the meeting at 11.44am

7. SR 2025/0000 The Farm Sustainability (Transitional Provisions) Regulations (Northern Ireland) 2025

The Committee considered the following papers:

- The revised draft of the SR was that due to be put before the Committee last week: The Farm Sustainability (Transitional Provisions) Regulations (Northern Ireland) 2025 (Revised);
- the note of the informal meeting with the Minister attended by the Chair and the Deputy Chair held on 10 February, to discuss the Committees concerns;
- the follow-up letter from the Minister after the informal meeting;
- correspondence, dated 7 February, from Northern Ireland Environment Link which states they are in support of the SR and have nothing further to add to the correspondence from the APSG; and
- the email circulated on 11 February by the Committee Clerk confirming that the Minister was not moving the motion on that day and detailing relevant procedural advice from the Clerk Assistant.

The Chair reminded the Committee of the history of its consideration of this draft SR as follows:

The Committee were briefed by DAERA Officials at its meeting on 30 January, when it heard that the SL1 replaces the Farm Sustainability Transition Payment (Transitional Provisions) Regulations, discussed with Committee on 23 May 2024.

The Committee then agreed at the meeting of 30 January to write to stakeholders listed on the APSG giving them the opportunity to provide a written response with their views on the draft SR with the offer of giving an oral briefing. Subsequently several responses have been received from groups, that are part of the APSG, stating they are in support of the draft SR.

The Committee also considered the overarching response from the APSG, dated 4 February, confirming that all its member groups support the draft affirmative SR.

At the meeting on 6 February, the majority of the Committee agreed to write to the Minister to request that he did not move the Motion on 11th February.

The majority of Members agreed to write to the Minister calling for the continuation of the Young Farmers Payment and the Regional Reserve until the Farming for the Generations Scheme is introduced.

All Members agreed to write to the Minister to obtain full details of the progress of development of the Farming for the Generations Scheme, including details of the scheme, milestones of development, dates and timelines.

The Committee noted that the Chair and the Deputy Chair met with the Minister on 10 February to discuss the Committee's concerns and request that he would did not move the motion on 11 February. A request was made for a further Departmental oral briefing today however due to the main Official not being available, the Minister issued a letter to the Chair providing further details of the Farming for the Generations scheme and the rationale for closing the Young Farmers Payment (YFP) and the Regional Reserve (RR).

The Committee noted that, following the informal meeting, the Minister agreed not to move the Motion on 11 February.

There then followed a discussion in the Committee and the majority of Members expressed concern that there had been no change to the draft SR despite the range of concerns raised by the Committee over the past number of weeks.

The Committee expressed concerns that there was still no certainty on the timeline for the commencement of the Farming for the Generations Scheme in advance of the planned closure of the YFS and the RR.

Some Members felt that brand new entrants to farming would be disadvantaged by the closure of the Regional Reserve and that there may be a situation in future where there are not enough Entitlements to match the land available.

Some Members expressed concern that those farmers who will not meet the active farmer definition will only have a short window to move their entitlements on to someone else.

One Member highlighted that the Minister, in his response, outlined that the YFS was no longer value for money and that the schemes have made no difference to the age structure of the head of holding on NI farms and have not delivered generational renewal.

Agreed: The Committee agreed to write to the Department seeking an urgent update to the concerns raised before it considers whether to hold an additional meeting on Monday to see if a Committee consensus can be reached on the draft SR.

The RSPB NI Representatives joined the meeting at 12.05 pm

8. Briefing from the RSPB Northern Ireland - Update on current issues

The Committee considered the paper from the RSPB (NI): Briefing from the RSPB Northern Ireland - Update on current issues

The Committee considered a draft Press Release regarding the meeting held today at RSPB (NI).

Agreed: The Committee agreed for the press release to be published.

The following RSPB (NI) representatives briefed the Committee:

- Ms Joanne Sherwood Director, RSPB (NI);
- Ms Michelle Hill, Head of Nature Policy and Casework RSPB (NI); and

• Ms Anne-Marie McDevitt, Head of Species RSPB (NI)

The Committee heard of the work that the RSPB (NI) carries out to protect habitats, stop biodiversity loss and save species and the challenges it faces it doing that work.

There then followed a question and answer session:

The Committee heard that there was a need for strong political leadership to deliver on the 30 by 30 Plan to get 30% of the land and sea designated as protected areas by 2030. There was also a call for an Independent Environmental Protection Agency to ensure the transparency, oversight and enforcement of environmental protection laws.

The Committee also heard that there was a need for co design of any future environmental protection schemes. As regards Farming for Nature the Committee heard that the RSPB would welcome targeted advice to farmers and the monitoring of schemes to ensure objectives are met.

The Committee heard of efforts to protect bird life by altering land use, targeted predator control and the need for a balanced approach when assessing the ecological impacts of wind farms on birdlife.

The Committee thanked the representatives for the briefing.

Aine Murphy MLA left the meeting at 12.23pm William Irwin MLA left the meeting at 12.33pm

The RSPB Representatives left the meeting at 1.07 pm

9. Correspondence

The Committee considered correspondence, dated 7 February, from Mark Durkan MLA announcing the launch the public consultation for his Members Bill, The Environment and Nature Restoration Bill.

The Committee noted that they considered the advance notification of the consultation at its meeting on 6 February.

Agreed: The Committee agreed to note the correspondence.

The Committee considered the 31st Report of the Examiner of Statutory Rules (ESR), dated 7 February 2025.

The Committee noted the Report referred to the following SRs of relevance to the Committee:

Subject to the draft affirmative resolution procedure:

 Draft S.R: The Waste (Fees and Charges) (Amendment) Regulations (Northern Ireland) 2025

Subject to the negative resolution procedure:

• S.R. 2025/11: The Animals (Identification, Records, Movement and Enforcement) (Amendment) Regulations (Northern Ireland) 2025.

The Committee noted that the report drew this SR to the attention of the Assembly on the ground that it was laid in breach of the 21 day rule, however, the ESR was content that the Department has provided a satisfactory explanation for the breach in this instance.

Agreed: The Committee noted the report.

The Committee considered email correspondence it has been copied into, dated 7 February, between Macwaste Ltd and the NIEA Waste Regulation Unit regarding a Haz waste query and Macwaste seeking clarification/confirmation from the Department that environmental legalisation has been followed.

Agreed: The Committee agreed to note the correspondence.

The Committee considered correspondence, dated 11 February, from the Department regarding a Minor Amendment to the Agriculture (Student Fees) Regulations as a Consequence of the Introduction of the Education (Scotland) Bill.

The Committee noted that the amendment does not impact in any way on the interpretation or application of the Agriculture (Student Fees) Regulations.

The Committee noted that as this is a very minor change to DAERA legislation, Minister Muir has informed the Scottish Government Cabinet Secretary for Education and Skills, of his agreement in principle to the drafting of the section 104 Order making the consequential amendments to The Agriculture (Student Fees) Regulations.

Agreed: The Committee noted the correspondence.

10. Forward Work Programme

The Committee considered the draft Forward Work Programme up to 27 March. The Committee noted that on last week's Forward Work Programme there were two SL1s included for the meeting of the 27 February - SL1 The Eel Fishing (Amendment) Regulations (Northern Ireland) 2025 and the SL1 The Environmental Protection (Disposal of Polychlorinated Biphenyls and other Dangerous Substances) (Amendment) Regulations (Northern Ireland) 2024.

The Committee noted that both still require executive approval and will come before it in due course.

Agreed: The Committee agreed the Forward Work Plan to be published.

11. Any Other Business

12. Date and Time of Next Meeting

The next meeting of the Agriculture, Environment and Rural Affairs Committee is on **Thursday 20 February at 10.00am in Parliament Buildings, Room 21**

The Meeting adjourned at 1.10 pm

Signature:

Robbie Butler MLA, Chairperson

Dated

Agriculture, Environment and Rural Affairs