



Northern Ireland Assembly

COMMITTEE FOR AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS

Response to Committee for Finance on the Budget 2024-25

Introduction

1. The Committee for Agriculture, Environment and Rural Affairs thanks the Committee for Finance for co-ordinating a response from Committees as part of the Budget 2024-25 process. The Committee appreciates that the Committee for Finance takes a lead role in the scrutiny of the Executive Budget as a whole.
2. Members also note that the Committee for Finance is currently taking evidence from academics and stakeholders on the Budget as a whole and will collate these views into a report which it is planned to publish prior to the Vote on the Budget scheduled for 28th May.
3. The Committee for Finance agreed at its meeting on 8th May that it was requested that other Statutory Committees input by 17th May to a co-ordinated response of scrutiny as part of the Finance Committee's report.

BIDS and Total Allocations - Department for Agriculture, Environment and Rural Affairs (DAERA) – Committee Scrutiny to Date

4. At its meeting on 2nd May 2024, the Committee for AERA considered a written briefing from DAERA regarding the Resource DEL and Capital DEL bids submitted to DoF, as part of the ongoing work in relation to the Budget 2024-25 process.
5. The Committee noted that DAERA had submitted new requirement bids to DoF of **£95.8m Resource DEL as follows** (rounded to nearest 100K):

- 23.8m - Bovine TB Programme Delivery
 - 22.1m - Environmental Improvement Plan (including Lough Neagh) Delivery
 - 12.5m - Green Growth / Climate Change Delivery
 - 33.4m - Farm Support and Development Programme Delivery
 - 1.3m - PEACEPLUS / City and Growth Deals Delivery
 - 2.7m - Animal Welfare and Epizootic Disease such as Avian Influenza.
6. The Committee noted that DAERA had submitted new requirements bids to DoF of **£155.2m Capital DEL as follows** (rounded to nearest 100K):
- 17.5m Earmarked
 - 101.6m Inescapable
 - 300m Pre-committed
 - 59.7m High Priority
 - (Offset by 6.4m AFBI R&D income), meaning total is £155.2m.
7. The letter advised the Committee that on 25th April the Department had agreed allocations for DAERA of £577.3m Resource DEL and £95.0m Capital DEL. These allocations include 'Earmarked Allocations' which are for specific purposes.
8. The Officials advised the Committee that they are now working through the implications of these allocations and further briefings will be provided in due course - an oral briefing is now scheduled for 6th June. The Clerk requested through the DALO for an earlier briefing than this but was advised that the Officials would not be in a position to brief the Committee any earlier due to the work needed to consider the implications of the allocations.

Fiscal Council Assessment

9. In the absence of further analysis to date from DAERA regarding the allocations - at its meeting on 16th May, the Committee noted the relevant findings for DAERA in the Fiscal Council assessment of the budget allocations [The NI Executive's 2024-25 Budget: an assessment, May 2024](#).
10. Overall, the total sum available for departments resource spending (including centrally held items) is 7 per cent higher than the Secretary of State originally allocated for spending in 2023-24, but 2 per cent lower than the final plans departments were working to by the end of the year. The report states that:

*Among the relatively big spenders in terms of departments, Education and Justice fare better than average, Communities broadly in line with average, Health slightly worse than average and Infrastructure, Economy and **Agriculture etc. worse still.** compared to average.*

11. The Committee noted that, among the significant spenders, DAERA has the largest proportion of its allocation earmarked, reflecting the UK Government's post-Brexit commitment to match EU funding for farming and fisheries over the remainder of this Parliament.
12. The Committee also noted that the Fiscal Council analysis showed that the Departmental resource requirements (including earmarked) is £658m versus allocations received of 577m (88% of requirement).
13. The Committee notes that the proportion of submitted non-earmarked bids met was only 15m (15.6%) of the 96m requested. The Committee will in due course be investigating the impact of this shortfall for non-earmarked bids with Officials.
14. The Committee noted that the departments have bid for Capital spending with projects identified as earmarked, inescapable, pre-committed, high priority or desirable. The bids from DAERA (including earmarked): £155m - of which 61.2% are marked as inescapable and pre-committed: £95m.
15. The total allocations highlighted in the Fiscal Council analysis (general plus earmarked) is well below the £155m at £95m, which will just cover the inescapable and pre-committed. As with the Resource DEL, the Committee will in due course be investigating the impact of this shortfall for the other bids with Officials.
16. The Committee has an oral briefing session with the Minister on 6th June and will be hoping for a clearer position by then on how the Department intends to deal with its allocations.

Some Spending Priorities

17. In February the Committee received a briefing from DAERA Officials on the budgetary pressures of 2023/24 and those into 2024/25 and beyond. Since then the Committee has been continuing to hear from Officials and

stakeholders across the DAERA business areas, building a picture of where our scrutiny focus will need to be in terms of the budget.

18. The Committee is aware that **Bovine TB** is a challenging issue facing cattle farmers. In the last financial year, £53 million was spent on bTB, £38 million of which was paid to farmers for cattle that were slaughtered for disease control. A similar amount is expected to be paid this year. The Committee will be monitoring the outcome of the Secretary of State's consultation, inherited by Minister Muir, on proposals to reduce TB compensation.
19. On the **implementation of the Windsor framework** the Committee were advised that in-year DAERA was awarded Resource DEL allocations, totalling £28.2m for 2023-24 under three funding streams. The Committee is aware that staff costs of £18.6m are the greatest expense to operate the inspection regime along with support staff (on and off site).
20. The Committee are aware that **rural development funding and support** has been under pressure and expressed concern on reduced spend in 2023/24 for TRPSI - Tackling Rural Poverty and Social Isolation. DAERA advised the Committee that several initiatives including the Rural Business Development Grant Scheme were not delivered in 2023/2024 due to the need to undertake evaluations of the schemes.
21. The Committee is still waiting to see a **draft costed Climate Action Plan** and **Environmental Improvement Plan** (to include Lough Neagh) - the Committee will be expecting to see funding prioritised in that regard, along with funding for the necessary science and innovation.
22. The Committee has noted its concerns that the **Farm Support Programme** has not kept pace with inflation and is now concerned about sufficient funding being available for the **new Farm Sustainability Payment**. In his Oral Statement on 14th May, Minister Muir highlighted that funding for this Programme comes largely from the Treasury's earmarked funding for agriculture, environment, and rural support guaranteed to the end of the current Parliament. Some £329m has been allocated in 2024-25.
23. The Committee notes his view, for its future scrutiny on this matter, that it is imperative that any future settlement:

reflects our policy objectives and ambitions and, as an absolute minimum, the new Farm Sustainability Payment will provide a balance between providing a safety net which will help a farm business withstand 'shocks' that are beyond its ability to manage effectively and

encouraging farm businesses to be sustainable, efficient, competitive and to manage risk proactively.

24. The Committee will wish to see ensure there is sufficient funding given to the **marine environment**, acknowledging the need for increased, long-term funding for marine protection and restoration.
25. The Committee is also keen to see **definite plans with associated costs for the remediation of the illegal Mobuoy waste site**, as according to various reports it could cost upwards of £100million for a preferred option.