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**Research Briefing – Efficiency Delivery Programmes
and ISNI Measured Level Investment Proposals for the
Department for Agriculture and Rural Development**

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This research briefing summarises key points from the Department of Agriculture and Rural Development's Priorities & Budgets, ISNI and Efficiency Delivery Programmes as submitted to the Agriculture Committee for consideration - July 2007.

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Summary

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- The Executive has set all Departments an efficiency target of 3% on the 2007/08 baseline across 2008/09 to 2010/11. This paper summarises the Efficiency Delivery Programmes (EDPs) as proposed by the Department of Agriculture and Rural Development (DARD) in order to achieve this.
- This paper also summarises DARD 6.3 Measure Level Investment Proposals (MIPS) (Rural Development and Primary Industries) and 5.3 (Rivers Agency) as submitted to the Agriculture and Rural Development Committee for consideration in July 2007.
- The sectors covered within these MIPS include Rural Development, Agriculture & Food, Fisheries, Forestry, Land Use and Rivers Agency.
- Potential lines of questioning are highlighted in grey boxes.

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Background

As part of the Comprehensive Spending Review, the Executive Committee has set all Department's an efficiency target level of 3%, cumulative on the 2007/08 resource baseline across 2008/09-2010/11. For the Department of Agriculture and Rural Development (DARD), in monetary terms, this accounts for efficiencies of £6m by year 1, £12m by year 2 and £18m by year 3.

In addition to this, a separate target of 2.8% cost savings on cumulative administration costs has been set. This target has since been amended and in monetary terms, results in savings to be achieved of £1m by year 1, £3m by year 2 and £5m by year 3 or 1%/2.8%/2.8%.

The Efficiency Delivery Plans for obtaining these efficiencies have been submitted to the Committee for Agriculture and Rural Development for consideration. These plans are summarised below and some potential lines of questioning have been identified.

Furthermore, DARDs requirements under ISNI2 have also been forwarded to the Committee for consideration. These are identified under Measure 6.3 "Rural Development and Primary Industries" and Measure 5.3 "Flood Risk Management". A summary is of these with potential lines of questioning is also provided.

Summary of DARD Efficiency Delivery Programmes (EDPs)

The table below identifies indicative levels of savings proposed by each initiative by the Department.

Table 1: Levels of savings by initiative

Initiative	2008/09 £m	2009/10 £m	2010/11 £m
<i>Administration Savings (1%, 2.8%, 2.8%)</i>			
Rural development	0.79	1.20	1.20
Improved business processes	0.00	1.78	3.90
Total Administrative Savings	0.79	2.98	5.10

Initiative	2008/09 £m	2009/10 £m	2010/11 £m
<i>Programme Savings</i>			
Less favoured areas compensatory allowances	2.00	2.00	2.00
Animal health responsibility and cost sharing	1.12	2.97	3.87
TB and brucellosis control programmes	0.00	0.73	1.31
Cessation of ewe genotyping	0.20	0.20	0.20
Wildlife intervention policy	0.00	0.83	1.83
Agri-food and biosciences Institute	0.72	1.42	2.11
NI Food Strategy	1.00	1.00	0.94
Capital expenditure on accommodation	0.40	0.40	0.40
Total Programme Savings	5.44	9.55	12.66
GRAND TOTAL	6.23	12.53	17.76

Potential Lines of Questioning:

- 86% of administration budget is salaries and wages, therefore, any reduction in the budget would result in a diminished capacity to fund posts. The Department states that this could result in a total reduction of around 462 posts or 15% of workforce.
- The less favoured areas compensatory allowance savings will be maintained by balancing the schemes spending against others in the Northern Ireland Rural Development Programme and by utilising an element of voluntary modulation. How will these other programmes be affected by the loss of spending, given its redistribution?
- The majority of the savings arise from the sharing of animal health responsibility and cost sharing. Given that Northern Ireland and GB representatives are not fully supportive of the programme and DEFRA's proposed timescale, is it realistic to assume such high savings from 2008/09? What alternative plans are in place should this initiative not go ahead or delays are experienced in implementation?
- It is indicated that there is a possibility of reducing compensation payments under the wildlife intervention policy. This in effect means that farmers will bear a larger proportion of the cost of a TB outbreak in their herd. Does this

in effect, result in the farming community being affected by two cost sharing initiatives?

Measure Level Investment Proposals

The Department's Capital and Capital Grant requirements, as identified in the ISNI process, are presented in the form of Measure Level Investment Proposals (MIPs). Measure 6.3, "Rural Development and Primary Industries" and Measure 5.3, "Flood Risk Management", comprise the following components:

- 6.3.1 Rural Development
- 6.3.2 Agriculture and Food:
 - Central Policy Group
 - Service Delivery Group / Veterinary Service
 - Agri-Food and Biosciences Institute
- 6.3.3 Fisheries Industry
- 6.3.4 Forestry Industry
- 6.3.5 Land Use

- 5.3 Rivers Agency

Overleaf, summaries of the monies identified, context, rationale, delivery mechanisms and contribution to the ISNI cross cutting themes, for each element are detailed.

Constituent Programme 6.3.1 Rural Development

The requirements of the Rural Development Constituent Programme are summarised as follows:¹

Northern Ireland Rural Development Plan (NIRDP)

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Environment Policy E-Plans and Special Environmental Projects (Axis 2)	5,000	6,500	405	405
Axis 1 and Axis 3 National and EU EAFRD ²	10,450	29,540	8,543	6,810
Sub total	15,450	36,040	8,948	7,215

Objectives:

- Improving the competitiveness of the agricultural and forestry sectors by supporting restructuring, development and innovation;
- Improving the environment and countryside by supporting land management;
- Improving quality of life in rural areas and encouraging diversification of economic activity; and
- The LEADER method.

Rationale:

To address challenges faced by the agri-food industry and the wider rural economy, namely:

- Possibility of further liberalisation of agricultural support and trade
- Consequences of enlargement of the EU
- Further CAP reforms
- The need to balance competitiveness against wider social concerns
- The need to retain environmental sustainability

Description:

- Current NIRDP programme will continue to roll until 08/09-09/10. Capital projects will range from cycle tracks to renewable energy projects.
- NIRDP 2007-2013 Axis 1 and Axis 3: Vocational Training, adding value to products and improving market capacity, farm modernisation, diversification, business creation and development; increasing tourism, improving services and conservation and heritage.

Delivery Mechanisms:

- Implemented through range of secondary delivery bodies, local action groups and internal project teams

Contribution to 3 ISNI cross cutting themes:

¹ Full details on constituent programme can be found on page 16 of folder.

² European Agricultural Fund for Rural Development: Axis 1 and Axis 3 involve Improving Competitiveness of agricultural and forestry sectors through restructuring, development and innovation

- Objective A: Facilitate rising prosperity through investment in agriculture
- Objective B: Facilitate greater social inclusion and cohesion from investment in infrastructure
- Objective C: Facilitate sustainable forms of development

Enhancement Plans (E-Plans) and Special Environmental Projects (SEPs)

Objective:

- Small grants to be paid for farmers to finance small scale environmental improvements. SEPs are an extension to finance larger projects.

Rational:

- Allows for participants to boost farm incomes in return for the delivery of environmental public goods

Description of projects:

- Fall under strategic objectives of natural resource protection, environmental enhancement and improvement of air quality

Delivery Mechanisms:

- Through NIRDP programme and project board team with some individual projects procured.

Contributions to 3 ISNI cross cutting strategy:

- Objective C: Facilitate sustainable forms of development
- Objective A: Facilitate rising prosperity through investment in infrastructure

Rural Development Division (RDD)

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Rural Development Division (BSP)	1,788	-	-	-
RDD EU Community Initiatives – Leader National and EU	650	-	-	-
RDD Integrated Development Fund	52	-	-	-
RDD Interreg IV	275	224	-	-
RDD Anti-poverty National	1,200	800	360	240
Structural Funds bid from rural development division re: ex-military bases national ³	2,400	4,100	1,605	2,570
RDD Peace III National and EU	840	1,960	1,020	2,380

³ This bid is for national funding ie 50% of requirement. A full bid may need to be submitted pending the outcome of discussions with DETI re: Structural Fund allocation.

Sub total	7,205	7,084	2,985	5,190
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Objective:

- Peace III - 'Reconciling Communities – Building positive relationships at the local level'
- Interreg – Social and economic development of rural areas in order to promote territorial co-operation
- Ex Military-bases – to create attractive yet competitive shared space for communities
- Community Development (Anti-poverty/social exclusion) – Building community capacity and leadership skills to achieve regeneration.

Description of projects:

- Peace III – Initiatives aimed at challenging attitudes towards sectarianism and racism and support conflict resolution and mediation at the local community level.
- Interreg – Tourism based initiatives
- Ex-military bases – regeneration of sites, Forkhill currently being used as pilot case
- Community Development – provision of capital projects to support the voluntary and community sector used for community development

Delivery Mechanisms:

- Peace and Interreg delivered by preferred SEUPB mechanism
- Others delivered through local action groups, DARD representatives and Secondary delivery bodies

Contributions to 3 cross cutting ISNI objectives:

- Objective A: Facilitate rising prosperity through investment in infrastructure that will support economic growth, employment in higher value added jobs and competitiveness
- Objective B: Facilitate greater social inclusion and cohesion from investment in infrastructure
- Objective C: To achieve more sustainable forms of development

Potential lines of questioning:

- Given the recent approval of the NIRDP, to the value of £500m by Europe, there has been significant question as to the disparities between NI and Rol agricultural funding. Concern have been expressed that this funding compares poorly to other EU regions and noted that the Republic of Ireland receives funding in the region of €6bn.⁴
- How quickly will the money be able to be transferred to those on the ground. How is the Department going to ensure that the impact is not lost on account of the 'red tape'?

⁴ Europe's £500m for rural life in Ulster, Belfast Telegraph, July 25 2007

6.3.2. Agriculture and Food – Central Policy Group

The requirements of the Central Policy Group in respect of the Agriculture and Food constituent Programme are summarised as follows:

Mainstreaming of Environmental & Renewable Energy Fund and Agri-Food Waste Challenge Fund

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Mainstreaming of Environmental & Renewable Energy Fund	4,500	1,400	3,680	840
Agri-food Waste Challenge Fund – National Element	5,000	11,000	500	1,100
Sub Total	9,500	12,400	4,180	1,940

Objectives:

- To support exploitation of opportunities for alternative land uses and sustainable management of agri-food waste linked to renewable energy;
- To increase awareness of renewable energy technologies

Rationale:

- Pursue alternative carbon reducing / neutral technologies to address impact of greenhouse gas emissions; there are economic and environmental risks associated with not investing in this;
- The Agri-food Fund will contribute to promoting sustainable waste management / tapping into new opportunities in energy production.

Description of Project(s):

- A range of energy sources (biomass, short rotation coppice, anaerobic digestion/combined heat and power, solar panels) will be researched
- The Agri-Food Waste Challenge Fund would pilot a range of full scale technologies/approaches to managing waste from the agri-food industry.

Delivery Mechanisms:

- Energy Fund: AFBI and CAFRE would continue to deliver in this area;
- Agri-food fund: would be delivered by Service Delivery Group within DARD

Contribution to 3 ISNI cross-cutting strategic objectives:

- Both will contribute to achievement of Objective C: more sustainable forms of development that protects / enhances quality of natural environment, contributes to reducing carbon footprint / addresses the challenges of climate change / delivers higher quality infrastructure.

Northern Ireland Red Meat Strategy

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Northern Ireland Red Meat Strategy	15,000	5,000	-	-

Context:

- Following de-coupling of EU subsidies from production on 1 January 2005, the NI Red Meat Industry has suffered a lack of profitability;
- Although de-coupling was applied across the EU, as a net exporter of beef and lamb, NI has specific issues of over-capacity and inefficiency.

Objectives:

- The current review seeks to address lack of industry profitability by looking at: farm production; processing; and marketing;
- The proposal could enable a more competitive food processing industry / the maintenance of economical meat production across NI

Description:

- The funding would facilitate the following initiatives:
- Incentives to: diversification; intensive production; release of land to intensive production; reduction of processing capacity; innovation on quality; gaining quality and/or high value added markets; and raising efficiencies.

Delivery Mechanisms:

- This bid is dependent on the outcome of a current review; due 09/2007;
- Delivery of support schemes will fall to SDG in partnership with, e.g. InvestNI.

Contribution to 3 ISNI cross-cutting strategic objectives:

- Linked to economic development objectives and could contribute to strong economic growth in important sector

Equine Infrastructure Development

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Equine Infrastructure Development	10,000	-	75	-

Objectives:

- To address the needs of the equine sector and assist it in developing a long term strategy to achieve improvements in: the level of participation in equine events; breeding standards; sporting achievement; and economic performance

Rationale:

- Investment in rural areas is important, to add value and create employment;
- Equestrianism is a sector with potential for diversification and development;

Description:

- Development of world class facilities for sport horses/ponies;
- Development of horse racing centre of excellence for the thoroughbred industry; and
- Development of all-weather grass gallops and schooling grounds.

Delivery Mechanisms:

- This proposal is still at pre-business case stage;
- The Equine Sub Group (ESG) is reviewing its structure/membership - DARD would work closely with the ESG successor to deliver the investment;
- Consultants and a steering group might be required to facilitate / oversee the process.

Contribution to 3 ISNI cross-cutting strategic objectives:

- Objective A: Infrastructure development would create employment / facilities, particularly in rural areas. Could improve long term value of employment and competitiveness of NI equine sector;
- Objective B: Could be beneficial to all social / economic groups and both rural / urban communities – may improve social inclusion in NI;
- Objective C: Could enhance quality of rural life; equestrianism can be beneficial physically, mentally and socially.

Outworking of Dairy Policy Review

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Outworking of dairy policy review	3,000	7,000	300	700

Objectives:

- The proposal is linked to objective of a more profitable, competitive and innovative food processing industry

Rationale:

- The dairy sector is the largest of the 10 food and drinks processing sub-sectors in terms of output value;
- It is the second largest in terms of contribution to the economy;
- The possible elimination of milk quotas from 2014/15 could create significant pressures; research predicts falls of up to 10% in milk producer prices.

Description:

- The funding would facilitate pilot projects in product development

Delivery Mechanisms:

- It is envisaged that this would be a competitive fund delivered via the Service Delivery Group within DARD;
- The bid is dependent on the outcome of a detailed review; due to report September 2008;

Contribution to 3 ISNI cross-cutting strategic objectives:

- Contributes to Objective A: facilitate the rising prosperity of citizens from infrastructure that promotes economic growth, employment, higher value added jobs and economic competitiveness.

Potential lines of questioning:

Mainstreaming of Environmental & Renewable Energy Fund and Agri-Food Waste Challenge Fund

- DARD submitted a bid to the EU Competitiveness and Employment Programme 2007-13 to establish this fund – if this bid is successful, 50% of the funding would come from the EU. The Committee may wish to seek further information on the likelihood of securing this funding.

Infrastructure Development

- The Committee may wish to obtain further information on the potential costs associated with consultancy requirements.

Outworking of Dairy Policy Review

- The Committee may wish to obtain more specific details on the proposed 'pilot projects in product development'.

Northern Ireland red meat strategy

- The Republic of Ireland launched a beef and sheep meat fund, an investment aid package amounting to €500m / £350m for the sheep and beef processing sectors. Funded under the National Development Plan, it is expected to trigger €120m / £81m of further investment. Concerns have been expressed that the Northern Ireland agri-food industry could be left under resourced in comparison. What plans do the Department have to address these concerns?

Constituent Programme 6.3.2 Agriculture and Food – Service Delivery Group (SDG)/Veterinary Service

The requirements of the group in respect of the Agriculture and Food - Service delivery group / veterinary service constituent programme are summarised as follows.

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
CAFRE Recurrent Capital Baseline	1,638	3,882	-	-
CAFRE Recurrent Capital Receipts and Asset Sales	810	6,090	-	-
Environment Food Services Customer Service Improvement Programme: DARD Direct	4,000	-	2,012	7,325
CAFRE Renewable Energy Provision and Science Lab	1,500	900	174	1,706
CAFRE Food Waste	900	-	130	784
CAFRE Equine Waste	300	-	109	640
CAFRE Information Technology	1,150	1,650	194	465
CAFRE Food Innovation Equipment	600	150	115	684
Environment Food Central Services and RPID: IT for Industry	7,000	1,250	1,377	3,494
SDG – Accommodation Greenmount (CAFRE)	13,300	5,030	2,020	12,158
Sub total	31,748	18,892	6,113	26,919

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Environment Food Central Services Processing and Marketing Grant EU BSP Measure 4.2	2,500	-	-	-

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Vet Service – DVO and Meat Plant Accommodation		2,500		966
Vet Service – Portal Facilities	1,500	3,500	123	287
Vet Service – Vehicle Sprayers		260		245

Sub Total	1,500	6,260	123	1,498
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Context of Investment:

- Four divisions within SDG are Rural Development Division (RDD), Rural Payments and Inspection Division (RPID), College of Agriculture Food and Rural Enterprise (CAFRE) and Environment, Food and Central Service Division (EFCS). Department is proposing capital investments in all four areas under ISNI 2.

Objectives:

- RDD – See 6.3.1
- EFCS – Deliver one stop shop ‘DARD Direct’, deliver Processing and Marketing Grant Scheme, improve online services, assist the industry to become more efficient and effective.
- RPID – Replace current system of payments,
- CAFRE – successfully deliver programmes to develop competence of people entering and working in the agri-food sector
- Upgrade Accommodation for Veterinary Service Staff
- Movement of certain services to Loughry for efficiency reasons
- Provide facility for animal plant and foodstuff inspection at Belfast Port
- Replace sprayers which will have reached end of useful life.

Description of Project(s):

- RDD – See 6.3.1
- EFCSD: DARD Direct; Processing and Marketing Grant projects; IT for Industry
- RPID: Replacement of Dataflex systems; hand held IT systems.
- CAFRE: ongoing investment in equipment including; Equine and food waste management facilities; IT equipment; new tech; renewable energy tech; etc

Delivery Mechanisms:

- EFCSS: delivered via project boards comprising key users and suppliers and chaired by Senior Responsible Officer and existing staff structures.
- RPIS: Options for delivery of DATAFLEX range from in house delivery to outsourced to combination of both and controlled by project board;
- CAFRE: managed from within existing CAFRE staff

Contribution to 3 ISNI cross-cutting strategic objectives:

- Objective A
- Objective B
- Objective C

Potential lines of questioning:

6.3.2. Agriculture and Food – Agri-Food and Biosciences Institute (AFBI)

The total requirements of AFBI are as follows: (Refer pp.63-75)

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
AFBI Recurrent Capital	3,966	9,254	1,343	10,096
AFBI: VSD Biocontainment (SAP04)	10,000	-	5,418	15,472
AFBI: High Containment Contingent Facility	17,200	11,000	966	20,114
AFBI: VSD Main Building	21,000	10,000	1,116	19,034

Objectives:

- AFBI carries out analytical, diagnostic and research programmes in support of DARD's statutory obligations and its wider aims and objectives;
- AFBI's Veterinary Services Division (VSD) plays a key role in the surveillance for notifiable, zoonotic, epizootic and emerging diseases;
- AFBI is also required to maintain an emergency response capability in the event of a major animal disease outbreak;
- The main projects are:
 - A. Specified Animal Pathogens Order (SAP04) laboratory accommodation
 - B. Biosecure animal accommodation / post-mortem / carcass disposal
 - C. Refurbishment/replacement of the Main Building at AFBI Stormont

Rationale:

- The increased risk of major animal diseases necessitates this investment;
- The similarly heightened risk of bioterrorist attack is another factor;
- Physical and security standards of high containment facilities are now required to comply with the Anti-terrorism, Crime and Security Act 2001.

Description of Projects:

- A. Specified Animal Pathogens Order (SAP04) laboratory accommodation:
 - The facility will provide a modern and safe working environment in NI for the rapid identification / control of epizootic animal diseases (current facilities are not fit for the purpose, nor are they of an acceptable standard);
 - It will also facilitate the integration of disease control measures into the 'All Ireland Animal Health' strategy.
- B. Biosecure animal accommodation / post-mortem / carcass disposal:
 - These facilities will enable the provision of laboratory support necessary to underpin DARD programmes on bovine tuberculosis and to rapidly identify other diseases;
 - They will facilitate post-outbreak surveillance, providing the necessary evidence of eradication to expedite the granting of 'disease-free' status to NI.
- C. Refurbishment/replacement of the Main Building at AFBI Stormont
 - This investment will ensure the continuation of services already provided and compliance with all regulatory and legal requirements;
 - It will facilitate testing and R&D work and obviate the need for recurrent "nugatory" expenditure on a building that is no longer fit for purpose;

- It will also enable the extension and maintenance of the external accreditation required by public / private sector customers.

There is also a 'Recurrent Capital' requirement for the AFBI. This is for the routine replacement of minor laboratory equipment costing over £5,000, and is necessary to maintain the standard of equipment required to meet quality assurance standards.

Delivery Mechanisms:

- The project structure will include representation from AFBI, DFP's Central Procurement Directorate's Centre of Excellence and DARD;
- The procurement strategy is likely to be two-stage, with frameworks and PPP issues to be led by CPD;
- A Risk Potential Assessment will be carried out on the project by DARD, AFBI and CPD.

Contribution to 3 ISNI cross-cutting strategic objectives:

- Delivery of food safety and animal health programmes in line with UK and EU legislation are a priority for DARD;
- By enhancing the incomes and sustainability of farms / companies in the agri-food industry, the project will facilitate greater social inclusion and relieve deprived rural areas;
- Prevention of significant job losses associated with the outbreak of epizootic disease is also beneficial for the rural economy;
- The investment will improve sustainability in farming practice, by minimising the impact of disease, which will assist in the drive for locally produced food and increase farms' profitability;
- Less imported food would have positive implications for the carbon footprint;
- Provision of this facility would also create enhances waste management technologies, and improve biological containment.

Potential Line of questioning:

Constituent Programme 6.3.3 Fisheries Industry

The requirements of the Fisheries Industry constituent programme are summarised as follows:

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Kilkeel Harbour Improvements	-	15,000	-	4,091
Fisheries Enforcement Vessel	2,500	-	542	1,683
Capital Grants (National and EU)	2,050	-	-	-
European Fisheries Fund	5,525	4,050	204	136
EU Community Initiatives	225	150	-	-
Loughs Agency: Capital	1,127	325	223	337
Loughs agency: Interreg	1,028	543	338	436
Sub total	12,455	20,068	1,307	6,689

Objectives:

- To maintain and sustainably develop NI coastal communities and the NI seafood industry

Rationale:

- Investment will improve performance in the market place and improve competitiveness. To do this a number of policy, structural and relationship challenges need to be met
- Investment will maximise the potential for sea angling and marine tourism in what are mostly areas of deprivation and social need

Description of Project(s):

- Investment to complete existing grant programmes and enable full draw down of available EU monies (failure to invest would prevent completion of planned projects)
- Investment to match fund 50% proportion of European Fisheries Fund (EFF) 2007-2013 to which NI has been allocated €18m. Projects include:
 - Assistance with fleet restructuring
 - Technology to reduce the environmental impact of fishing
 - Development of inshore fisheries
 - Aquaculture development
 - Development and innovation in processing and marketing
 - Fishing Ports and infrastructure (Kilkeel Harbour improvements: £15m)
 - Sustainable development of coastal fishing areas (Interreg IV 2007/13 - £20m sought for investment in a range of projects in Carlingford and Foyle areas)
- A range of other projects including:
 - Loughs Agency plan to develop an “educational science cabin” at Prehen (Lough/River Foyle) £100,000
 - Proposed projects (for which EU funding is sought) in Carlingford and Foyle catchments – 2 fish counters (£1.5m); oyster spatting pond and sea trout hatchery (£210,000 each)
 - Build of Carlingford Office (given Ministerial agreement)

- £600,000 for new monitoring vessel for Carlingford and L Foyle – to be funded through EU programme
- Capital costs for most/all of these projects will be 50:50 NI/ROI
- Replacement of Fisheries Protection Vessel (£2.5m)

Delivery Mechanisms:

- Loughs Agency will need to develop a range of fixed-term staffing contracts for project delivery
- Technical marine engineering studies followed by economic appraisal (2008) of Kilkeel Harbour improvements (tendering through CPD for technical study; anticipated cost £290,000. Delivery by NI Fishery Harbours Authority.

Contribution to 3 ISNI cross-cutting strategic objectives:

- Proposed Kilkeel works contribute to Obj. A, as do enforcement activities, development of aquaculture, marine tourism and angling.
- Objective B objectives will be attained through implementation of Loughs Agency projects in Foyle and Carlingford and EFF projects in other coastal communities.
- A range of the proposed investments contributes to Obj. C objectives

Potential line of questioning:

Constituent Programme 6.3.4 Forestry Industry

The requirements of the Forestry Industry constituent programme are summarised as follows:

Forest Expansion

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Forrest Expansion	9,652	22,088	163	1,051
Sustainable Forest Management	4,350	10,150	249	581
Capital Receipts	11,337	26,453	-	-
Sub total	2,665	5,785	412	1,632
Capital Grant Cost	1,129	2,450	-	-

Objectives:

- To support economic development, especially in rural areas through supply of raw materials to sawmill and other industrial applications;
- To meet international commitments to promote sustainable forest management (meeting current needs for wood production and economic activity, public access and environmental protection, whilst safeguarding the resource for future generations).

Rationale:

- Investment in the competitive, low-profit industry focuses on increasing the afforested area and sustainable development to maximise sustained economic growth as well as maximising amenity and environmental value

Description of Project(s):

- Forest Expansion primarily through The Woodland Grant Scheme

Delivery Mechanisms:

- There are sufficient resources and skills within Forest Service to deliver the projects

Contribution to 3 ISNI cross-cutting strategic objectives:

- The constituent forestry expansion and sustainable management projects within the Forestry Strategy contributes to Obj. A, B C.

Sustainable Forest Management

Objectives:

- To meet international commitments to promote sustainable forest management (meeting current needs for wood production and economic activity, public access and environmental protection, whilst safeguarding the resource for future generations).

Rationale:

- Extension of afforested area to counter effects of climate change and biodiversity loss.

Description of Project(s):

- Sustainable Forest Management (part of NI Forestry Strategy)

Delivery Mechanisms:

- There are sufficient resources and skills within Forest Service to deliver the projects

Contribution to 3 ISNI cross-cutting strategic objectives:

- The constituent forestry expansion and sustainable management projects within the Forestry Strategy contributes to Obj. A, B C.

Potential line of questioning:

- Have Forest Service looked elsewhere (e.g. ROI, Scandinavia) to review their business structure?
- Development of the Forest Service as a commercially-driven semi-state body (forest owned by the government) would lead to increased productivity
- Raw material passed onto private sector for secondary processing. Coillte in ROI own most of their own sawmills and have maximised profitability as a consequence
- Are overheads incl staff not too costly? Coillte in ROI went in 1989 from potentially costing the exchequer c. €80-90m/annum to currently contributing c. €20m/annum to the economy
- Maximise drawdown of European grants through furthering (the already good) amenity/environmental aspects to the industry.

Constituent Programme 6.3.5 Land Use

There are two requirements of the Land Use constituent Programme, as follows:
(Refer pp.93-7)

Farm Nutrient Management Scheme

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Capital Grant	79,000	-	100	-

Objectives:

- Assist in the cost of compliance with the minimum slurry storage requirement of the Nitrates Directive Action Programme Regulations

Rationale:

- The proposal is unavoidable due to the EU Directive and national legislative obligations, i.e. Nitrates Directive (ND) and associated Nitrates Action Plan;
- The NI farming industry is struggling to maintain profitability, whilst complying with these requirements.

Description:

- The investment would equip the farming industry with the ability to meet the requirements of the ND;
- The provision of reduced water/land pollution, and climate change mitigation, will improve human health and wellbeing

Delivery Mechanisms:

- Being an existing scheme, the project board/support team are in place;
- Individual projects will continue to be procured by the applicant; neither Gateway Review nor use of Centre of Procurement Excellence (COPE) is appropriate

Contribution to 3 ISNI cross-cutting strategic objectives:

- Contributes primarily to Objective C: facilitates sustainable environmental management practices;
- Objective A is also delivered: will allow for more efficient, effective farming so enabling greater profitability

Environmental Schemes - Manure Efficiency and Technology Scheme (METS) and Organic Housing Scheme (OHS)

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Capital Grant	4,000	2,750	495	390

Objectives:

- METS will assist with the delivery of EU Water Framework Directive, Nitrates Directive and Northern Ireland Nitrates Action Plan requirements
- OHS will directly contribute to PSA targets 1.1 and 1.4 and DARD Strategic Plan 2006-11 Goals 1 and 4

Description:

- The provision of organically managed land, reduced water pollution, and climate change mitigation will be beneficial for human health and wellbeing;
- Investment would equip the farming industry with the ability to meet EU requirements, meet consumer demand for cleaner, greener products and create a more efficient industry in preparation for EU CAP reform in 2009 ;

Delivery Mechanisms:

- Both schemes will be delivered by a project management board, supported by an in house technical team;
- Individual projects will continue to be procured by the applicant; neither Gateway Review nor use of Centre of Procurement Excellence (COPE) is appropriate

Contribution to 3 ISNI cross-cutting strategic objectives:

- METS and OHS would contribute primarily to Objective C: both facilitate sustainable environmental management practices;
- Objective A is also delivered: both schemes will allow for more efficient, effective farming so allowing for greater profitability

Potential line of questioning:

Farm Nutrient Management Scheme

- The Committee may wish to note that £55 million has already been invested through the existing scheme. Financial assistance is in excess of other UK regions but lower than ROI. It may be useful to seek further details on assistance levels in other regions.
- Given the miscalculation in terms of funding required for the farm nutrient scheme, how is the Department going to ensure that similar mistakes are not made?

Rivers Agency: 5.3 Flood Risk Management

Project	Capital Grant Cost		Resource Cost	
	Yrs 1-3 (£000)	Yrs 4-10 (£000)	Yrs 1-3 (£000)	Yrs 4-10 (£000)
Drainage and Infrastructure	4,500	10,500	1,355	5,000
Flood alleviation	13,925	36,540	1,118	8,910
Flood Risk management	2,800	1,350	2,178	4,080
Omagh Regional Office	1,000	-	-	-
Recurrent Capital Plant, Vehicles, Machinery	2,250	2,250	3,097	8,145
Recurrent Capital Receipts	(3,607)	(7,833)		

Context:

- Some 63,000 properties at risk of flooding from rivers and the sea
- Rivers Agency have produced an interim Flood Mapping Strategy and is undertaking a strategic mapping exercise. A communication strategy is also being prepared in parallel.

Rational:

- The agency's Flood Management Strategy provides for flood risk in line with UK policy.
- Aim to reduce adverse consequences for human health, the environment and economic activity associated with flooding.

Description of projects:

- See table above

Delivery Mechanisms:

- Operates under normal government departmental regime and in addition, its own internal systems and procedures.
- Difficulties in retaining resources therefore high consultancy and contracting costs in the interim
- Established frameworks developed through Department for Finance and Personnel

Contribution to ISNI objectives

- The protection of people and property and support of delivery of RDS
- Promotion of balanced and integrated growth thus supporting economic and social development
- Sustainable forms of development that protect and enhance natural environment.

Potential line of questioning:

- Capital investment in Northern Ireland with regards to investment in flooding and coastal erosion risk management has been reduced between 2001/02 and 2005/06. Although not directly comparable, England has experienced an increase of six fold in investment over the same period.
- Timescale for mapping and communication strategy?
- Given the recent flooding experienced in Northern Ireland eg Cushendall and Cushendun, and Great Britain, should further resources be made available to

ensure that this does not happen again? A recent media report notes that houses in Stoneyford have been affected by flooding 6 times in 4 years.⁵

- It is noted that there are problems for Rivers Agency in obtaining and retaining resources and skills to deliver investment programmes. What impact does this have on the costs of consultancy and contracting fees?

⁵ BBC News, Action call over flash flooding, 13th August 2007