



Northern Ireland
Assembly

Committee for Agriculture and Rural
Development

OFFICIAL REPORT (Hansard)

Inquiry into Better Regulation: Agri-Food
Strategy Board

22 September 2015

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr William Irwin (Chairperson)
Mr Joe Byrne (Deputy Chairperson)
Mr Sydney Anderson
Mr Kieran McCarthy
Mr Edwin Poots

Witnesses:

Mr Francis Martin	Agri-Food Strategy Board
Mr Tony O'Neill	Agri-Food Strategy Board

The Chairperson (Mr Irwin): I welcome Tony O'Neill, chair of the Agri-Food Strategy Board, and Francis Martin, a member of the Agri-Food Strategy Board. I ask that you take up to 10 minutes for your presentation. We will then ask some questions.

Mr Tony O'Neill (Agri-Food Strategy Board): Thank you, Chairman. I am actually regretting that we have come on second, because some of the members have got wind now. *[Laughter.]* Thank you very much for rearranging your agenda to accommodate me. I was at the Leadership Institute in Queen's this morning talking about how we could develop a collaborative approach to Northern Ireland's future. I thought that I would get the answers so that I could bring them up here this afternoon.

We are here to talk to you about better regulation. You are all aware that we in the Agri-Food Strategy Board very much considered regulation and regulatory burden in the sector during the development of our 'Going for Growth' report. The consideration included many discussions within the sectoral subgroups. I refer you to the fact that we had 12 sectoral subgroups initially, and we then streamed out cross-sectoral groupings later. The members of those subgroups were drawn from right across the industry. We had all sectors represented, as well as industry experts, let us call them, in the rooms to facilitate them. We then included the opportunity for people to contribute to that discussion in our call for evidence.

It will be no surprise to you that the call for evidence in those groups led to our repetitive use of many terms like "gold-plating", "burden on the industry" and "a serious cost to the sectors" through compliance, expansion and so on. I think that the agenda is very familiar to you. We had many discussions about how this is a challenge to us and what we can do about it. There were a number of specific recommendations in Going for Growth. I will refer them to you by their numbers, a bit like a Chinese menu. Items 38, 39, 40, 41, 42, 43, 44, 45, and 46 were all specific things about regulation in the 'Going for Growth' report. We made a number of specific recommendations as to how we thought we could make progress on it. Some of the recommendations that we made have made some

progress over the intervening time, and you are clearly aware that DETI commissioned a review of business red tape. I think that DETI was talking to you about the outworkings of that over that time.

Separately, DETI is involved in a regulatory reform pilot, looking at the burden facing processors; and my colleague Francis will talk to you about that in a moment, because he is involved in that exercise. It involves representatives from across the industry, and you should be aware that three members of the Agri-Food Strategy Board have actively been engaged in these committees to, if you like, inject our thoughts and shape the discussion as much as we can.

The DOE and NIEA are actively engaged in sectors talking about issues such as planning and waste management and the intention of developing transparency in key areas to help processors and producers to make informed decisions.

I think that you will not be surprised to hear me step away from being politic and say that the key theme that we want to introduce into this discussion is common sense. It is an easy thing to say, but there is a very high degree of process applied in these processes rather than asking what we are trying to achieve. So the outcome measures are, as far as we are concerned, critical, and that it is not simply about going through process and showing that we have ticked all the boxes and complied with filling in the forms.

A number of companies have been engaging with the NIEA and DOE in a joined-up exercise, to find out how we can actually do this better together. We clearly take the view that we are not the enemy in this discussion. It is our agenda to do the best we can for Northern Ireland plc. Too often, we get into an adversarial role and find ourselves in defence and making a case rather than asking how, together, we can achieve the right answer. That is why we keep coming back to this: we need to work in partnership with the NIEA and DOE. We need to reduce our environmental impact as best we can, in order to boost our competitiveness, not only in the local economy, but in the wider global economy as well.

The key message that we put in our 'Going for Growth' report was:

"Government must work with the industry in practical and proportionate regulation to ensure consumer value rather than cost to the industry".

That is what we would like to see: an agenda that says: "This is a proportionate regulation." When I say that, I mean pretty radical things in terms of the bureaucracy that surrounds us. I take the view that, if a farm is inspected for compliance — whether for the Red Tractor, Bord Bia or anything else — inspection should be capable of spanning many of these things so that a farm has to be inspected only once. It does not have to be inspected by every Department, industry and customer that it has. We put forward the view that third-party accreditation, if well-regulated and disciplined, should be sufficient to prove farm compliance in the widest possible sense.

The collection of data and records for the farms should be digital. We are getting more and more into a situation where part of the burden is in maintaining records. A huge amount of the information required for those records is normally sitting in a system anyway. So, rather than simply asking a farmer, or processor, for that matter, to fill in a form yet again, we can pre-populate it with the information already available so that it is only a matter of checking and changing a small percentage rather than the army of information that we normally perceive is required.

We are all aware that many of the forms and surveys could be 10 pages long. It is a huge burden to anyone, whether you are a 90-year-old farmer or a 14-year-old farmer. Normally, it is the 14-year-old ones who are used to filling in the machine regardless. The digital facilities that we have nowadays make a lot of it much easier and more efficient.

So, we have two key recommendations for the Committee. The first is that third-party accreditation should mean something. I think we have skirmished on that before, but we have had many situations where professional advisers who are as well qualified as the inspectors that come out from NIEA, DOE or anybody else, are challenged instead of saying, "These guys are as capable and as competent to do the job as if they were a public sector employee". So, with third-party risk-based accreditation — and I mean very clearly that risk is what comes into this — where you are seen to be doing a really good job, it should mean something, and we should put our resources into those who are not compliant. I think that you should adopt a zero-based tolerance policy. If you are not obeying the rules, you should feel the full force of enforcement, whereas, if you are doing the job and doing it well, you should get credit for that as it is less of a regulatory burden.

The bit about digital and electronic record-keeping should be blitzed in a very short space of time. Everyone has an agenda that we will do this and that it will take its time. We are of the view that you should set a two-year window to say, "We are going to do it" and set out to achieve it in a very aggressive timetable.

As I said, better regulation should be zero-based. That should apply across the board. Referring to the Department for Environment, Food and Rural Affairs (DEFRA) experience in England, it has been successful in significantly reducing its farm record-keeping and burden. So, whilst we do not normally hold it up as an exemplar in these matters, it has shown us the way. We can learn much from what it has already done, and, as in all things, we can do better.

I suggest that Francis speaks to you about committees and the work that is going on there.

Mr Francis Martin (Agri-Food Strategy Board): Thank you very much. Good afternoon. Just to make a point of emphasis about the recommendations that Tony has just highlighted, those recommendations are the considered output, we believe, from a lot of engagement that we have with this whole area of challenge. When we go back to 2012 and 2013 and we look at the recommendations that we subsequently set out in our report, it was on the back of a lot of evidence that was collected at the time. Therefore, it was good quality evidence and pointed to some of the same challenges, irrespective of which part of the agrifood industry people came from.

Therefore, for every element of the supply chain, the same principles apply. Recognition of that has driven our approach to our engagement with this over the last year or two, particularly in the light of the Northern Ireland review of business red tape, which was done during 2014 and culminated in November 2014. I had the privilege to serve on the advisory panel in the development of that, and, therefore, hopefully, in some way, I had an involvement in the development of some of the recommendations that came out of it. One of those recommendations, which, again, we have embraced within the agrifood sector, was the recognition that if we are going to tackle this, then it is such a big area that we have to try to strip back the mysticism around red tape and get down to simple solutions at every stage, whether at the farm, process or retail-through-to-consumer level.

One recommendation in the review of business red tape report is for a review by the key sectors as to how red tape impacts on them. If we look at the agrifood sector, Tony mentioned that we created a subcommittee working with DETI, which has three members: Ian Marshall, of the Ulster Farmers' Union; Declan Billington, of John Thompson and Sons; and me. We are leading the development of a pilot study, focused on processing.

With support from DETI, we developed a questionnaire that is out with the industry at the moment with five of the 10 sectors identified in the Going for Growth plan. The questionnaire is out with member associations for red meat, pork, dairy, poultry and grains. In a simplistic form, we replicated what was done during the development of this with the hospitality and construction sectors. We went out with questionnaires to member associations representing those sub-sectors and asked what affected them in the efficiency of their processing or whatever, and the perhaps negative influence of undue red tape.

The questionnaire closes at the end of this month. We will take the findings and seek to develop further studies. Whilst that focus is on the processing sector, the nature and structure of the questionnaire would easily replicate across, dare I say, the farming sector. There is a complementarity there. I am happy to share the questionnaire. Indeed, Martin Graham and Kathryn McCamley from DETI will, no doubt, be happy to do that.

There is a significant drive to reach a situation where, perhaps, we can bring to life the recommendations that Tony summarised as key. It has to be simple, straightforward and proportionate, recognising the success of those who are implementing proportionate regulation, and, with respect, nail those who are not on a zero-based approach to the development of new legislation.

Underpinning the report is the idea of one-in one-out, which has been adopted by our counterparts in GB. One new regulation in has to be matched by at least one out, so; it is a proportionate approach. That is where we are in the agrifood sector with red tape.

The Chairperson (Mr Irwin): Thank you very much for your presentation. Obviously, you will have seen some red tape earlier on. There has been substantial work done in looking at better regulation, namely the 'Northern Ireland Agri-Food Better Regulation and Simplification Review' in 2009.

Subsequent to that, we had the DARD better regulation action plan, which ended in 2013. What was achieved by those efforts and did they have any practical impact on relieving the administrative burden on farmers?

Mr T O'Neill: Maybe I will have to send for the permanent secretary.

Mr Martin: I will make one general point, because I cannot comment personally on those. There was a recognition, even as we were doing the report, of what was going to be its outworking. There was an acknowledgement that this is a turgid area, that we could get lost in the scale of it, and that, as a result, nothing would get done.

A few simple recommendations came out of this report. Whether they see the light of day is another thing, but there is a commitment to keep the advisory panel in place that oversaw the development of the report. One of the high-level recommendations, controversial or not, was to appoint a better regulation champion to drive it forward. Again, this has to be given consideration, because someone has to be given responsibility for it or you will not have accountability. You have to have accountability, and this report is driving at that.

Mr T O'Neill: Chair, you were obviously targeting me when you made that comment. I cannot spell "politics" with a big P or a small p. Frankly, little has changed, as evidenced by the fact that you read the same things again and again, just different variations of them. It comes back to the fact that there is a culture that is more interested in process than outcomes. Fundamentally, we have to challenge what we are trying to achieve and what we need to do to enable it to happen. Unfortunately, we have not changed the ground rules sufficiently to make a change of the nature that we are talking about. The simple example I gave you of using third-party accreditation is like asking a policeman to stand down, but that is the kind of fundamental change that we have to achieve.

The Chairperson (Mr Irwin): The issue of gold-plating, which you mentioned earlier, comes up again and again, and we have all mentioned it. The suspicion is that DARD takes an unnecessarily severe approach when it comes to interpreting and transposing EU regulations. What is your view on that? Are you willing to comment? Can you think of any examples that you have seen where that has been the case?

Mr T O'Neill: I have been known to make comments of that nature, but not even necessarily about DARD. Whilst DARD is part of this discussion, the NIEA and the Planning Service roll into it as well. We have experienced many difficulties across the spectrum in this area. My direct involvement is more on the processing side — I can relate specific examples from processing — whereas in farming I would bow to the experiences of others.

We have certainly run up against what we consider to be excessive or overzealous interpretations of European rules. You are all aware that I worked for Moy Park and then Dunbia. In both cases, I operated businesses across GB and Ireland, and I have been known to say repeatedly that it is more difficult to operate a business in Northern Ireland than in any of the other regions, even though we all operate under the same umbrella of European legislation. Clearly, Northern Ireland is much more diligent in applying policy. It is also much more capable at policing policy, or puts much more effort into policing policy, whichever way you wish to interpret it.

The Chairperson (Mr Irwin): I experienced one such issue today. Approval was sought for poultry houses from a certain council back in July. It transpired that, two months later, when they were back at the council for approval, the planners had omitted something. There is still an issue three months later. Those sorts of cases are depressing.

Mr Byrne: I welcome the presentation. How do we move to the culture you talk about, which is more amenable to making business work than making farming more compliant with an overzealous enforcement policy? Do we need a more farm-advisory element in the Department? What do we do about having better communications and two-way flow so that farmers get their queries answered more authoritatively by officials on the other end of the phone instead of getting a bluff or ignorant answer?

Mr T O'Neill: I am not sure how I can answer that one, Joe.

Mr Byrne: Well, we are all grown men. *[Laughter.]*

Mr T O'Neill: I have learnt that in this room: I am on TV and on the record, which is then played back to me.

Maybe I am stepping into controversy, but I think we have actually lost farm knowledge in DARD. We have become more of a process organisation rather than really understanding what we are doing and why we are doing it. I think there is a need for DARD to get back to having the technical capability to know what the farm business is about, how to run farms and what all those things mean. Whilst that may sound like a swipe at DARD, it is actually a pretty universal thing in terms of the policy writers in DEFRA and DARD.

I have had experience of running outreach programmes for DEFRA in England. I had the great joy of bringing 28 officials from DEFRA head office out to walk the food chain in farms. Twenty six of them had never been out of London before. So, there are lots of people writing policy who do not understand the farming industry and the agrifood sector or, in many ways, the issue that we have to face here. We have to find a way to get that expertise back into that environment. That is difficult, and it is particularly difficult today with the reorganisation of administration in Northern Ireland, but, in my view, that is what we have to do.

Mr Byrne: Chairman, I want to follow on from that. Tony, you said that, in your experience, DARD is more troublesome to deal with; more difficult to handle. Can you point to a better model or example of a more friendly culture?

Mr T O'Neill: I am being quite blunt here, gentlemen, and, as I say, that is probably why I am here. The fact is that Northern Ireland appears to be much more risk-averse in looking at a case and making the decision to approve it. In other areas, whether it be Dublin, Wales, Scotland or England, they are willing to make a decision based on their judgement and experience and take a risk. That may well be because they are challenged less; I do not know. However, in Northern Ireland, they almost work on the defence before they work on the case to approve it.

Mr Byrne: Thanks.

Mr Poots: I like the notion of applying common sense in the decision-making process, as opposed to saying, "I have to do the following because there is a rule that I want to interpret to the nth degree as opposed to interpreting it in the spirit of the law".

We had the Better Regulation strategy and the series of recommendations that flowed from that. Many of them were accepted by DARD, and we probably have to look at how well they have been implemented. A number of recommendations were not accepted by DARD, some for good reason and some for, I think, not-so-good reasons. Would you recommend that we look at the particular recommendations on that front that could assist the industry?

Mr T O'Neill: I cannot recall any specific ones, but I always go back and review the ones that were rejected to test why that was the case. I suppose it goes back to the culture theme that I was talking about before. In many cases, the reason is that we do not see the recommendation fitting comfortably into our rules and processes, rather than looking at what the outcome is and what it is supposed to achieve. Frankly, when I get the recommendations back, that is the bit that I am looking for: the ones that were refused, not the ones that were approved. So, instinctively, that is where I go.

Mr Poots: Do particular ones that were refused stand out?

Mr T O'Neill: I cannot recall that, to be honest.

The Chairperson (Mr Irwin): OK. Thank you very much again for your presentation. We appreciate your frankness and your ability to weigh up situations. I think that many of us will agree with most of the sentiment about where we go from here and how we change things. That is the most important bit. As a person who has been in business all my life, I see the frustration too, because it takes for ever and a day to sort out things that seem very simple. From talking to planners on an almost daily basis, I know that, while many of them are doing their best, everyone seems to be covering themselves. No one is prepared to make a decision, as you said. Most people are afraid of making a decision that comes back to bite them.

Mr T O'Neill: I have an unusual position in that respect, Chairman: I think that we should call for a PAC meeting. We should challenge the process, because everyone is preparing for a PAC. At the strategy board, we have said to our team that, when you are called in front of the PAC, we will go with you. It is a very interesting experience. If industry supports you, why should we be challenged? Thank you very much.

The Chairperson (Mr Irwin): Thank you.