



Northern Ireland
Assembly

Committee for Agriculture, Environment and
Rural Affairs

OFFICIAL REPORT (Hansard)

Strategic Overview: Department of
Agriculture, Environment and Rural Affairs

2 June 2016

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Ms Linda Dillon (Chairperson)
Ms Caoimhe Archibald (Deputy Chairperson)
Mr Sydney Anderson
Mr David Ford
Mr Patsy McGlone
Mr Harold McKee
Mr Oliver McMullan
Mr Edwin Poots
Mr George Robinson
Mr Robin Swann

Witnesses:

Mr Norman Fulton	Department of Agriculture, Environment and Rural Affairs
Mr Robert Huey	Department of Agriculture, Environment and Rural Affairs
Mr Noel Lavery	Department of Agriculture, Environment and Rural Affairs
Mr David Small	Department of Agriculture, Environment and Rural Affairs
Ms Louise Warde Hunter	Department of Agriculture, Environment and Rural Affairs

The Chairperson (Ms Dillon): I welcome Noel Lavery, the permanent secretary, and four heads of groups in the Department: Louise Warde Hunter, Norman Fulton, Robert Huey and David Small. The briefing will be recorded by Hansard. OK. Go ahead.

Mr Noel Lavery (Department of Agriculture, Environment and Rural Affairs): I will make a few remarks, if you are content with that, Chair, and I will then take questions.

Thanks for the opportunity to present today and propose a brief overview of the new Department, DAERA. I believe that the creation of the Department, along with the voluntary exit scheme, represents the most radical change in government here in 40 years. It is a new Department and its broad portfolio covers a range of functions of the former DOE, DCAL and DARD. It does not have all the DOE or DCAL functions, but we will go over that and I know that there are sessions planned with my individual group heads in the coming weeks.

The Department's budget is nearly £265 million, but that is separate from the annual disbursement of £260 million of European funding, primarily to the agriculture and agrifood sector. There is a broad range of services, customers and stakeholders, and there are over 70 locations across Northern

Ireland. The A to Z of the Department runs from air quality to zoo licensing. That is the breadth of what the Department covers.

I am very conscious that the new Department has come into being at a very challenging time for farm incomes. Last year, total farm income fell from £312 million to £183 million, and that figure of £183 million includes agriculture subsidies. I am also conscious that a significant number of farm businesses have been impacted by events over which they have no control, such as global market volatility, exchange rates and international trade issues. On her first full day in office, the Minister made it clear that she is concerned with and understands the difficulties that farmers face, and we will devote full attention to addressing those. She also made it clear that she intends to work with the Economy Minister to help open new market opportunities for our local industry. Robert will maybe speak about that and take questions later.

The Department also provides practical on-the-ground help and support through the College of Agriculture, Food and Rural Enterprise (CAFRE). Our primary interventions are through the rural development programme (RDP), which is our suite of grant programmes on the agriculture side, and I will mention a bit more about that later. The Department plays a significant role in helping to address the very significant challenges around the protection and improvement of the environment and in championing the needs of the 37% of our population who live in rural areas.

It is absolutely no secret that we face significant budgetary pressures, and we are currently implementing an ambitious programme of fundamental change to become more modern and digitally driven to meet the needs of our customers.

Chair, my apologies for not introducing my colleagues at the start, but I will do that as I go along. I will move on to the structures and the four main groups in the Department which are led by those at grade 3 level.

We have an environment, marine and fisheries group led by David. It has a new marine and fisheries division that includes policy and delivery for sea and inland fisheries. Again, I am very conscious of the economic challenges facing those in the fishing industry. On the policy side, there is the regulatory and natural resources division as well as the environmental policy division. Responsibilities there include environmental reform, water policy, very significant waste issues, strategy, legislation, infrastructure, climate change and the carrier bag levy. We have an environmental farming and agri-emissions unit in there too.

David's responsibilities also include being chief executive of the Northern Ireland Environment Agency (NIEA), an executive agency of the Department, and its two operating divisions. The resource efficiency division includes waste management, the industrial pollution and radiochemical inspectorate, environmental crime, and land and water regulation. The natural environment division covers country parks, biodiversity, conservation, designation, protection, countryside issues, coast and landscape.

I just want to emphasise that there are very significant challenges on the environment side of the Department, involving water quality, reducing waste going to landfill, improving habitat and landscape quality, reducing waste crime and protecting the marine environment, and many of those challenges originate from EU directives.

On the food and farming side, there is a group led by Norman Fulton. It comprises CAFRE, which I have already mentioned. CAFRE has three campuses — Greenmount, Loughry and Enniskillen — and the area of education and development is led by the Chief Agricultural Officer, Martin McKendry. There is a CAP policy, economics and statistics division as well as a food and farming policy division. We also have a science, evidence and innovation policy division led by our Chief Scientific Adviser, Alistair Carson. Then, there is the whole area of EU area-based schemes and pillar 1, including inspection and control, and the delivery of the pillar 2 schemes under the RDP on the food and farming side.

There is a veterinary service and animal health group led by Chief Veterinary Officer, Robert Huey. It covers trade, including important work in opening new markets for the industry — Robert is in the lead on that — animal health and welfare policy, including the secretariat to the TB strategic partnership, enzootic and epizootic disease, field delivery, epidemiology and surveillance. Robert, I know that this is a very broad sweep, but I am just trying to be brief for the Committee.

Louise Warde Hunter is in charge of the central service and rural affairs group. On the rural affairs side, we brought rural policy and delivery together, including the LEADER element of the RDP. The group is responsible for digital, HR and corporate services. We have slightly changed the role of the Department's finance director, and Graeme Wilkinson will be responsible for finance, performance and estates. We have an ambitious programme of investment planned for the estate and will work closely with the asset management unit in the Strategic Investment Board (SIB). I know that Louise will be briefing you on that.

Forest Service is an executive agency of the Department led by chief executive Malcolm Beatty; no doubt you will be getting a briefing from Malcolm. It covers woodland development, forest management, plant health and wind energy development. Again, that is a very quick nip over it at a high level for the Committee.

I wish to highlight that, in order to deliver policies and outcomes for the Minister, we have structured things so that policy and delivery functions are together under a group head. So, you have environment policy and delivery, food and farming policy and delivery, animal health and welfare policy and delivery and rural policy and delivery together within functional areas. We are also focused on the need to work across the Department and across government on the alignment of policies; for instance, helping the agriculture industry to grow and become more resilient while protecting and improving the environment and meeting our environment obligations for future generations.

There are two executive agencies, Forest Service and the NIEA, which operate in accordance with the regulatory framework for executive agencies. In terms of non-departmental public bodies (NDPBs), there is the Agri-Food and Biosciences Institute (AFBI), the Livestock and Meat Commission for Northern Ireland (LMC), the Northern Ireland Fisheries Harbour Authority (NIFHA), the Agricultural Wages Board for Northern Ireland (AWB), and there is one advisory body, the Council for Nature Conservation and Countryside (CNCC) and its aim is to provide independent advice to the Department.

I will now talk briefly about AFBI, which is our largest NDPB. We work with it to specify and agree an annual work programme that covers, on Robert's side, analytical and diagnostic scientific testing and, mainly on Norman's side but across the Department, research and development. AFBI is key to our emergency response requirements. The scientific services are delivered on a statutory basis; they underpin and support the achievement of a wide range of policy objectives across the Department. AFBI's budget is around £36 million and we will bring forward estate management and development proposals. AFBI's core purpose since its inception ten years ago is to provide the research-based evidence that is vital for good policymaking and driving technological advancement and competitiveness in the industry. It is also key to our emergency response capability as I have already said. It is important to highlight that AFBI's new chief executive, Professor Elaine Watson, started with the institute this week. You will no doubt be seeking a briefing from AFBI in due course.

The Department is also co-sponsor, with the Department of Communications Energy and Natural Resources in the Republic of Ireland, for one North/South implementation body, the Loughs Agency. Funding is provided through the two Departments, and the governing legislation confers the following functions: the promotion and development of Lough Foyle and Carlingford lough for commercial and recreational purposes; the management, conservation, protection, improvement and development of inland fisheries in the Foyle and Carlingford areas; the development and licensing of aquaculture, and the development of marine tourism.

In December 2015, the Executive agreed a resource budget of £216 million for the Department. Our allocation amounted to a reduction of around £12 million, or about 5.7%, of the allocation to the previous Departments. The capital allocation is around £49 million. Going back, the DARD budget was reduced by *[Inaudible.]* in 2015-16 with some core bids met in relation to TB and our investment in the land parcel identification system (LPIS) and IT.

On the impact of the budget cuts and the voluntary exit, the NICS has downsized by around 14%; we are about 16%. At AFBI, it is about 22%, and the pay bill saving is about £14 million, or the equivalent of about 420 staff in the core Department. There are about 3,000 staff, 44% admin, 49% professional and technical specialists and 7% industrial. We currently have 12 DAERA Direct offices. Given the budgetary constraints that we face, I have established headcount limits to reflect affordability. I am not sure of the absolute percentage but circa 55% of the budget is staff costs, so that is a necessity.

The Department has embarked on an ambitious programme of relocation to rural areas. DARD completed the relocation of fisheries division and Forest Service, and we are in the process of constructing a new headquarters in Ballykelly; the procurement contract for that was signed in March.

A key issue for us now is the staff transition for that. There will be a capacity for 600 posts at Ballykelly, which will be filled by those transferring from the other parts of the NICS. Consequently, there will be a high turnover of staff and we have developed a plan to manage the transition.

As I said, it is important for me to ensure that we work across the Department and identify synergies. We have developed a formal change programme covering inspection and advisory services and customer contact. On Robert's side, we have the veterinary service target model and the review of our corporate services. In addition, we will need to make changes to our scientific services. We have scientific services in AFBI that were commissioned by the Department and others in what were DARD and the DOE. I am also instigating pilot work on how best we can leverage synergies in the management of forests and country parks, which have now come together.

I am very aware that the Executive have published their Programme for Government for consultation, and the First Minister and deputy First Minister have stated that the Government will engage with local government, the private sector and voluntary and community sectors to establish a fully developed plan. The outcomes framework is headed:

"Improving wellbeing for all — by tackling disadvantage, and driving economic growth."

We believe that the Department has a significant role to play. In fact, the Minister made it clear that she believes very strongly that the Department has a significant role to play across a number of outcomes and indicators. On the economy side, the agrifood sector, according to Norman's statistics, represents about £5 billion of annual turnover and 6% of private sector employment. If you take the whole supply chain, then that is estimated by the Northern Ireland Food and Drink Association (NIFDA) to be 20%. It is a very significant driver. The work of the Department can contribute to a significant number of indicators on the economy side, including skills, the proportion of people in work, the size of the economy, competitiveness, improving regional balance and reducing unemployment.

Currently, we will be the lead, with David on the environment side, on the following indicators: increasing environmental sustainability; increasing household recycling, and improving air quality. There is a broad range of other indicators that the Department can be involved in on health and a number of others that we can talk about, including on crime. Crime is a major issue in the waste sector. On mental health, there is the attractiveness of the destination and what we can contribute to that. The Department has a broad role.

In preparation for the new Department, colleagues and I have been working on a draft vision, outcomes and indicators, performance measures, the strategic plan 2020 and a draft business plan for the current year. Of course, they are subject to the Minister's approval and will have to be aligned with the Programme for Government, but I want to assure the Committee that the work is well advanced.

Turning again to pillar 1 and pillar 2 on the agriculture side; basic payments are a key element of the Department's responsibilities. The roll-out of the RDP represents the immediate key policy instruments available to the Department, and we need to work with industry as we roll those out and enhance resilience as we go forward in coping with the challenges while exploiting the opportunities for growth. It is important that the RDP delivers sustainable outcomes, and we need to take a holistic view.

A number of elements of the RDP are already under way, and the launch of the farm business improvement scheme, a key element identified by the Agri-Food Strategy Board, is planned in the autumn subject to our approvals. It also includes the business development groups that are up and running and the LEADER element of the programme. The Agri-Food Strategy Board also recommended a land use strategy. That work is nearly complete and is led by Dr John Gilliland.

On David's side, the main programme interventions are the £100 million environmental farming scheme, again part of the RDP, through which we will seek to deliver a range of environment obligations relating to water quality and biodiversity, a £2.6 million environment fund funded by the carrier bag levy that supports a range of projects on environment priorities, and the European maritime and fisheries fund, which is worth about €18 million.

Chair, sorry I have gone on so long. I thought it was important to give the Committee a broad sweep of the Department's work and where we are. The Minister has emphasised to me that she wants to work closely with the Committee. I know that you and the Deputy Chair met her this week. I am conscious that you have a busy programme of work before the summer recess, including briefings

from my colleagues. I thank you for the opportunity. My colleagues and I are happy to answer any questions you may have.

The Chairperson (Ms Dillon): Thank you very much, Noel. Obviously, we have no issue with you taking a bit of time; there is a lot involved. We are a new Committee, and we need to get as much information as we can.

For me, quite a number of issues arose out of your report. This is more a comment than a question, but I hope that the Department will work closely with local councils, given that there are a number of departmental responsibilities that will pass to local councils. I am thinking in particular of waste management and the challenges facing local government on that matter. I think that a good working relationship with local government would be a good move forward. There were many decisions taken by different Ministers in the last mandate that affected local government, and local government was not taken properly into consideration. We should try to work together rather than always being in opposition. I am concerned, and I know that you addressed this to a certain degree in the Programme for Government, that all the indicators are for the environment and that there is nothing for the farming or rural aspects. I would like to think that this will be tied down a bit more, as I have some concern about rural dwellers and farmers.

Mr Lavery: Can I respond to that? I will then bring David in on the environment side. As I said, the First Minister and deputy First Minister emphasised the need to consult and work with local government on the Programme for Government. In terms of the LEADER element, that obviously works through the local action groups (LAGs), which are bringing forward projects. So, there is close contact with local government there. The point I was trying to make about the indicators is that they are at a level. The agrifood sector — the primary producer and the processor — makes a very significant contribution to the economy. So, I fully agree with your point, and it will be a key driver on the economic side. As far as rural dwellers are concerned, there are a number of indicators that will impact on rural policy. I will bring you in on that issue in a second, David. We are very keen to work with local government. David, do you have any comments on your side?

Mr David Small (Department of Agriculture, Environment and Rural Affairs): As I see it, the environment side has a very strong contribution to make. I want to work with stakeholders and the various partner organisations that we already have close contact with. We have had some very useful meetings with a full range of environmental non-governmental organisations (NGOs) and they are keen to work with the Department and I am very keen to work with them. Through the environment fund, we already give financial support to a number of those organisations for specific projects that deliver against environmental priorities, and I see a lot of scope and potential to do more of that. I want to work with the farming industry on how we deliver our regulatory role.

Ms Louise Warde Hunter (Department of Agriculture, Environment and Rural Affairs): If you look at the needs of rural dwellers when you have those very high level and important outcomes — issues that span everything from jobs, the economy, health and giving our young people the best start in life and so forth — then, clearly, those impact as much on rural dwellers as they do on urban dwellers. I think that will be part and parcel of the integrated approach that DAERA will wish to take, working alongside other Departments that would be in the lead for those outcomes and indicators, to demonstrate our interest and to support, where we can, which, of course, there is now a statutory base for.

The Chairperson (Ms Dillon): I assume that the new legislation will be used to hold all the other Departments to account on rural proofing?

Ms Warde Hunter: Yes. The Rural Needs Act received Royal Assent on 9 May, and the original plans were that it would apply initially from 1 June next year to Departments and from 1 June of the following year to local authorities. Clearly, this is a matter that we will want to work through with the Minister, regarding our approach to be able to support needs in other Departments in the first instance. It coheres with what you said about local authorities and local councils, which are already, in many ways, showing the way in some of these matters.

Ms Archibald: Thank you for the comprehensive briefing; an awful lot was covered. I want to pick up on one or two points. You mentioned the voluntary exit scheme and downsizing in the Department. Are there any particular challenges being faced by the loss of very skilled people or expertise in the Department at that level?

Mr Lavery: Colleagues will have their own views, and I will ask them to comment. Frankly, the answer is "yes". Given the way that the scheme operated, you lost people with significant experience, including technical experience. However, it is our job to deliver public services and advise the Minister, and we need to get on with it. These are challenges, and it is up to us to be more efficient. We are looking at areas where we can change what we do. They are significant challenges, but our job is to get on and deliver.

Mr Robert Huey (Department of Agriculture, Environment and Rural Affairs): In my area, policy, we lost three of our four grade 7 principal officers, who had 107 years' experience between them. You cannot lose that and not notice it. We lost Ian McKee, Andrew Kell and Denis Savage; three experienced officers who regularly appeared before the Committee. Of course, you pull people up and develop more people, but it is bound to leave a gap. That, along with our transition to Ballykelly over the next few years, will give us a significant difficulty with maintaining both our historical knowledge as well as with getting people into the right posts at the right time. There is a big job of work to do there, but we have plans and are working on them.

Mr Small: On the environment side, in a similar way, we lost key people at important senior levels. Those individuals are hard to replace. We also lost a number of specialist individuals, including scientists and technical colleagues, who, again, had specialist knowledge that is hard to replace. I have identified a number of posts that I regard as critical, and I will be making arrangements to recruit for and fill those posts, but I will be doing so within a very restrained headcount limit. However, as Noel says, we need to manage those challenges.

Mr Lavery: The individual group heads have their own budgets to manage that, and they have to prioritise needs. This is the world we are in: we just need to get on with it.

Ms Archibald: Thanks for that. You mentioned the importance of the agrifood sector. DARD and DETI had joint responsibility on the Going for Growth strategy and the Agri-Food Strategy Board. Is that collaboration ongoing between DAERA and the Department for the Economy?

Mr Lavery: It will be, and the Minister emphasised the importance of that.

Mr Swann: Going back to a legacy issue from the old Committee, namely TB, where are we on the test-and-vaccinate or remove (TVR) programme?

Mr Huey: TVR will be commencing its third year later in the month. As you are well aware, Robin, it is a research project: it is not a pilot, and it is not something that we can roll out across the entire Province. It has been hugely beneficial for a large number of reasons. My staff have learned a large number of skills and tested a large number of concepts, which we will be allowed, hopefully, to apply across our new strategy when we start to implement it.

There is frustration that results have not been published, except for the very basic numbers, such as how many badgers we have caught and that sort of thing, but you have to work with me on that. I have not seen the analysis of the results yet. That is important, because we have to maintain the integrity of this as a piece of research: if results are published halfway through, it could influence the further years of the programme.

I reassure you that the only people who will have seen the results are the two scientific experts on the TB strategic partnership group, and they will take them into consideration in their continuing work. That work will make its way into their thinking. I understand your frustration, but we have to keep the scientific results under wraps until the end of the project or you run the risk of undermining the entire work.

Mr Swann: When do you expect those results, Robert? I am aware, even from your paper, that the rate of TB is at the second highest we have had in Northern Ireland since 2006. You are saying that TVR is a research project rather than a pilot, but I was under the impression it was a pilot.

Mr Huey: It never was, Robin. *[Laughter.]* You used the word "pilot"; I used the word "research" all the way through this.

Mr Swann: It comes down to putting £30 million into a TB project. If this three-year research project comes out and shows nothing, where are we?

Mr Huey: Where we will be is, hopefully, implementing a whole new strategy for TB in Northern Ireland. The group has been working for 18 months now and I am frustrated that we have not got the report out yet, but I would rather get it right than get it quick. I have been very impressed by how diligently the group has worked. Remember, they are not being paid for their work; they signed up for a day a month and there are times that they are working two or three days a week on this for no pay. We have a very good group with a good, broad basis, with two farmers, two scientists and the chair. I sit on the group as an adviser and ex officio member, but I do not have a veto or influence over what they will agree.

I am encouraged by the work that they have done so far. The report is almost finished and is going through an economic assessment and review by a behaviouralist — a human behaviouralist rather than an animal behaviouralist — and an external peer-reviewed scientific review. The report will be costed, because a plan without resource is a piece of paper. There will be an implementation plan when the report is published, hopefully this autumn. A lot of work has been done.

I am as concerned about TB as you are. I am concerned that we are spending £30 million on something that could be better spent on agriculture in Northern Ireland. I understand and have a lot of empathy with the farmers who are broken down with TB. Seven per cent of herds currently broken down with tuberculosis in Northern Ireland is not acceptable to anyone; we have to do something different. We have been doing the same thing now for about 50 years. It started in 1959; the current scheme is the same age as me. We have to do something radical and different, and I am confident that the report will give us that.

Mr McKee: Madam Chair, this is beginning to be a very interesting Committee. I come from Kilkeel, which is Northern Ireland's largest fishing port. There is very interesting stuff coming from that. I also have a farming connection. Carlingford Lough was mentioned; I will declare an interest, as I was a Carlingford Lough commissioner in the past.

I have a few questions. When will the £18 million for the fisheries fund be allocated? We are responsible for inshore fisheries; is that up to a 12-mile radius and would it include cod fishing or is cod fishing outside the 12-mile radius? There are a lot of issues for fishermen, given the scientific evidence that now shows that there is a lot of cod out there. However, fishermen are still finding it difficult to fish, including for prawns. They have to throw live catches overboard and incur losses. Are we responsible for harbour infrastructure? For example, are there plans to enlarge Kilkeel harbour at some point? Would we be responsible for that?

Moving on to waste management, where are we as regards the Hightown incinerator? I would be interested to know what is going on there. On the agriculture side, I am concerned about the supply chain forum, which was set up some time ago. It has met only once, with no results, and I would like to hear where we are at on that.

Mr Lavery: I will lead off on some of those things and then bring colleagues in. The supply chain forum was brought in by DARD Minister O'Neill. We have not had a chance to talk to the new Minister about it. The new Minister has already made it clear, in fairness, that the supply chain is a big issue. We will have to come back to the Committee on what happens next. Norman will want to discuss that with the Minister. On Kilkeel harbour, I met people involved in that planned development last year. There is one element. The Fishery Harbour Authority owns the asset of the harbour. I do not think that we have the vires to develop it, but I am not sure, Mr McKee. I do not want to give you the wrong answer. If that development is to go ahead, a lot of different elements need to come together, including local government and the private sector. I have met those who were proposing that. Do you want to pick up the other issues?

Mr Small: Yes. You referred to the Hightown incinerator proposal. That is probably the proposal being led by ARC21, the waste infrastructure group. The former Environment Minister, as you probably know, issued an opinion to refuse on the planning application last September. Since then, that case has been referred to the Planning Appeals Commission. A hearing is planned in October. That is where the planning application sits. It has been referred to the Planning Appeals Commission for a full hearing.

From a departmental point of view, we still see the value in the project. We need to build and expand our waste infrastructure in Northern Ireland. So, we still see it as an important project, but it is currently at appeal.

Mr Lavery: I do not know whether you are any more up to date on Kilkeel harbour, but we will have to come back to the Committee with a note on it. Mr McKee, I am sorry, but I am not fully up to speed on that.

Mr Small: Similarly, you raised specific issues about cod and the difficult challenges being faced. Again, I do not have the detail on that for you, but, if you like, we could provide a short written brief setting out the specifics.

Mr McKee: Chair, can I come back in on that? I also sat on Warrenpoint Harbour Authority until May, and there were major concerns when we realised that it was shipping waste to Sweden and elsewhere when it could have been incinerated. It was good for Warrenpoint harbour, but, looking at it from an environmental point of view, we are burning up fossil fuel and defeating the whole project. Those are some concerns that need to be dealt with.

Mr Small: There are major challenges on waste infrastructure. You are right: across various sectors, waste is being shipped out of Northern Ireland to incinerators in other countries, and if we can develop an appropriate waste infrastructure here, we can avoid that.

Mr McMullan: Thank you for your presentation. It is nice to see you again. I have three things, one of which is Rathlin Island. We discussed Rathlin having special status because of its proximity and the conditions laid down on Rathlin for farming. That is badly affecting payments to farmers on the island. For example, you cannot cut grass et cetera. There are a lot of conditions, and I ask you to look at those again because farmers are being penalised, which is affecting their payments, because of the farming conditions on Rathlin.

The Chair raised the issue of the Rural Needs Bill, and it was very interesting listening to it. However, what worries me is that the Rural Needs Bill will not come in until 2017 or 2018.

Ms Warde Hunter: The plan was 2017 for its implementation for Departments.

Mr McMullan: We need to have something in place now because councils are putting their community plans together, and if we do not discuss those with councils now, prior to the implementation of the Rural Needs Bill, we will be outside the Bill on a lot of the things that councils may decide to put in their community plans. That could cause a problem.

Ms Warde Hunter: If I may respond to that, Mr McMullan, by saying that colleagues are already beginning to engage with councils to understand what they might need from us. As members of the former Committee for Agriculture and Rural Development will recall when we were taking this process through, the Act would confer certain responsibilities and statutory duties on DAERA. That was about providing advice, guidance and information in order to bring the legislation into effect. That was around cooperation and the exchange of information. That process is in the very early stages. Clearly, it is important to us to get our new Minister in and to begin to engage with her on that, but I understand the point that you make about the timeliness of this engagement.

Mr McMullan: Yes. It is to get it factored into councils and their policies so that they will be drawing up the policies out of the community plan. If they are outside that and have not bought into it fully, that could affect their policies.

Lastly, there was a lot of talk about, and interest in, genetic research, in the last mandate. How is that progressing for the future of farming?

Mr Lavery: There was a genetics element and a proposal that we should look at that as part of the Agri-Food Strategy Board report. Robert, were you and I both down to see what was going on in Cork?

Mr Huey: Yes, we both went down to Cork.

Mr Lavery: The name has escaped me, which is terrible —

Mr Huey: Moorepark.

Mr Lavery: Norman, do you know what those proposals are?

Mr Norman Fulton (Department of Agriculture, Environment and Rural Affairs): Yes, the industry is working to draw up proposals effectively for a centralised data hub that would draw data from existing sources of information; for example, the Northern Ireland farm quality assurance scheme, information on animals going through slaughterhouses etc. It would pull it all together into a centralised data hub from which farmers could extract information effectively on the generic merit of individual animals in their herd. That is being taken forward by the industry. It is drawing up a business case looking at the model, how it would be funded, how it would progress, and how it could be used by farmers to inform their breeding decisions. It is in play at this point.

Mr McMullan: I know that, the last time, they had got to the stage of practically being able to genetically combat disease in cattle. In the dairy industry, there has been the naming of sires. How are we getting on with combating disease? We have already mentioned cost and how much we are paying per year in compensation.

Mr Huey: The primary reason for this programme is to allow a farmer to select both his cows and his bull on the basis of their generic merit rather than the beauty parade that happens at either a stock show or a stock sale. The farmer, rather than having to judge just by his own eye, can have a piece of paper in front of him that tells him, from the genetic makeup of the animal what it is likely to do. They have found a few pointers on the genome that allow you to say how much milk a cow will produce and how much beef it will put on each day. The beauty of the system is that they have turned that into a financial number so that they can say, "If you use that bull, that bull is likely to leave you an animal worth £100 more in profit margin than the baseline one". That is the basic idea, and it is a game changer to put it mildly.

The other issue is that, amongst this work, they have also found markers in the genome that seem to confer some resistance to TB. This is the Holy Grail, of course, that we would all love. We have all suspected for many years of working in this field that different strains of cattle have different sensitivities to mycobacterium bovis, the bug that causes TB, and therefore are more likely to get the disease. They have got to the stage of putting an indicator against some bulls that, "If you use this bull, you might be breeding animals that are more resistant to TB". You will see lots of words like "might" in there. That is the stage that it is at. You can buy a catalogue that will have a disease resistance measurement in its make-up. It is work that is being done in Glasgow and here in AFBI, and it is still ongoing. It is something that we want to see, Oliver, but we are not quite there yet.

Mr Lavery: The Irish Cattle Breeding Federation in Cork was leading the work in the South on this.

Mr McMullan: When we were in Edinburgh, that research had practically been done; they were ready to make it public. However, to my mind, that research and information has not yet been made public. It was funded in the veterinary college in Edinburgh from here as well as other bodies. Could we not get that out there now to allow farmers to avail themselves of those bloodlines? It would help us to reduce the £60 million spent on TB. We need to look at to work alongside our fight against TB to see whether we can get that compensation figure down.

Mr Huey: It is part of the answer, but, as the Committee will start to become aware, as its predecessor did, there is no single simple answer to the problem of TB. I think that I am back with you next week, Chair when we can go into the detail.

Mr Poots: NIEA is very good at pursuing farmers. I will give you an example. A gentleman is down with TB, so his herd is closed, he cannot sell, and the stock numbers go up. Good practice indicates that he should not rent buildings elsewhere because you want to restrict the disease. NIEA comes round for an inspection, finds that he is point something of a livestock unit over the regulation and implements a fine against that individual. Is one part of the Department not talking to another part of the Department to say, "This guy has actually engaged in good practice", which takes him marginally outside of the rules that have been set up here? When are we going to get sensible, practical implementation of European Union regulations? NIEA, as an organisation, has gold-plated those regulations throughout.

Mr Small: Edwin, I do not know the detail of the case; I do not know when it happened. We have a job to do and a role to play in NIEA; I do not think that anyone would argue with that. I agree with you that we need to be joined up with other colleagues in the Department. I agree that, when we deliver that role, we need to do it in a proper, reasonable and professional way. We certainly have to interpret the regulations. You made the point that we gold-plate all the regulations. I am not sure that that is right, but there may be issues with how we interpret and implement.

We have a job to do. We need to be very careful about how we deliver that role. Since taking up the role of chief executive, it is something that I have been very aware of. I want to address that. We need to deliver our role with industry in a professional and reasonable way. If there is scope to work with a farmer, or any other business, on implementation or potential breaches of regulations, we should look at that scope and be as reasonable as we can in what we are trying to deliver. I do not like to think that any inspectors would go beyond that. I have heard lots of anecdotal stories about how one inspector behaved on a particular visit. I will work hard on culture issues in the agency and certainly on how we work with colleagues in the Department. I am also trying to re-institute discussions with the Ulster Farmers' Union on the potential for a memorandum of understanding (MOU). There is a lot of good stuff that we could work together on and could incorporate in an MOU. I am not saying that everything is perfect — I am not going to claim that — but I am very committed to ensuring that, whilst we have a role to play and a job to do, we will do it in as reasonable a way as we can.

Mr Lavery: Do other colleagues want to comment on work that we are doing on inspection?

Mr Huey: There is nothing new about our attempts to approach the problems of the challenge of good regulation and red tape. This is an opportunity for us to work better together across the new Department. There have been reviews, and we are now trying to turn those into action. There is nothing new about trying to do better regulation. We have a responsibility as a regulator. There is nothing that annoys the honest, good farmer more than to see a neighbour not keeping regulations. We have a role in regulating, and we do not apologise for that.

Your point is about the appropriate implementation of the regulations, and that is what we try to do. If you take good regulation to its conclusion, you will see that the objective of inspection is always compliance. That is what we are trying to get. We are trying to get everybody to comply with the regulations. When it comes to doing that, we are proportionate in the way we do it. We work on advice and advise farmers, whether it is about TB, the animal health line or right across the Department. We work on advice first, and it is only when advice is ignored that other actions have to be taken to ensure compliance, which is what we do. In my line, which often gets publicity, the people who end up in court are those who have gone through that process and have not responded to advice, oral and written. It is a long process.

We are aware of the need to look for synergies to try to cut down on the number of inspections that farmers get. The new European regulation coming in on my side in animal health is very much about earned autonomy and not carrying out inspections on farmers who have been consistently compliant. There are a lot of good things that we can do in there, but it is a work in progress and always will be. Getting to the right level of inspections and getting the most out of the synergies that we have across our new Department is a work in progress and one that we are all determined to do something about. We have no option; we do not have the resource any more. It is quite simple.

Mr Poots: I am sorry, I have to disagree with you, Robert. The feedback that I get from farmers who have been through the inspection process is that it is with great relish that people are looking for faults. If you compare the inspectors to redcoats who find an elderly person 4 inches outside a white line and are happy to slap a £90 ticket on them, you will find these guys are actually out there doing their best to hurt the farmer. That is very much the feeling. We can compare that with other parts of NIEA. We had a landfill site operating outside Londonderry: how much waste was tipped into that site? What is the estimate at the minute?

Mr Small: It is estimated at 900,000 cubic metres.

Mr Poots: Nearly a million tons of waste were tipped. You say that the job of one part of this organisation is to rigorously enforce against individual farmers and fine them for the most minuscule faults that they can come across, and, at the same time, we have almost a million tons of landfill. What is the potential liability for that waste?

Mr Small: The case you describe, Edwin, is a very difficult situation for us. It is an illegal landfill. We were not aware of it. As soon as we became aware of it, we began to put in place our enforcement and regulatory activities. Prosecutions are ongoing on what was happening at that site. We are looking at the options for dealing with the waste that is there. We have a range of prosecutions and a large number of enforcement actions running against the waste industry and other industries and sectors. I accept that we have a role to play, and we try to fulfil that role with agriculture and the agriculture industry, but we do the same across the other sectors. I suppose one final —

Mr Poots: Do you understand that the credibility of the organisation that did not notice a million tons of waste being tipped underneath its nose is hugely diminished as a consequence and that its credibility among the public is extremely low? A huge public burden will be put on the taxpayer as a consequence of that failure.

Mr Small: I agree. What happened at the site was criminal activity. It was incentivised by very significant financial gain. You make it sound very simple, in that there was a million tons that we did not notice. This was very cleverly done. The waste was being recycled. Elements were going through recycling and fulfilling all the requirements of recycling. The stuff that should have been going to landfill was not being properly dealt with, and it was being buried at night time. This was on a site that had operated as a legitimate, authorised and regulated landfill site. It was authorised and regulated by local authorities. The fact that there was further infilling going on was not a surprise or a shock to local people, who probably knew something was happening but it had always happened at that site, so it did not seem odd. Our inspections did not identify it, but that was because it was very cleverly done. The waste was being buried at night. It was being covered, and it was invisible on the occasions we were inspecting. As soon we became aware, we acted. We have prosecutions ongoing, and we are pursuing our enforcement obligations, as we do with other sectors. I am not trying to defend it entirely; we are now responding the way that we should.

Mr Poots: Is there still material coming in from ROI and being dumped in illegal sites? Are you picking that up?

Mr Small: We have come across other illegal sites. It is a fairly widespread problem. There is a lot of money to be made on this, which is the incentive. Some of our investigations suggest that some of that waste has its origins in the South but not just in the South. It is a very difficult and challenging issue to deal with. Dealing with waste crime is something that we are trying to respond to. I now have a dedicated environmental crime unit. I have a dedicated financial investigation team. There are very professional people in those teams, and, as I say, we are taking strong, robust enforcement action and, where appropriate, prosecutions in the cases that we are dealing with. It is a really difficult challenge that we are trying to deal with.

Mr Poots: The point I am coming from is that you are good at going after an indiscretion but not so good at going after the criminals. That has to change.

Mr Small: I understand the comparison, but we are going after the criminals as well.

The Chairperson (Ms Dillon): Coming back to Edwin's original point, what he is asking for is a new Department that can work better to address this in a more productive way. To anybody who is looking at it from a common-sense point of view, it seems that you have the Minister going to meet banks to ask for leniency for farmers who cannot sell their stock, and another part of this Department is fining the farmer who is already in financial strife and whom we are trying to assist. I suppose it is about trying to look at it in a more practical way. Can you come back to the Committee with something about how that can be addressed in the Department so that a practical and common-sense approach can be taken to it?

Mr Small: I understand the point.

Mr Lavery: As has been said, we are seeking to improve what we do here, and Committee members will be aware of that and how we do inspections. As Robert said, we have a job of work to do. I am very concerned, Mr Poots, about your comment on culture. I have been responsible for the NIEA for three weeks, and I have had anecdotal comments about members of staff in various areas of Departments that I have worked in. David mentioned culture, and I would be surprised if that were the culture that people were seeking to target. That is not what we are about. We are about doing a regulatory job and doing it professionally.

Mr Small: There is a cultural point to do with how we deliver that role. If there is an issue of poor culture, I will want to address that.

Mr Fulton: As Robert said, the broader issue is compliance, and there are many ways to ensure that. We have the farm advisory service, specifically set up under the common agricultural policy (CAP) to help farmers to comply and understand their cross-compliance obligations. That is part of what that is about.

Looking wider again, there is a simplification agenda at a European level to try to make sure that we have a more proportionate approach to CAP and CAP implementation. There have been some initiatives flowing from that. The Commission is considering the responses to a simplification consultation it had in the springtime, and the expectation is that something will emerge from that later in the year. So, right from Europe, they are looking at the implementation of CAP and how it can be simplified and made more proportionate, including the penalty regimes. It all comes down to compliance, and there are different ways of trying to achieve that, including the advisory functions, education —

Mr Poots: On greenhouse gases, I see we have dropped 16% from 1990. What are the European Union's expectations under the directive?

Mr Small: I do not have the specific target figures, Edwin, but there are specific targets set on climate change and greenhouse gas emissions. We are making progress.

Mr Poots: But what are they?

Mr Small: If you bear with me, I may have the figures.

Mr Poots: Through the UK Climate Change Act, which we are not subject to, it is 80%.

The Chairperson (Ms Dillon): Can we ask that you come back to Edwin on that?

Mr Small: Yes, we could come back on that point.

The Chairperson (Ms Dillon): Is that OK?

Mr Poots: Yes, sure.

Mr Lavery: I think the target is to reduce by 35% by 2025, but we will confirm that for you.

Mr Poots: So, if we do not meet that, will we be fined?

Mr Fulton: We are actually on track —

Mr Poots: Our PFG target is 35%.

Mr Fulton: It was, in the previous Programme for Government. It might have been 34%. I think we are well on track to achieving our emissions target.

Mr Poots: Is that the European target?

Mr Small: It was actually a PFG target up until the last PFG.

Mr Poots: There must be a European one as well.

Mr Small: I think the target comes from UK-wide climate change legislation, the Climate Change Act 2008, which set out targets. The target is to reduce greenhouse gas emissions by 40% by 2030 and 34% by 2020. Those are the targets we are working towards.

Mr Poots: Research was done into what we are achieving in carbon capture in our agriculture. Where are we with that? A course of work was started a number of years ago in association with Teagasc and the Scottish research department.

Mr Small: There are various initiatives and programmes running, and all are geared towards improving the science and understanding —

Mr Poots: I think this started about six years ago.

Mr Small: — and there are greenhouse gas-specific programmes running, which are about managing and reducing greenhouse gas emissions from agriculture. There is a lot of work under way, and some of that is underpinning the improvements that we have made, but there is more to do.

The Chairperson (Ms Dillon): We can come back to Edwin with specifics on what he is looking for.

Mr McGlone: Good to see you all. Mr Lavery, to go back to your initial comment, which is probably paramount here, if I got the figures right about the farm income crisis, did you say it dropped last year from £312 million to £183 million? Were those the figures you used?

Mr Lavery: Yes.

Mr McGlone: It goes back to that. Many of us are out and about, we have just come out of an election, and those of us who represent the rural areas were getting asked about that consistently by active farmers and, indeed, their families and about the concerns that that raised. Where are we with the Department in what support it can give and what it is doing on what is, in essence, a major business and economic crisis facing us?

Mr Lavery: I will bring Norman in, but, where the Department's role is concerned, these are global challenges and external market factors. In thinking about the instruments that the Department has, obviously, it has single farm payments or the basic payments. It has the rural development programme and the roll-out of that. There is CAFRE's advice to farmers working through business development groups and rolling out those programmes.

A lot of these issues are market issues, I have to say, and they are subject to European policy, so the situation is difficult. Our job, with the levers that we have, is to assist the industry in dealing with this issue and making it more resilient to market volatility. I will bring Norman in on the detail.

Mr McGlone: On that point, for clarity, are those the only levers you have? I mean the likes of the rural development programme, farm diversification and CAFRE advice. Is that it?

Mr Lavery: Where the programmes and the funding we have are concerned, there is also the supply chain work that was referred to. Those are the key developments. We have education and innovation. Those are the key programmes that we run in market interventions. There is then the basic payment scheme, which is about getting those basic payments out.

Mr McGlone: On the basic payment scheme, of that £183 million, how much comprises basic payments or single farm payments, as they might have been when those figures were created?

Mr Fulton: It is about £235 million.

Mr McGlone: So, there is a —

Mr Fulton: The industry as a whole would have been in a loss-making situation without the benefit of CAP support.

Mr McGlone: Sorry, what was that figure?

Mr Fulton: It was about £235 million-ish.

Mr McGlone: That is about £50-odd million of a loss without that intervention.

Mr Fulton: Yes. It illustrates the scale of the challenge. This is not unique to Northern Ireland; these are global influences we are facing. It derives from global markets and the balance of supply across the globe, including exchange rate effects. Those are all supernational issues and are therefore not matters that we can have any influence upon. We seek to try to help farmers to respond to those issues, build resilience and build for the future.

There are certain things that the Commission has been trying to do. It brought out a package in September, and, from that, Northern Ireland received £5 million of support for the dairy sector. We actually got an enhanced level of support because —

Mr McGlone: In what way is that support disseminated?

Mr Fulton: It was distributed in November to dairy farmers. It is already out there.

The Commission has been looking at other ways. It has increased the limits on intervention intake for skimmed milk powder, and it looks as though it will increase that again to try to put some sort of floor safety net into the market. But these are big global issues and are very difficult to respond to.

Mr McGlone: I appreciate that. I suppose you had a Minister up until the election, but have there been any recent meetings at or with the Commission or with Commissioner Hogan?

Mr Fulton: There will be a Council in Luxembourg in June. We are hearing that the Commission may well come forward with further proposals at that stage. The commissioner has already indicated that he is prepared to raise the intervention intake limit for skimmed milk powder up to 350,000 tons.

Mr McGlone: Forgive me, but how does that work out in actual practical benefit?

Mr Fulton: It takes product off the market. The European Union effectively purchases that product to store and effectively removes it from the market and therefore attempts to put a bit of a firm —

Mr McGlone: It is an intervention.

Mr Fulton: These are things that the commissioner —

Mr McGlone: I am just going through the "What if — ery" here. This is not a politician asking the question. This is not a political question, but, if there were to be a Brexit, the implications of that intervention, if a decision is made in October, could mean that the benefit of any moneys from that exemption that you said have been paid out in support to farmers could be nullified.

Mr Fulton: I think that is really speculation at this stage.

Mr McGlone: I mean that, if the decision is that we in this part are no longer members, obviously, you would not derive any benefit from membership.

Mr Lavery: I do not think we want to get drawn into Brexit issues, Chairman, if you do not mind.

Mr McGlone: I am trying to —

Mr Lavery: I understand, Mr McGlone.

The Chairperson (Ms Dillon): We are in purdah here on the European referendum, so we have to be very careful.

Mr Lavery: On the premise of where you are, as Norman said, interventions to the Commission were previously a package and about raising the intervention levels. I attended the Ag Council in March, and there was a lot of pressure on the Commission at that stage, as Norman said. One looks likely at the end of June, and the commissioner has talked about intervention levels.

There is no panacea. These are difficult global market issues. The other thing I should have said — forgive me for not saying it — is that it is incumbent on us on the trade side to do as much as we can

to open new markets. At the same time, am I right in saying, Norman, that overall dairy production is up across Europe?

Mr Fulton: It is. Even in the first number of months of this year, European production was up by 6%. Again, that adds to the problem of oversupply in the market. The commissioner is operating under a fixed budget, effectively, and he has very limited room to manoeuvre as well. Therefore, these are difficult issues. If there were short-term simple answers, we would have had them. The focus has to be on looking at how we can help the industry become more resilient, more efficient and better able to cope with the inevitable downturns that will happen. There is increasing volatility in global agricultural markets. That is a simple fact of life that we now need to be able to deal with, and we have to build that resilience into the industry so that it can take that on board.

Mr Ford: Thanks, Chair. I welcome Noel and the team. I suspect that we have a fair bit to go through over the next two or three weeks with individual groups' questions. I am slightly concerned about the issue of business continuity. You referred to the 16% drop in CAFRE numbers through the VES. The paper refers to an "ambitious" plan to relocate. Some of us might use a different adjective to "ambitious" about the concept of moving headquarters. Reference is also made to the number of experienced staff who will be lost. It does not actually say experienced staff who will be lost; it mentions staff who will be coming in from other areas of the NICS. Have you any indication from that about what, frankly, DAERA will not be able to continue doing on the basis that there are certain functions that will have to be continued with that loss of staff expertise? We have already heard that there is a 75% loss in a key area and another 16% loss. There are some significant challenges in how that will be managed.

Mr Lavery: I will repeat my comments, Mr Ford: it is our job to deliver public services and to deliver for the Executive, the Assembly and the people here. I guess the paper wanted to reflect the honest situation and to not try to overplay it. We have a programme of work going on by Louise on things we could stop doing. It is always subject to Minister's priorities.

The loss of expertise is a concern for us, but we can build that up. It is in the technical specialist areas that we will probably feel it more acutely. We have cut programmes in certain areas in CAFRE, for instance, in the last 12 to 18 months. That is a result. We have had to do that in our DAERA Direct offices. We have had to reduce opening times simply because we do not have the staff to man them for the same period. We are looking at areas where we can be more efficient as well. Digital and what we can do digitally will also be part of our answer. The more information we receive digitally, the less manual handling there will be. It would also help with our inspections. It is incumbent on us to become more efficient and seek to deliver those services. Loss of expertise is an issue for us.

We need a long transition for the Ballykelly move. There will be a long transition to deal with the turnover of the staff. We are managing that on a risk basis. For instance, IT is a particular area, and no doubt Louise and her team will address that when they are here. The IT element of what we deliver is massive. There are expertise and supply issues, as you will well know. Managing that is also something. We need to be clever about how we do that and manage it on a risk basis. Basically, that is a long-winded way of saying, "Yes, there are issues. We are looking at how we can be more efficient and seeking areas that can stop. We have already stopped other things". We need to manage the expertise and build it up.

Mr Ford: You talked about the transition programme. What is the current timescale for the first and last moves to Ballykelly? Will the NIEA move as well as DARD?

Mr Lavery: There are a few things there. We already have people working in the north-west. I think that circa 50 people are working out of Orchard House and Coleraine. Our aim is to have 250 people there between September 2017 and January 2018. That is when Ballykelly will open. We will then be into a long transition. Effectively, people are swapping jobs. We surveyed the rest of the Civil Service for people who are interested in doing that. That transition will take us to 2029. That is managing the risk for us.

The Executive did not approve David's side of the house going to Ballykelly. It was not included in the approval. That will be a matter for the Minister and her plans for the new Department. What was approved was the old DARD. In practical terms, we are moving all corporate services and coordination functions to Ballykelly, which include some areas under David's command. We will take some practical, pragmatic asset management decisions about offices that we have in the north-west, where it makes more sense to put those in Ballykelly. Anything further will have to go to the Minister,

who will have to decide whether that is how she wants to operate the business. What is the objective? The objective is a functioning headquarters; that is what we need to do. It will be a long transition to make sure that we continue to deliver public services.

Mr Robinson: Noel and his team are key people in the Department. From members' point of view, it would be useful to have all your contact numbers, email addresses, telephone numbers and things like that because most of us will, at some stage, want to contact you about constituency issues.

Mr Lavery: We will work through the Clerk.

Mr Robinson: From an individual point of view, we could have an issue from day to day, and it would be useful to have telephone numbers or email addresses for key people like you.

Mr Lavery: I am happy to work through the Clerk on that — absolutely.

Mr Robinson: That would be great.

The Ballykelly issue is near and dear to my heart, obviously —

Mr Lavery: Yes, of course.

Mr Robinson: — because it is in my constituency. A contractor was appointed recently.

Mr Lavery: The contract was let in March. I think that the Minister and the deputy First Minister announced that. I cannot remember whether the First Minister was there. It was in the second half of March.

Mr Robinson: When does the build start?

Mr Lavery: The build starts in August.

Ms Warde Hunter: The pre-construction design is getting under way, and it is to be completed by the end of September 2016. The aim is for construction to take place from that period to October 2017, with a handover by December 2017.

Mr Robinson: Has it actually started yet?

Ms Warde Hunter: The pre-construction design? I certainly hope so.

Mr Lavery: The design has started. We have not started on the ground.

Mr Robinson: Has the actual work started on the new building?

Ms Warde Hunter: I do not think that we have broken ground or got people on site. This is the design phase. It was awarded a couple of months ago and is the phase that we are now in.

Mr Lavery: We are on target, Mr Robinson.

Mr Robinson: The rest of the site was sold fairly recently. My information is that security was recently taken away. Will that be an issue for you?

Mr Lavery: I am not sure. It is a fair point. I used to have responsibility for the site during my time in the Office of the First Minister and deputy First Minister. We will work with the contractor to ensure that our element of the site is secure, as you would normally do in a procurement contract of this size,

Mr Robinson: It was brought to my attention very recently —

Mr Lavery: Thank you for that. We will look into it.

Mr Robinson: — that the security firm or whoever has pulled out.

Mr Lavery: That is the security that was contracted through OFMDFM, who ran the site. We will check up on that. I am sure —

Mr Robinson: I wonder whether there is cooperation between you and the new owner.

Mr Lavery: I am sure that there will be.

Mr Robinson: I thought that it was worth raising the point.

Mr Lavery: Yes. Thank you for that. I appreciate it.

Mr Anderson: Noel, thank you and your team for your briefing. I will be brief. Most of my points have been touched on.

With Ballykelly, the transition and the changeover of staff are big issues, and there are a lot of concerns. You said that you lost a lot of staff, experience and expertise. A lot of upskilling will be needed for the new staff who are coming from different areas and Departments. How will that affect the customer at the coalface? Do you see any big issues with running different areas in the Department because of that in the very short term? You talked about a transition period: how will that period of transition affect customers?

Mr Lavery: The transition period will be up to 2029, with a big move in the first two years. There will be an impact on our services, which we are trying to minimise as much as we can. At times, we will have to operate people in dual posts. If, say, someone is in Norman's area and the post is going to Ballykelly, we may need shadowing for a period to minimise the impact.

We have 3,000 staff throughout 70 locations in Northern Ireland, and this is the headquarters element. A lot of our services are distributed and front-line and are not run out of headquarters. We have articulated the challenges for us, but, on Norman's and Robert's sides, we have lots of staff delivering lots of services on the ground.

Ms Warde Hunter: On the development of the plan, the approach we have taken is that the grade 3s whom you see in front of you have led in their business areas on what the phasing should look like, what should happen in all the divisions and branches within divisions and what needs to happen. In fact, I highlighted that in a submission to the Minister today. A detailed analysis has already gone into that. It is about making sure that we keep running and delivering the business at this time of change.

Perhaps it would be helpful for new members to know that surveys were conducted across the NICS to evaluate those who wished to work in Limavady. There is a substantial pool of people who currently travel to work in Belfast but would prefer to be in Ballykelly. We need to begin to match those people. You heard about the highlighted phased approach, with 250 posts moving to Ballykelly by the end of 2017, but we need to begin to distil how we will manage that with those who will come in. We need to identify the individuals who do not wish to relocate with their posts, find out what their aspirations and skill sets are and make sure that the flow out and in does the best for the Department and our continued work.

Mr Anderson: Where is that decision? The previous Committee asked that question. With the transfer of staff to Ballykelly, have most or all of them been facilitated to move to Ballykelly or stay where they are? Are staff being facilitated to do that?

Ms Warde Hunter: Yes. The basis of our approach — it was stated strongly by the previous Agriculture Minister, Michelle O'Neill — is that, as far as possible, no one will be forced to move. We are in the process of working with individuals who do not want to go with their post when it relocates to identify other suitable employment for them in the NICS. That is exactly the process that I am trying to describe. When I come back to the Committee, I will be happy to talk about that in more detail.

Mr Anderson: My concern is about the expertise and experience. Everyone has the same concerns about the big change of staff and what we have lost, which has been seen in other areas. I hope that that in no way affects the good running of the Department. Basically, as I keep saying, it affects and delays certain things being worked through the Department. If that is the case, we could face some tough days ahead.

Ms Warde Hunter: I once heard another substantial change project in the public sector described as "Flying the aeroplane while you are re-engineering it". Those are the practicalities, but we are on that flight path. It is business as usual. As business leaders in the Department, we must take a pragmatic approach to make sure that that continues to happen. We rely on our colleagues who will be the direct interface with staff who do not wish to relocate to make sure that we can get that flow out and flow in.

You are quite right about building up skills. You will not, for example, take a very junior member of staff in an important area and leave them alone in Ballykelly alone before more senior members are there around that person. I do not want to get into too much detail, but those are the sensible decisions that need to be taken.

Mr Lavery: There are lots of challenges in all this, and we seek to manage our way through them.

May I come back on something? I missed a point on Mr Ford's question, which relates to one of yours on the environmental side. Clearly, when it comes to people living in the north-west — David is there — we will be practical about their location, if there are people who want to do that. We will make sensible, practical decisions in how we manage this.

Mr Small: We will make those decisions on the basis of the business requirements and whether that can work for the business area.

Mr Anderson: I want to come back on a point that my colleague Edwin raised on illegal waste and the policing of illegal waste. Are there problems? Licences used to be with councils, but they were handed over to the NIEA. I get the feeling — others get the same feeling — that, as soon as licences are issued, little or no policing is done. I raised the Mobuoy site in the Chamber; it might have been two years ago when I first picked up on it. It is concerning that such an activity could take place with little or no knowledge of what was going on. There is a lot of illegal waste being dumped right across our Province. I wonder whether the NIEA is up to speed in policing these sites. When such incidents are reported, it can sometimes be difficult to get these people out on the ground. People will have disappeared by the time they get out on site. Does some work not need to be done to ensure that things are done swiftly so that the people involved in this activity are caught and brought to court? Quite honestly, I do not think that there is enough expertise or urgency to get them to court. Do we know how many have been brought to court for all this illegal activity, which is costing us millions?

Mr Small: I do not have the details, but we have had successful prosecutions. Prosecutions are ongoing in the case of Mobuoy, and I do not want to be drawn on those. I sympathise with a lot of what you say. Mobuoy is a very large illegal waste site, and, as I have indicated, there are other, smaller sites.

Mr Anderson: In my experience, in my locality everyone knows what is going on. There is no doubt about that. If you do not know what is going on in your own community, you are not living in it. It is incredible that something on that scale took place for so long and for you to tell us that it was done very craftily. Surely our officials should be much more ahead of the game, so that, if they police it right, no one will get away with it.

Mr Small: When the Mobuoy site was discovered, a separate investigation report was prepared. We have been implementing the findings of that report. You are right: licensing, controls and regulations need to be in place, and I want to make sure that we use every available resource to help us to do that. We need to work closely with councils because they have statutory roles in managing municipal waste. We need to get better at tracking where waste is in the system. Some waste goes off for recycling, some is reused, and some goes to landfill. In the Mobuoy case, waste was leaking out of the system. That happened because there was a major financial incentive for the criminals who were doing it. This was organised criminal activity that was, unfortunately, successful, in that it was able to happen for so long.

On the back of the report on Mobuoy, we have changed a lot of the processes, but that is not the end of it. We have much more to do. One of the most significant pieces of work we need to do is on tracking waste and having really sophisticated systems in place that allow us to track waste in the system so that it cannot leak out.

We recently discovered a site in the Comber area, I think. It was the same situation: it was at the back of, I think, a farm and was well hidden from the road. We eventually discovered that, for a year or two, illegal activity had been taking place. Again, the waste was going into deep holes and being covered. That is not immediately obvious and is sometimes difficult to identify, but we are working hard on this. We have now put in place an environmental crime unit, and it is resourced by very experienced investigators. A financial investigation team is now in place to use our ability to freeze assets. Since discovering the Mobuoy site, we have been doing an awful lot in the last couple of years, and we continue to put a lot of effort into better managing the whole waste system.

Mr Anderson: The message is that there has to be a greater focus on this. What is taking place has to cease as quickly as possible. It may be a resource problem or whatever — I do not know what is going on — but the policing of these sites is paramount.

Mr Small: I agree.

Mr Anderson: I thank you Chair for all your —

The Chairperson (Ms Dillon): No problem. As was stated, this is criminal action. If you believe that waste is being dumped illegally and there is a difficulty in contacting the NIEA, I assume that you can contact the police directly.

Mr Small: Yes. We have been developing strong relations with the PSNI.

The Chairperson (Ms Dillon): I assume that that is another avenue for people to go down, and the police do not have to wait to be informed by the NIEA. If there are difficulties, that is what people should do.

Mr McMullan: I have two quick points. We talk about pricing, farmgate prices, processors and all. The supply chain forum was to have had a role, and it should be doing more and meeting more often. It should have more representation from the farming industry, because one reason why it was set up by the Minister was to have all the main players on one board so that they could interact with each another and look at pricing. We are still far behind what is being paid for the finished product in England and Scotland. That is the product going from here to England. I want the supply chain forum to be utilised to its full potential. That is all I want to say about that. Can you take that away and look at it? There should be more representation on the forum for farmers so that they can take their views to the processors, the merchants and everybody else.

I will not get at you about waste, but my one bugbear is the licence fee that you charge farmers for used tyres for agricultural use. I think that that licence is £600 to £800, which is extortionate. I think that that is for only three years, but I stand to be corrected. If a farmer wants to bring in more tyres, he has to pay another licence fee after three years. I ask you to look at that to reduce the price. There is no need for that. If you have to charge, charge something nominal that farmers can afford. Tyres are a big part of the farming industry, especially for silage.

Mr Small: I am happy to look at that. It may be a case of explaining why the fee is set at its current level, but I am certainly happy —

Mr McMullan: I have asked, and they cannot explain it to me. They just told me that it is legislation — full stop.

Mr Small: I am happy to look at it again.

Mr McMullan: Quite a lot of farmers have outlying farms and have to transport tyres to their silos. If they do that, they can be prosecuted for transporting illegal waste. That has to be looked at as well.

Mr Small: I am happy to look at that issue and, if it helps, explain the regulation.

Mr McMullan: Can we look at the regulation again and see about changing it? The cost of that licence should be brought down to an affordable amount that every farmer can pay. Looking for £600 to £800 for a licence, especially in this time of austerity, is a bit much.

Mr Small: At this point, I do not know whether we can reduce the fee, but I am certainly happy to look at the issue.

The Chairperson (Ms Dillon): Will you get something back to the Committee on both those issues?

Mr Small: Yes.

Mr McKee: Is it right that Malcolm Beatty is responsible for wind energy?

Mr Lavery: Yes.

Mr McKee: Given that a certain element of the financial package has been withdrawn, will we meet the wind energy targets on single turbines or even wind farms? Where are we?

Mr Lavery: To clarify — I am sorry if I was not clear on this — the Department for the Economy has energy policy responsibility, so I cannot answer your question about targets. Our development was looking at whether you could use the Forest Service estate and whether there were proposals to develop wind energy on that. I am happy to provide a briefing on that. There are issues about connection to the grid, where you are located, major financial matters and how we want to use the Forest Service estate. I am happy to come back to you on that, but the Department for the Economy deals with the overall development of energy.

Mr McKee: Are you not responsible for wind energy of any description?

Mr Lavery: No. We have a project looking at whether it is feasible to develop wind turbines in the Forest Service estate.

Mr Swann: David, in your exchange with Sydney, you said that an environmental crime agency had been set up in the NIEA.

Mr Small: An environmental crime unit in the agency.

Mr Swann: A financial —

Mr Small: Investigation team.

Mr Swann: Will that be new?

Mr Small: It is reasonably new. It gives us much more capacity for financial investigations, and we can access proceeds of crime-type legislation.

Mr Swann: Will the environmental crime unit be directed towards farmers?

Mr Small: At this point, it is being mainly directed towards the significant waste crime that we talked about, such as the Mobuoy site and similar criminal waste activity, and not so much at farmers.

Mr Swann: At this point.

Mr Small: That is not the plan. We have other arrangements and inspection teams to deal with farming and agriculture issues.

Mr Swann: Will the freezing of assets be ring-fenced solely to waste management crimes, or will that carry over into other NIEA work?

Mr Small: No. As far as I am aware, Robin, there are no plans to extend the sophisticated environmental crime investigative activities or financial investigative activities or tools that we have and to apply them to the farming industry. If you wish, I will check that. Those specific tools and capacity were put in place for the significant waste crime that we are dealing with. That was not driven by agriculture-type activities or concerns. There are already arrangements, as you know, through cross-compliance and other mechanisms.

Mr Lavery: To be fair to the former Environment Minister, he put those arrangements in place. We are ensuring that we have adequate capacity to make sure that they are in place. As David said, it is targeting the significant issue of crime in waste.

The Chairperson (Ms Dillon): OK. Thank you.

When a member is asking a question or a response is being given, I ask members to keep noise to a minimum in the room. It is very difficult for the Committee Clerk to hear what is going on, and, to be honest, it is difficult for me.

I thank the permanent secretary and his team for coming here and making the presentation. They will remain after the meeting for a cup of tea and an informal chat. Thank you very much.