



Northern Ireland
Assembly

Committee for Agriculture, Environment and
Rural Affairs

OFFICIAL REPORT (Hansard)

Farm Business Improvement Scheme:
Department of Agriculture, Environment
and Rural Affairs

10 November 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 Maurice Bradley
Mr David Ford
Mr William Irwin
Mr Harold McKee
Mr Oliver McMullan
Mr Edwin Poots
Mr Robin Swann

Witnesses:

Ms Brenda Cuning	Department of Agriculture, Environment and Rural Affairs
Mr Michael McLean	Department of Agriculture, Environment and Rural Affairs
Mrs Colette McMaster	Department of Agriculture, Environment and Rural Affairs
Mr Steven Millar	Department of Agriculture, Environment and Rural Affairs

The Chairperson (Ms Dillon): I welcome Colette McMaster from food and farming policy division; Steven Millar from agri-food support services; Michael McLean from pillar 2 capital investment; and Brenda Cuning from farm policy division. I ask that we keep the briefing to 10 minutes or less just to allow members to ask questions. Again, I will say to members that we have a tight agenda today, so it will be one question. Do not try to get three questions in at the one time. If we have time to come back to people, we will.

Mrs Colette McMaster (Department of Agriculture, Environment and Rural Affairs): Thank you, Chair and members, for the opportunity to provide you with a briefing on the farm business improvement scheme (FBIS). With me is Steven Millar, who leads on the implementation of the FBIS package of measures; Brenda Cuning, who is policy lead for the FBIS; and Michael McLean, who has responsibility for implementation of FBIS capital. Paul McHenry, who is the head of training at the College of Agriculture, Food and Rural Enterprise (CAFRE), is in the Public Gallery and is available to be called forward as appropriate in relation to business development groups and farm family key skills, which are the FBIS knowledge transfer measures. I will start with a brief outline of progress in rolling out the elements of the farm business improvement scheme. We will then hand over to Steven Millar, who will talk in more detail about the FBIS capital scheme, which opened on Monday 31 October.

In its 'Going for Growth' report, the Agri-Food Strategy Board asked for a farm business improvement scheme to improve competitiveness and productivity in farming. The FBIS developed by DAERA in response is an important part of the EU-approved 2014-2020 rural development programme (RDP). FBIS is a package of measures aimed at knowledge transfer, cooperation, innovation and capital investment to support sustainable growth in the farming sector.

The FBIS is being rolled out in a phased and coordinated way. The early focus of FBIS was on knowledge transfer, delivered through CAFRE, to make support available to farmers to help them identify their needs and make the right decisions about developing their business. The first phase of the FBIS opened for applications on 9 November 2015, with the launch of business development groups (BDGs). The aim of the BDGs is to bring farmers together to share knowledge and skills, help them improve their technical efficiency and business management skills and introduce them to new technologies and innovative ways of working. Since its launch, over 150 BDGs have been established, with over 2,900 farmers participating in the programme to date. The indications are that BDGs have been well received, with sustained, high levels of attendance among participating farmers, at around 80% on average. On Tuesday 8 November, the Minister announced that the BDG scheme would reopen to the dairy and pig sectors for applications on 16 November. Applications for the second phase of BDGs will close at 4.00 pm on 30 November.

BDGs were followed earlier this year by the launch of the farm family key skills training programme, which offers a suite of training courses covering key areas such as animal health, business planning, health and safety and ICT. Training already under way includes pig health and the farm family health and safety workshops that commenced at the beginning of November. The scheme also has the flexibility to respond to emerging DAERA priorities and key industry challenges that may arise during the period of the RDP.

The next phase of FBIS to be rolled out is the capital scheme. The Minister launched a preparation stage for the scheme on 20 September in order to provide advance information on scheme requirements to farmers and growers, and further information was rolled out on 17 October. The FBIS capital scheme was opened for its first tranche on 31 October 2016. This capital scheme, which is worth some £40 million over the first two tranches in its initial phase, is open only to those who are involved in production, agriculture or horticulture and includes tiered capital investment support linked to the needs in the farmers' business plan at 40% of eligible costs. The second tranche of the scheme is planned for autumn 2017.

The capital scheme will be managed as two tiers. Tier 1 will support smaller-scale investments that cost under £30,000 and will improve the sustainability of farm businesses, and tier 2 will drive larger-scale transformational investment and projects that cost in excess of £30,000. The focus of tier 2 is on future-proofed, fit-for-purpose, modern infrastructure and equipment. This higher level of support is for farmers who have a clear long-term vision for their business and have developed a robust business plan.

The capital scheme is designed to help improve the sustainability and competitiveness of Northern Ireland farm businesses by targeting grant support at capital investments under a number of key themes, such as to improve on-farm resource and production efficiency; environment, weather resistance and climate-change mitigation; animal and plant health; and health and safety on farms. In addition, tier 2 will target grant support at capital investments that contribute to sustainable growth.

To encourage generational renewal in the farming industry, to recognise educational attainment and to maximise the benefits of long-term investment, the capital scheme will favour young farmers and those with qualifications at the selection stage. Certain items will be ineligible for grant support, as stipulated by the rural development programme regulation, such as like-for-like replacement or maintenance; consumables such as feed, fuel or sprays; investments relating to non-agricultural animals; and items to meet existing statutory requirements, such as minimum slurry storage.

The application process for tier 1 is short and simple and is based on a predefined list of eligible items that align strongly with the key themes of the scheme. Tier 1 was opened for applications on 31 October and will close at 4.00 pm on 16 December. Tier 1 is being administered on behalf of the Department by a delivery agent, Countryside Services Ltd. Proportionate to the nature of the major investment involved, the application process for tier 2 is more comprehensive and requires farmers to develop a robust, viable and sustainable business plan as part of their application. As farmers need time to think carefully before deciding on such major investment and to complete the tier-2 application, there will be a longer application period. Applications for tier 2 may be submitted between 19 December 2016 and 4.00 pm on 24 February 2017. Tier 2 will be administered by DAERA.

The Department is running a series of roadshow events from 7 November to 17 November to provide an opportunity for farmers and growers to hear more about the key features of the scheme and to ask questions. Roadshows have already taken place in Enniskillen and Cookstown this week, and, after this morning's briefing to the Committee, colleagues will go to the CAFRE campus at Greenmount for the roadshow that is starting at 1.00 pm. In addition, there is a range of online tools and information about the scheme on the DAERA website to support farmers and growers in planning their projects, and we will continue to add to this over the coming weeks.

At this point, I hand over to Steven Millar, who will say more about the FBIS capital.

Mr Steven Millar (Department of Agriculture, Environment and Rural Affairs): Thanks, Colette. I want to speak mainly about the roadshow events and the application process in a wee bit more detail. As mentioned, the Department is holding a series of information events and roadshows. It is not compulsory to attend the roadshows in order to make an application, but it will provide an opportunity for farmers and growers to hear more about the scheme and address any specific questions that they have. The format of the events that they will run between 1.00 pm and 9.00 pm and include a series of short seminars and then an opportunity for the people to talk to officials in breakout rooms about any specific issues or about their projects. Farmers have the opportunity to attend one of the events and then to engage with their professional agents or advisers afterwards to consider their project more carefully before making an application to the scheme. In addition, it gives farmers time to decide which tier best fits their business needs. Completed applications for tier 2 will not be submitted until after 19 December.

I will give an update on the roadshow attendance to date. Over the two events, we have had almost 1,200 people, which was roughly 600 at each. Most of them are interested in tier 1, but quite a number are coming with well-thought-through tier-2 proposals. We look forward to seeing those applications come in over the next few months.

The application process for tier 1 is based on a preselected list of items. The tier-2 process is more comprehensive, and the applicant can complete that in stages. We are conscious that those applying to the scheme will be taking on additional investment at a time when many of the sectors are feeling the impact of low prices and market volatility. Applicants to both tiers will, therefore, need to obtain an indication-of-support letter from their bank or lending institution before making their application. DAERA has worked closely with the banks over the last few months to make arrangements for the letters, which will confirm that the applicant has access to the funds to complete their project.

All applicants to both tiers must have a DAERA category 1 farm business ID. Farmers and growers will also need to use some of the online tools, such as Making it Safer, to complete a risk assessment and then submit the Making it Safer self-assessment certificate as part of their application for capital support. Almost 800 farmers have completed the Making it Safer risk assessment tool since we opened the preparation stage in early October. It is encouraging to see that level of uptake and interest in health and safety. Given the importance of farm safety, particularly with the latest figures on farm fatality, the Department is encouraging all farmers to complete the online farm safety awareness module, not just those who are thinking of applying for grant support.

Applications to tier 2 will be those proposing large investments in building and/or equipment. They will be required to provide a robust business plan that details their proposed project, how they plan to implement it and the objectives or outcomes that they intend to achieve. Health and safety issues have also to be addressed, as well as the environmental mitigations that they have considered. As these will be significant investments, applicants will be required to set financial objectives and provide detailed financial projections to support their plan. The business plan and, where appropriate, any nitrogen loading or manure storage calculations also need to be submitted with their application.

A comprehensive suite of tools and guidance is gradually being made available through the website to support tier 2 applicants. It includes the online business plan template, cash flow calculator, farming investment planner map and further environmental considerations guidance. At the information events, participants who are interested in tier 2 have been given a walk-through and a full explanation of the online tools.

The farm plan investment map tool has been designed to assist the farmer with mapping their potential investment in their farmyard. Applicants seeking grant support for tier 2 projects involving construction will be required to submit that farm investment planner map, which outlines the position and size of their proposed construction project. They will also have to engage with a chartered engineer who will provide drawings and costs for the project. Applicants proposing to carry out

construction projects under tier 2 will also be required to have any relevant planning permissions, licences or other consents in place or be able to demonstrate that such permissions have been applied for, as part of making their application.

We also encourage farmers to look at the information on the DAERA website. It gives details about the capital scheme and includes frequently asked questions (FAQS) and links to other useful information. The content of the FAQs will evolve in line with the responses to any common questions that are raised by farmers, either via the online contact details or at the roadshows.

Mrs McMaster: Thank you, Steven. Thank you for your attention. That is all we want to say at the moment. We are happy to take the Committee's questions or elaborate on any of the points that we have covered. I will endeavour to direct you to the colleague who can best answer. As indicated earlier, we have a colleague from CAFRE in the Public Gallery who is available to come forward if there are questions around the BDGs and the farm family key skills.

The Chairperson (Ms Dillon): Thank you very much for your presentation. We are running behind time already, so I ask members to keep their questions brief and that the responses are also brief.

Mr Anderson: Thank you for your presentation. I have a number of questions, but I will stick strictly to the one. As with all applications, not everyone will be successful. Is there an appeal mechanism available so that people who put a lot effort in but do not succeed have an opportunity to come back and put their case?

Mrs McMaster: Yes. There is an appeal mechanism. It is the same mechanism as is used for all schemes across the rural development programme. It is something that we put in place at the outset when we were designing the rural development programme. It is a similar review process. That will be familiar to people, and there is information on the website about that. Steven, do you want to say some more about that?

Mr Millar: No, other than to say that, at the point of people getting the rejection letter, they will be informed what the appeal process is. The detail of that would be in that letter.

Mr Anderson: Would they be kept fully informed about what stage the appeal is at? Sometimes, farmers and those making the application are a bit laid-back. You will be aware that they have other things to do. There should be ways that they can be assisted to ensure that, if they have difficulty with an application and their application has, for some small reason, been rejected, that is relayed to them and they know exactly the process. Every assistance should be given to them.

Mrs McMaster: There is some more information in the booklet.

Mr Ford: I should probably declare an interest as a beneficiary from a previous tranche of FBIS. Will there be any difference between the capital schemes in the tranche currently launched and the one for next autumn, noting that, in particular, the previous schemes seemed to allow for rather smaller sums to be spent? There was tier 0 as opposed to tier 1 and tier 2 now. Are we moving to tier 2 and tier 3 in the future?

Mrs McMaster: Are you asking about the nature of the tier 1 and the tier 2 itself?

Mr Ford: I am asking whether it will be a repetition of this scheme next year.

Mrs McMaster: In this initial phase, we have two tranches of tier 1 and two tranches of tier 2. The intention is that it will be a similar scheme. There might be little things that arise during the roll-out of the first tranche. If they arise, we will see whether any tweaks need to be made before tranche 2 next autumn. The intention is that they will be broadly similar schemes.

Mr Swann: The age is under 40, not young farmer or new farmer.

Mrs McMaster: The age is under 40. There is a date there.

Mr Swann: There is no designation that it has to be a young farmer's application.

Mr Poots: Bad luck, Robin. *[Laughter.]*

Mr Swann: I am not that far off.

The other very simple one is on educational attainment. This is a very specific question, Colette: does a veterinary degree with an MA in business meet your educational requirement?

Mr Millar: The list of eligible courses are the ones that were eligible for pillar 1, and that is on the website. Without getting into any specific qualification, that was the list, and that is the same list as we are using.

Mr Swann: Can you have a look at that and come back to us? Just that specific qualification.

Mrs McMaster: Yes.

Mr McKee: You mentioned the business plan, chartered engineers, the greenfield site, the pig unit, and the first thing you hit is planners. Will there be any priority given? Are you going to extend any time because planning can go on for months before approval? Will someone lose their possible payment in tranche 2?

Mrs McMaster: I will start off and maybe bring colleagues in. For this tranche, an applicant will need to either have already got their planning permission or have applied for their planning permission when they apply to the scheme. They do not have to have their planning permission at the time of their application as long as they have applied. This is for tranche 1, so they will need to have their planning permission in place before their letter-of-offer stage. For those who are not ready to do that, there will be a tranche 2 next autumn. If someone is thinking about it now and will need longer to get ready, there will be an opportunity to apply again in tranche 2.

Mr Millar: I did not mention this in my talk, but, at the roadshows, we have representatives of the planning departments of the local councils. The farmers who attended the last two events engaged with those people and were asking relevant questions or were looking at time frames. I think that it depends on some of the areas what the time frame might be, but it is a relevant point. As I said, we are looking for people to have applied for planning permission or have got it, and we will then work with them through that process.

The Chairperson (Ms Dillon): Once you get your letter of offer for the tier 2, how long does it allow?

Mr Millar: I think I understand your question. We get the letter of offer —

The Chairperson (Ms Dillon): When you get your letter of offer from —

Mr Millar: The letter of offer gives people a time by which they have to furnish planning approval. It has to be before we launch tranche 2, because, when we get to that point, we close everything on tranche 1 and people then move into the tranche 2 process.

The Chairperson (Ms Dillon): How many months are you talking about, realistically?

Mrs McMaster: Maybe I could ask Brenda to clarify.

Ms Brenda Cuning (Department of Agriculture, Environment and Rural Affairs): I think we maybe mixed up a few things by saying, "letter-of-offer stage". We want people to either have planning permission in place when they apply or before they are given a letter of offer. I think we have put May as the provisional date by which we want them to have it. The closing date for tier 2 is February. If you have planning permission, great; if not, show us that you have applied, and, by May, when we are thinking of sending out letters of offer, you will need to show us evidence that you have planning permission. Hopefully, that is a long enough timescale. Once they get the letter of offer and the planning permission, there is a period of time to fulfil the requirements of the letter of offer.

The Chairperson (Ms Dillon): OK. So you are saying that, as part of the roadshow, farmers are being informed of it anyway.

Ms Cunning: Yes.

Mr M Bradley: Maybe it is far too early to say, but, given the initial applications, is there a likelihood that tier 1 could be oversubscribed? If so, will those who have missed out this time be given preferential treatment at the next tranche, if there is a similar theme? Is there an avenue for applications other than online?

Mrs McMaster: Yes. We will obviously have to see what the level of applications is; we do not know at this point. There is a possibility that there will be a greater number of applications than can be successful on this tranche; that is one scenario. There would be an opportunity for people to reapply at tier 2. We have not got to a stage yet of saying how tranche 2 applicants would be prioritised. We are encouraging online applications, and there are extra points for those who do that. There is also the option of making hard copy applications, though. Information on how people can go about it is in the booklets.

Mr M Bradley: If tier 1 is oversubscribed, will there be an opportunity for those who missed out this time to be given preferential treatment next time, if the theme is the same or similar?

Mrs McMaster: As I said, we have not yet arrived at the point of deciding what the conditions would be for tranche 2. It is not something that we have said at this stage.

Mr McMullan: Thank you. How are you doing? I noticed there are some things missing. Forgive me, I may have missed it, but there is nothing in it for the hill man at all. Quads are out, am I correct? And attachments for quads are out — sprayers etc. They are vital farm equipment, especially on the hills. Safety is not in there. There are no safety points in slurry tanks for small safety slats for health and safety. We are encouraging people to apply online by giving them extra points for doing so, but we have IT in here as ineligible for an application. I would have thought you would be able to apply for IT equipment to encourage more people to apply online. You have excluded it. The grant is based on eligible costs of £5,000, but are we not excluding a lot of smaller farmers who have not reached that ceiling? Should it not be lowered to give smaller farmers a better chance? Even if you take two to three of the items in there, you would not reach the ceiling of £5,000. My last question is this: if you are not registered for VAT, you can still claim it, but can you claim 100% or 40% VAT through the scheme?

Mrs McMaster: There is a range there. A number of those questions are about the tier-1 list and the items that are or are not on the list. I will bring colleagues in who worked on developing that list. Overall, the process of preselecting items for the list was based on the extent to which particular items of equipment would score highly against the key themes for the scheme, like production efficiency, animal and plant health, health and safety, efficiencies, the environment and climate change and so on, which we talked about in our presentation. That was the process. There was consultation with industry, and a lot of suggestions and ideas were thought through and scored against the themes. That is how we arrived at the list that there is currently. I will just bring colleagues in on the specifics that you asked about.

Mr Michael McLean (Department of Agriculture, Environment and Rural Affairs): I will come in on the first question about the equipment that you talked about. It was the same for the farm modernisation programme (FMP) in that non-agricultural equipment was not included. Things like 4x4s, all-terrain vehicles (ATVs) and rough-terrain vehicles (RTVs) were not previously on the list, because they could be used for other purposes. The Commission is very clear that the types have to be directly related to agricultural activities. As Colette mentioned, there has been significant consultation on the items, and we will roll forward all the information from the tranches of the FMP. We consulted the industry. We also looked at other jurisdictions and at what was eligible within the bounds of the rural development programme. We scored the items against the themes. You mentioned health and safety as well. Health and safety, efficiency, animal welfare and the environment are the four key themes under the sustainability scheme that we used to score and prioritise the items on the list.

Mr McMullan: Where are they in there? Where are the safety slats for full tanks?

Mr McLean: Safety has been incorporated into a valuation of the business plan in tier 2. The guidance documents will be very clear about health and safety mitigation that is put in, for example, in the installation of slurry tanks, things like bubbler systems. You will be aware of the farm safety

partnership. It has a slurry working group that has consulted on and talked about mitigation measures. There is ongoing research in that area, and we will certainly take that on board. Again, this is part of the evaluation longitudinally. We will look at comments from the industry and consider them, potentially in the second tranche.

Mr McMullan: That is a glaring omission in this one. You have not taken into consideration a hill man who has outlying farms. That is part and parcel of farming life, and a quad is the only way of getting to those outlying farms and servicing the environment, which you talk about quite rightly. The work done on the environment is done with quads — spraying, cropping and cutting. There is nothing at all in there for that.

Mr Millar: We will certainly consider that going forward. I will pick up on the VAT question that you mentioned. I think the question was that, if you are not registered for VAT, can you get 100% or 40% of the VAT? The answer is 40%. You get grant rate on the total amount paid, which effectively would be 40% of the VAT.

Mr McMullan: You get 40% back.

Mr Millar: Yes.

The Chairperson (Ms Dillon): I ask that you come back to the Committee on the issue that Oliver raised about hill farmers and those items.

Mr McMullan: And the £5,000. Can we not look at lowering that? We are excluding a lot of smaller farmers. We did that the last time we looked at it. I think that £5,000 is setting the bar too high.

Mrs McMaster: That level of investment is set in the RDP itself, as approved.

The Chairperson (Ms Dillon): So that cannot be changed — is that right?

Mrs McMaster: The process of changing it would be through a formal modification to the Commission. The RDP, as it stands, has the status of a legal document, so there would have to be formal modification. We arrived at that — the nature of tier 1 and the levels of spend — through the consultation on the rural development programme. It is based on previous experience and the likely demand. Obviously, it can be changed in the RDP, but there needs to be formal modification.

Mr McLean: It has to be supported by a business case, and our economists are very clear about things like additionality and lower-value items and about beginning to realise the benefit. Maybe farmers could go ahead and purchase those themselves, but the level of administration required has to be looked at too. We would have to take it back to the economists if there was any further look at the lower limit.

Mr McMullan: That would be interesting to see. Thank you.

Mr Irwin: Maybe I have not picked it up right, but does tier 1 mean all preset machines and equipment?

Mrs McMaster: Yes.

Mr Irwin: I have had farmers contacting me over the last few days, and I have to get back to them on one issue. There are quite a few open silos in the countryside. It is an environmental issue, because you have to catch all the water in tanks and all the rest. Will they be able to claim a grant to cover those silos in any of the tiers?

Mr Millar: If that was part of a tier 2 project, the answer is yes, but it would have to be presented as a project that is over £30,000 in total. It could be that and something else in the farm that would have to link into the project.

Mr Irwin: Yes, but it would have to be over £30,000.

Mr Millar: Yes. For tier 2 we have set out a list of investments in the types of things we expect people to go for, but we have said that if there is anything else that they feel they need on their farm it is up to them to tell us how it is a good investment, meets the criteria of the scheme and is financially viable and so forth.

Mr Irwin: From an environmental point of view.

Mr Millar: Yes, environment is one of the indicators, as are efficiency, health and safety and animal health. It would have to address all those criteria, and those probably would.

Mr Irwin: If I have picked you up right, you are saying that there can be two different projects, as long as it is over £30,000.

Mr Millar: It has to be one project, but there can be two items. The two items have to be linked as a project; it has to be a holistic project. That is the sort of thing that we have been talking to people about at the roadshows. They have come with their ideas, and we have said, "No, on its own that might not be a project, but, if you linked it with two or three other things that were all part and parcel of taking the farm forward from where it is now to some place in the future, that could be justified as a project".

Mr Irwin: That is OK. That is clear.

Ms Archibald: I want to pick up on the planning issue. You said that planning needs to be in place prior to the letter of offer: would a letter of comfort from planning services suffice at that point?

Mrs McMaster: We are asking for the formal planning approval. It would be the planning or other approvals that people need to have under regulations and so on. For those who do not have it at that time, there will be a tranche 2 in the autumn. Some people may not be ready for tranche 1. We have left it so that we give people more opportunity for tranche 1, because they do not have to have their planning approval before they apply. We have moved that out to needing approval before we would give a letter of offer. We have extended that bit out, but, for those who are still not quite there, there will be a tranche 2.

Ms Archibald: I know that I am pushing my luck with two questions. I understand that the list of eligible items is not necessarily prescriptive. You can have a wee bit of negotiation on what you may be able to apply for.

Mrs McMaster: The list is predefined for this tranche.

Ms Archibald: But, it could be refined on the basis of feedback for the second tranche.

Mrs McMaster: Yes. We will take feedback as we go through the process, and, if there are any other items that emerge that would score highly and that we have not thought about for the first tranche, we will look at them.

Mr Poots: I declare an interest at the outset, as our business may well apply for something. I am slightly concerned that planning permission has to be achieved by May. That is outside the control of the applicant, and I know that some councils are moving much faster than others. Can a degree of flexibility be built in to recognise that people have used best endeavours to get planning permission? I can see people spending £5,000 or £10,000 on their business plan and planning application and then the whole thing falling flat on its face at the end-of-May date for reasons outside their control.

Mrs McMaster: In the scheme that we have launched, planning approval needs to be in place. As part of the lead-in, we are encouraging people to take advice. As Steven said, there are planners and council representatives at the roadshows, encouraging people to take advice and work with their local planning authority, so that, when you submit your application, it is the best it can be and you will have taken account of any advice or guidance that there is. As I said, at this stage, we have extended it to May, but there is the opportunity, if the application is not in by May, to submit it for the second tranche. Brenda, do you want to add anything about planning?

Ms Cunning: As Colette says, we want to make sure that the applications are complete or as complete as possible by the time we get them. As something goes through the planning process, things could change with the project. Planning may require additional measures that would increase project costs or change how things will be done. As we assess the viability of the business plan, we need to know that it is as complete as possible. We do not want the applicant to have gone through a lot of the process and planning then comes up with something that derails the application. That is why we want to have everything complete and together. That is why we have pushed it out to May. Then, as Colette says, if all else fails, tranche 2 will follow soon after that.

Mr Poots: I suggest that pushing it out to May is not a complete push. It would be reasonable to require best endeavours to achieve planning permission by May. To have a cut-off point in May will inevitably cause problems that I know that we, as MLAs, will have to pick up — probably next year, when people are panicking about their planning permission not being through.

Mrs McMaster: What we are thinking of with the tranches is the need to get spend completed for tranche 1, so that we can launch tranche 2. We plan to launch tranche 2, but part of it is about managing the spend and making sure that the grant goes out to farmers. Then, we can be up for a second round of spending with tranche 2. Yes, I absolutely note the point that you make.

The Chairperson (Ms Dillon): Can you explain the rationale for not being allowed to apply for tier 1 and tier 2?

Mr Millar: Tier 1 is targeted at items of equipment and machinery costing under £30,000. When you talk to people about what they want to do, they will say that they either want to do that or something bigger. The idea is that they will decide which one they want to go for. What is the point in applying for tier 1, if you are going to apply for tier 2, and what is the point for applying for one item of equipment if you actually have a bigger plan? To me, it is logical that you make a decision to apply for one or the other. Having one tier closed before the second opens means that people will not make the mistake of applying for both and us having to go back to ask them which one they really want to apply for. That would create all sorts of confusion. It is just easy to close one, and then the other is open for applications. It all comes back to first principles: what is it you want to do for your farm? Do you want to make a small investment, or do you have a big two- or three-year plan? That is really the logic of it.

The Chairperson (Ms Dillon): I was thinking about somebody who wanted to apply for tier 2, did not apply for tier 1 and then found they did not get tier 2 and were regretful. However, I suppose that that is the chance you take.

Two members are indicating that they want to speak. Please keep questions and answers short.

Mr Ford: I want to make a simple point. These days, you make much of the Making it Safer self-assessment. It is impossible to find that on the DAERA website. If you eventually wade through Countryside Management you can find a link to it, but can you please do something to encourage more than 300 people to apply?

Mr McLean: Actually, 800 people have applied.

Mr Ford: OK. It is still very difficult to find it on your website.

Mrs McMaster: We will put it on the front page.

Mr McLean: We will review the links on the website. I know that, down the right-hand side, we had it on a whole line in addition to the farm business improvement scheme, but certainly it has its unique website. It is right on the home page of the Farm Safety Partnership, which as you know is the overarching body for safety.

Mr Ford: But, if somebody reads your information and then looks on your website, it is not there.

Mrs McMaster: Absolutely. We will sort that out and put it on the front page.

Mr Irwin: I want to ask about tier 2 and large projects. Are there any standard costs, or will the whole grant be payable on receipts for existing work?

Mr Millar: It is still payable in receipts and quotes.

Mr Irwin: All of them? How many quotes are necessary at the outset?

Mr McLean: The European Union requires a minimum of two quotes pre-application. Post-application, if it is potentially over £30,000 and batching up, you will need to go out to tender and advertise for that. The procurement requirements will be finalised over the next couple of weeks, and we will publish those on the website. There is discussion still going on with the Central Procurement Directorate.

Mr Irwin: So you think that for over £30,000 people may have to go to tender.

Mr Millar: For an individual item, not if the project is over £30,000. If there is an individual item in the project that is over £30,000, it has to go out to advertisement.

Mr McLean: It is likely we would want the construction elements procured together, so that they are managed in a consistent format and started, finished and done according to a structured approach and planned out.

Mr Irwin: One would have thought that if you had prices it would be OK. Going out to tender will be an added burden on many farmers, I would have thought. It is something they are not used to doing.

Mrs McMaster: We will make the guidance available to people, but, as Michael said, the regulations around this require that level of —

Mr Irwin: That is why people voted to leave.

Mr McLean: A business plan template will be available soon. That breaks the project down into sections. It will be very clear and will facilitate the process by which a farmer would go out to tender.

Mr Irwin: I declare an interest, being a farmer, and I may or may not apply to the scheme.

Mr McKee: I am very concerned about the planning issue, having sat on a planning committee and seen the thing drag on for literally months. It is probably too late for this scheme now, but would it not have been sensible to notify the farming community in advance, six months ago, that tranche 2 was coming up and they would need plans? That would have given them a bit of a head start to prepare.

Mr Millar: A lot of the people whom we have been speaking to on the last two nights applied for their planning approval six months to a year ago because there was lots of information about the farm business improvement scheme and the capital moneys that were coming down the track. This is going back two or three years ago from when the Agri-Food Strategy Board asked for it and it was approved in principle. Some people had the foresight to go ahead and seek planning approval. I know what you are saying about when we launched the scheme, but, certainly, a lot of people have been thinking about their projects for over a year and have got planning approval in place. They have planning approval already; they told us that at the meetings. They were just waiting for the scheme to open. There is a mixed bag out there.

Mrs McMaster: Even for people who are not quite ready for this tranche, it is useful to go to the roadshows to hear that information if you are thinking about the next tranche. You will then have a lot more lead-in time to prepare.

Mr Millar: Not all projects need planning permission.

Mr McKee: It is just, more or less, the greenfield sites in certain parts.

Mr Millar: I know quite a lot of them do, but not all.

Mr McKee: I imagine you will be hitting the second tranche and still the planning approval will not be through.

Mr McLean: Suffice to say that we are working closely with planners, and we will watch closely as the applications come in. We will pair them with the applications that come in to our scheme, and we will work with them on the priority on the basis of the nature of how the workflow goes. It will require a close working relationship across both tiers for the lifespan of the schemes.

Mr McMullan: The document includes IT for feeders. It would make absolute sense to have IT as one of the grant items because the feeders could be connected into the IT system for keeping records and everything else. With banks closing all over the countryside this is the time to encourage more farmers to go online. We are, but we are not giving them the opportunity to do so.

You can specify the IT equipment that could be available for the grant — not laptops or tablets — so that the scheme would not be abused. The equipment would be used solely for the farm. You are not doing that here; you are not sending out the message. You are sending out one message, but you have an opportunity to give farmers the tools and you are not doing it. I appeal to you again to have a look at this and add it in. That is a vital point.

Mr McLean: Is it tier 1 you are thinking about, Oliver?

Mr McMullan: This one here, yes.

Mr McLean: Tier 2. Integrated systems is part of it.

Mr McMullan: Tier 1 too. It would be so easy to put it in, and, if you are not going to move the £5,000 threshold, it would help people get up to that — stock control and everything.

Mrs McMaster: We will monitor the tranche this time round to see what issues arise. We could address them for tranche 2, and then the Committee could have a look at that.

Mr McMullan: With respect, we cannot monitor something that is not there. Think about it anyway.

Mr Anderson: I will be quick. Picking up on Harold's point, planning approval concerns me. Is there a possibility that, in the new planning set-up, an application could be lost because planning approval does not come through in time? My experience is that planners in the old system worked with letters of comfort in all farming applications before they were approved. That is why I asked earlier about the appeals process and suchlike. Is there a possibility that an application that would make it might end up being lost because it did not receive planning approval by a certain date? Could that happen? What discussions are you having with councils to get applications through the system quickly if you know that they are there?

Mrs McMaster: We are already engaging with the planning authorities and will continue to do so. We will not know what volumes will come in from different parts of Northern Ireland until we see the applications, but we will continue to engage with them throughout the process to see if any issue is causing a bottleneck.

Mr Anderson: That means that you are working with them. However, if a person does not get the decision on whether approval has been granted and there is a specific deadline, what happens? The application could fall.

The Chairperson (Ms Dillon): That is exactly what will happen.

Mr Anderson: That is grossly unfair to the applicant who has not got through planning in time because of the system.

Mrs McMaster: We will have to see whether that emerges as an issue and, if so, how we can address it and facilitate applications through. Brenda mentioned earlier that, possibly, an applicant will not know the full costs of their project until final planning approval stage, when they might have to make changes to it. It would be difficult to sign off on a project until everybody knows what the project finally looks like and what the costs are, but I recognise the issue.

Mr Anderson: Some work needs to be done in that area.

Mr McLean: We are trying to be proactive and not just through the roadshows. We are engaging with planners now, and there are tools such as the farmyard investment planner, which allows applicants to provide the area of the building and do measurements within planning limitations to see whether they would be likely to be within permitted development. If farmers complete this early, we can start the process of working with planners and consultees on environmental constraints to start getting a better feel and marry that up with the applications that come in. It is a matter of being proactive and working very closely but using the tools as well. This is a very important tool; Steven covered it in his presentation. We recommend that farmers complete it. It is different from the likes of the farmyard management scheme, where it is just sketches; there is a lot of work with dimensions. Having a chartered engineer employed along with the initial farmyard viewer sketching out the layout will give us a first insight into what farmers want to invest in, what is the level of permitted development and what applications may require full planning permission. We will look at that in detail proactively over the next —

Mr Anderson: I will finish with this. My experience tells me that planning does not always go easily. Maybe you do not get all the boxes ticked straight away. I am concerned that applications could be lost due to some small thing in planning. I ask that more work be done to ensure that we get them over the line.

The Chairperson (Ms Dillon): In fairness, probably all members are concerned that applications might fall because of planning permission. On the other side, no Department I can think of gives out funding without planning permission in the business case. I suppose that we have to get the balance. We are asking the Department to do as much as possible to ensure that farmers have that in place before they apply and that it gets through in time. Thank you very much for your presentation.