Northern Ireland Assembly

Committee for Agriculture, Environment and Rural Affairs

# OFFICIAL REPORT (Hansard)

## Budget 2016: Department of Agriculture, Environment and Rural Affairs

15 November 2016

NORTHERN IRELAND ASSEMBLY

# Committee for Agriculture, Environment and Rural Affairs

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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 William Irwin
Mr Patsy McGlone
Mr Harold McKee
Mr Oliver McMullan
Mr Robin Swann

**Witnesses:**

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|---|---|
| Mr Roger Downey | 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 |
| Mr Graeme Wilkinson | Department of Agriculture, Environment and Rural Affairs |

**The Chairperson (Ms Dillon):** I welcome Louise Warde Hunter, head of central services and rural affairs group; Graeme Wilkinson, finance director; David Small, head of environment, marine and fisheries group and chief executive of NIEA; and Roger Downey, head of financial planning. Please keep the presentation as brief as you can. You have up to 10 minutes so that we can allow members an opportunity to ask questions. We have to be finished by 2.00 pm.

**Ms Louise Warde Hunter (Department of Agriculture, Environment and Rural Affairs):** Thank you very much, Chair. I will proceed as quickly as I can because we have two quite distinct elements today, and my proposal, which was agreed in advance, was to separate them, but I will try to keep my introductory remarks as rapid but as lucid as I can. Thank you very much for the opportunity to brief you on the latest position in relation to the Budget 2016 exercise and the Programme for Government. If it is OK, I will start off on the Budget.

As members will be aware, we are currently working within the arrangements outlined by the Finance Minister in his statement to the Assembly on 14 June in relation to June monitoring and late last month on October monitoring. The Minister, at that point, set out a more streamlined approach to financial matters. The new arrangements consisted of discussions between Departments and the Department of Finance on emerging needs, and decisions will then be taken by the Executive on allocations. Those will be communicated more broadly after they are agreed by the Executive, and that, in turn, will form the basis on which we will discuss the outcome with Committees. In that context, while we

always wish to share as much as we can with our Committee here today and ensure that you are well briefed on current issues, we are not in a position to discuss any bids or easements that may or may not have been made in monitoring rounds or to provide details of specific future budget proposals until an agreed position is reached by the Executive. I must clear that up up front.

I will turn to the context for the Budget exercise. I am happy to provide detail on the financial context that the Department and the wider public sector anticipate for the 2017-18 financial year. The Committee is no doubt aware that the Chancellor of the Exchequer will outline the initial implications of the spending in his autumn statement. That is expected to be delivered on Wednesday 23 November, so that is not long now. The Executive have agreed to defer consideration of the 2017-18 Budget until after the Chancellor's autumn statement. As a result, there will be a one-stage Budget that will be agreed by the Executive and presented to the Assembly in December or January.

The Department of Finance has formally commissioned an exercise to gather information on the Department's capital departmental expenditure limit (DEL) and resource DEL budget positions to assist in future budget planning, and the Department of Finance intends to work with all Departments to develop an agreed position in each Department. The Executive have also decided that the Budget will only provide a definitive resource budget position for 2017-18, and Ministers will be advised of the scale of the challenges that lie ahead, particularly in the context of addressing strategic issues, such as the impact of Brexit, which is clearly very significant. With the capital budget being less volatile than resource, the Executive will agree departmental capital allocations for each of the four years to 2020-2021, and those will be based on the total capital funding available to the Executive over that period following the Chancellor's autumn statement.

It is also important to refer to the statement made by the Chancellor on European structural and investment funds. The Chancellor confirmed that the Government would guarantee EU funding for structural and investment fund projects, including agri-environment schemes signed after the autumn statement and which continue after we have left the EU. He was clear that, for as long as the UK is a member of the EU, businesses, farmers and other organisations must be entitled to apply for EU funds, and funding for projects will be honoured by the Government if they are good value for money and are in line with domestic strategic priorities. As a result, businesses, farmers and other organisations will have additional certainty over future funding and should continue to apply for EU funding while the UK remains a member of the EU. Each Department will take responsibility for the allocation of money to projects in line with those conditions and the wider rules of public spending. The conditions will be applied in such a way that the current pipeline of committed projects is not disrupted, and that includes agri-environment schemes that are due to begin in February. I trust that that gives members an overview of the current process that we are working in.

I would like to look briefly at the terms of the impact on DAERA by giving you a short summary of our budget and the key elements in them, including our resource savings and capital. That will begin to give you a bit of a line of sight.

On the resource side, DAERA's starting position for the Budget exercise will be the opening position for 2016-17, and that will roll forward into 2017-18. That will then be adjusted by the Executive for any agreed savings to be found in any additional allocations. Table 1 in your written brief sets out the starting DAERA position by group, with food and farming being the largest. It also includes the Agri-Food and Biosciences Institute (AFBI), the College of Agriculture, Food and Rural Enterprise (CAFRE) and the administration of EU funding. In relation to EU funding, it is important to highlight that the £215·9 million in table 1 excludes the significant EU funds that are administered by the Department under two separate pillars, which currently total around £295 million each year.

Table 2 sets out the main constituent parts of the DAERA resource budget that will roll forward. I will give you a short overview of some of the key elements. You will see that the most significant element is our staff costs of £116·2 million, which is the residual funding after we completed the voluntary exit scheme (VES) in 2015-16. That has seen us bring our staffing levels down by 385 full-time equivalents. That should generate savings annually of around about £14 million. We are, as the Committee might expect, finding the loss of that number of staff challenging, particularly at this time of year, when we are working hard to ensure that we process payments and get them out to farmers. We are also reviewing our internal process procedures, post the creation of the new Department, and, as the Committee is aware, we have established projects within the Department to consider how we deliver inspections, corporate services, advisory functions and customer contact.

The next three items, as you can see, relate to general administrative expenditure (GAE) and current and other expenditure. They cover the main running costs of the Department, which, as you know, is

spread across 70 locations. The funding includes rates, utilities, maintenance costs, farm costs, shared services costs, planting costs and travel and subsistence.

The next item is AFBI. Like DAERA, AFBI has had a considerable fixed element to its cost basis, but, with the majority of expenditure on staff salaries and wages, it took the opportunity to reduce its staffing levels through the VES. The resultant savings will go a long way to providing a more secure financial footing ahead for AFBI. Under new Treasury guidance, all research and development expenditure is now recorded as capital rather than resource. We recognise that as a positive development. Whilst the capital budget is zero-based, it is not subject to annual reductions in the way that resource funding is. That is usually more accessible, given the Treasury funding principles. So, good news for AFBI on that one.

The biggest programme, of course, is our rural development programme (RDP). You can see that we have match-funding allocation of £20·8 million for those schemes and that, in relation to 2017-18, the match funding required will need to be reviewed in light of the decision made around future area of natural constraint (ANC) funding. Other large elements of the programme include the business development groups and the environmental farming scheme.

The next two lines on the table equate to £18·5 million and relate to the TB programme. The TB compensation is the largest element, and that statutory requirement needs to be funded each year. As members will be aware, a significant amount of work has been undertaken by the TB strategic partnership group. Once its report has been received by the Minister, the financial implications of that will be considered.

I move now to resource savings. You will be aware that the public sector has experienced great pressure on its finances over the past number of years. The Department has had very difficult financial settlements in recent Budget exercises, with DARD having to find over £40 million across the Budget 2010 period and a further £29·9 million in 2015-16, and, of course, DAERA, as we are now, is currently delivering an additional £11·9 million in 2016-17. All parts of the Department have been affected by the savings during this period, and inflation has also had to be absorbed, which means that future cuts will be difficult to find.

I turn now to capital. As with previous Budget exercises, this is to be allocated from a zero base. As I mentioned at the outset, unfortunately we are unable to provide members with details of individual capital bids. However, with your forbearance, I will cover just the very main projects that we will progress through 2017-2021. For ease of reference, our capital budget falls under four broad headings: programmes, IT systems, recurring capital, and research and development.

I will start with programmes. Members will be aware that we are in the process of constructing an office building in Ballykelly. The total value of the contract let is £11·7 million. Under RDP, other key programmes include Tackling Rural Poverty and Social Isolation (TRPSI). In relation to RDP, the most significant element is the farm business development scheme, which just recently opened for applications. We currently have a business case approval to fund projects up to £40 million over the period to 2021. Members will also be aware of the agri-food processing grant, which is approximately £15 million. Other elements of the RDP include the LEADER scheme, which has funding of £70 million over the lifetime of the scheme, and rural tourism. The other EU-funded programme we have launched is the European Maritime and Fisheries Fund (EMFF). That equates to some £17 million of funding over the period. The majority of that is from the Executive, with 20% match funding from the EU. Looking at TRPSI, we have historically allocated approximately £4 million per annum to that. The majority of that funding is capital in nature, with an allocation of £2·2 million in the current financial year.

The second main type of capital in the Department is IT. That expenditure allows us to improve compliance and become a leaner and more digital Department in light of the continuing constrained financial position. The main element in that, associated with the delivery of ITC capability, is to support the CAP reform programme. The majority of that funding relates to capital expenditure engaged in the development of software solutions for CAP reform pillar 1 and pillar 2. Significant investment is required to deliver the new schemes. Failure to administer this in accordance with strict EU regulatory requirements could lead to significant multi-million-pound disallowances each year — a matter that I am very conscious of, as I am the head of the paying agency.

The Northern Ireland food animal information system (NIFAIS) will replace the animal and public health information system (APHIS), and it will provide ongoing support for *[Inaudible.]* DAERA's business requirements in an increasingly resource-constrained environment. The contract for NIFAIS

has been let, and we have projected capital costs of £14 million. The majority of that work will be completed up to 2021 and will be reflected in our requirements.

The third main type of capital in the Department is recurring capital and relates mainly to what the Department needs to spend to maintain its assets. We are developing a range of projects to develop the estate at CAFRE and at AFBI. The most significant approved expenditure in that is on the replacement of the veterinary science laboratory at Stoney Road.

Finally on capital, as from 2016-17, research and development expenditure is now classified as capital under new Treasury guidance, as I flagged up earlier. That means that a significant element of work undertaken by AFBI now scores in this budgetary category. In addition, the collaborative research projects with the Republic of Ireland and the United States will now score as capital.

A final, tiny word, if I may, on October monitoring: the Department had no resource-reduced requirements and one capital-reduced requirement of £4·3 million in relation to the relocation to Ballykelly. The original capital allocation was made last December as part of the Budget exercise, and that was before the contractors were appointed. The most recent estimates for the project from the Department of Finance's properties division identified that there was, indeed, slippage of £4·3 million from this year into 2017-18. This was therefore returned to the Executive, as it was ring-fenced reinvestment and reform initiative (RRI) borrowing. There were also a number of technical issues that involved transferring almost £1 million resource and £3·7 million capital to other Departments. In addition, we received £300,000 in relation to the single-use carrier bag levy.

So, in terms of our resource and capital forecast for 2016-17, we are projecting to live within our budget at this stage of the year. The assessment is being firmed up as part of the January monitoring round.

Chair, I tried to go through that at pace for you. The team and I would be happy to take questions from you and Members.

**The Chairperson (Ms Dillon):** OK, thank you. You said that £4 million usually goes to TRPSI and this year it would be £2·2 million: is that a reduction of £1·8 million?

**Ms Warde Hunter:** Hang on a second. Sorry, what did — Graeme?

**Mr Graeme Wilkinson (Department of Agriculture, Environment and Rural Affairs):** No, the overall budget is £4 million. Louise was talking about the split between resource and capital. There is no reduction.

**The Chairperson (Ms Dillon):** Fair enough. I just wanted to double-check that.

**Ms Warde Hunter:** Sorry, the majority of funding has been capital in nature. Perhaps it was my speedy delivery that threw you, Chair.

**The Chairperson (Ms Dillon):** I suppose that leads on to my question, which is about TRPSI and Rural Support. We had a presentation a couple of weeks ago from Rural Support, which said that it would need additional moneys, particularly given Brexit and the additional stress that farmers are under. Is the Minister minded to give any assurances on that?

**Ms Warde Hunter:** At this stage, we very much appreciate the challenges facing the farming community, and, as soon as we get our budget allocations, we want to identify how we might take that forward. The Minister has a clear appreciation of the good work that the organisation does in responding to the real need out there. The Minister has already gone on record as saying that she is very appreciative of the range of pressures facing farmers, particularly with reduced farming incomes and so forth. That will absolutely be on our agenda — it is now.

**The Chairperson (Ms Dillon):** A second question. Last night, I was at a meeting on milk prices with about 250 farmers. Most other EU countries match-fund the aid package. Has the Minister any thoughts on that, or were there any discussions on matching the aid package? I think it is £4·5 million.

**Mr David Small (Department of Agriculture, Environment and Rural Affairs):** I do not think that any decisions have been made on that. The Minister is considering the interventions that the

Department can fund under the package, and matched funding is one of the considerations, but I am not sure whether we have reached a position on that.

**The Chairperson (Ms Dillon):** Could we be made aware as soon as a decision is made? People were very concerned last night that you might take a scatter approach with the £4·5 million and not really benefit anybody.

**Mr Irwin:** If I picked this up right, you said that the new system — NIFAIS — would cost £14 million. When it originally came to the Committee, I think it was twice that. What is the reason for the change in cost?

**Mr Wilkinson:** The original outline business case was over a 15-year timescale. That was the figure included in the outline business case. The contract is for just over £8·5 million, but we have staff costs included as well. The figure is the cost over the budget period as opposed to the lifetime of NIFAIS. There has not been a significant change in the figures.

**Mr Irwin:** When do you hope to have NIFAIS up and running?

**Mr Roger Downey (Department of Agriculture, Environment and Rural Affairs):** NIFAIS is expected to go live in July 2019.

**Mr Irwin:** It was 2018 in my head, but maybe I have the wrong —

**Ms Warde Hunter:** The functionality to support DAERA's cattle traceability, disease control and public health business areas should be available from June 2018.

**Mr Irwin:** There was something in my head about 2018.

**The Chairperson (Ms Dillon):** I will let Caoimhe ask a question and, if you do not mind, she will take the Chair for five minutes.

*(The Deputy Chairperson [Ms Archibald] in the Chair)*

**The Deputy Chairperson (Ms Archibald):** My question is on estates. Where are we with the plans for the development of the various AFBI sites? My other question is about the £4·3 million that was returned for the Ballykelly headquarters. It was ring-fenced for this year. Do we need then to plan for that next year, if there was slippage? Do we need it in 2017-18?

**Ms Warde Hunter:** I will ask Graeme to maybe pick up on the AFBI bit and whether he has a point to make on RRI and how that balances; he or Roger might address the second point.

**Mr Wilkinson:** We are looking at three main projects with AFBI. As Louise stated, the project on the Stoney Road site has received business case approval, so that is progressing well. We are in the process of developing business cases for the other two projects at Hillsborough and Newforge Lane. We are working through that process.

RRI borrowing is loan funding and is ring-fenced, so it is not funding that we are able to redistribute within the Department. One of the public expenditure rules requires us to surrender that money if it is not used for the purpose for which it had been intended. We will need to bring that forward into our profile for the 2017-18 financial year.

**Mr Ford:** I am a bit concerned about the role of the Committee at this stage. Louise, you started off by talking specifically about the context of monitoring rounds and said that you wished to share things but could not discuss bids and easements until the Executive had agreed things. You then said that you could not discuss the detail of capital programmes. Can you explain how the Committee will fulfil its statutory duty to advise and assist the Minister if the Minister is not allowing you to engage with it?

**Ms Warde Hunter:** It is less that the Minister is, in any way, trying to impede our ability to engage with the Committee; rather, we are working under the new auspices of the Executive in terms of how the Department of Finance takes forward its responsibilities in developing the next Budget. I go back to my remarks that we can talk to the Committee only once that process has been completed. I am sure

that the Minister would not wish me to represent her in a way that goes against the spirit and authority of the Committee. We are following the process that has been set out and agreed by the Executive and is being driven by the Department of Finance.

**Mr Ford:** OK, I shall withdraw my criticism of the Minister, but does that mean that it is impossible for the Committee, under the direction of DOF and the Executive, to discuss matters relating to the budget in detail, or will we simply get briefings after the event? If that is the case, with due respect to the officials, there is little point in your being here.

**Ms Warde Hunter:** I acknowledge what you say, Mr Ford. From our point of view, we want to speak to you as soon as we get clarity on the allocation of budgets. As soon as that is settled, we can engage with you thoroughly. Until that is achieved, we are not able to talk about what may or may not be in the bids and easements. As I said, I am sure that you will appreciate the spirit in which we come to the Committee today, which is to give you the broadest sense, through the outlines, of where we will be going. However, at this stage, that is all that I can do, other than assure you that we will engage with you as soon as we get accurate figures and our allocation is settled. Graeme, I do not know whether there is anything you would like to add to that.

**Mr Wilkinson:** No, that is fine.

**Mr Ford:** Chair, I do not wish to embarrass officials any further — they are clearly in an embarrassing position — but it is utterly unsatisfactory for a Committee that has a statutory duty to advise and assist to be told, albeit in a gentle and polite way, that it will be told when decisions are taken.

**The Deputy Chairperson (Ms Archibald):** I note that.

**Mr McMullan:** I want to ask about ANCs. The Minister said that those will not be paid out of pillars 1 and 2. Has she decided where that money will come from, and has she made any bids for that money?

**Ms Warde Hunter:** The Minister, of course, acknowledged that she was not going to reduce the payment scheme to fund ANCs under pillar 1 of the CAP and, as I said, was not going to introduce a transfer. She is still considering other options, but, given the pressures on the Department and Executive budgets, providing any additional support would be challenging. The matter is still under consideration.

**Mr McMullan:** When should we expect to hear about that? This needs to be decided before Christmas and in place by January. We have a very short time frame, and the agriculture sector needs to know by January.

**Ms Warde Hunter:** I appreciate that. As soon as we get our broader allocation, we will be able to make a decision. I do not know whether Graeme can shed any more light on that.

**Mr Wilkinson:** The Minister is cognisant of the need to make a decision on this, not least because the 2017-18 financial year is not that long away. She is also conscious of the fact that farmers need to make decisions as well. We are aware of it, and the Minister will make her decision once she has considered all the issues that are in front of her.

**Mr McMullan:** What about the environment side?

**Mr Small:** We certainly recognise that ANC can make a contribution to the environment. As Graeme says, however, this will have to be considered in the context of the wider budget position, and the Minister will consider the options.

**Mr McMullan:** Where does this sit in the priorities for its contribution to the environment?

**Mr Small:** I am not sure that it is a case of it sitting in a priority order, Oliver, but we recognise that it can make a contribution. Similarly, other interventions and measures can make a strong contribution to the environment, such as the environmental farming scheme that we are trying to develop.

**Mr Wilkinson:** Also, Oliver, it is worth saying that the ANC was previously subject to ministerial direction because it was really an income support measure. Whilst there may be environmental benefits, it is not possible to make a business case to support that, and that is why it was under ministerial direction. It is one of the issues that the Minister is considering.

**Mr McMullan:** Will we hear something before Christmas — a Christmas present?

**Mr Wilkinson:** It is the Minister's prerogative.

**Mr McMullan:** We will put the sock out, then, and hope.

**Mr McGlone:** I want to follow up on Mr Ford's query. At the very start, you outlined the issues that you were not going to speak about. What issues have you been instructed not to share with democratically elected representatives?

**Ms Warde Hunter:** I have received absolutely no instructions on what I am not permitted to share with you; I have stepped you through what I can talk about. Mr McGlone, I am observing the process, which was agreed by the Executive and set down by the Finance Minister, on what can be shared and when. Specifically, I said that I am not in a position, as I might have been previously, to outline issues around bids and easements. I would rather focus on what I am permitted to say and on when I can come back and speak to you more fully and in the round.

**Mr McGlone:** I am sure that you would. I mean no disrespect to you — this is not personal at all — but our whole purpose in being here is to have checks and balances in place and have a line of democratic accountability. Is that the Department's interpretation, or is it consistent across all Committees?

**Ms Warde Hunter:** As far as I am aware, it is consistent across all Committees.

**Mr McGlone:** Right, OK. That is all I need to ask.

**Mr McKee:** The sum of £18·5 million was allocated to TB compensation, including money for private veterinary practitioners. Is that for TB practitioners, or does that take in test and vaccinate or remove (TVR) control of badgers?

**Mr Wilkinson:** That is just for the TB programme, for the testing of animals.

**Mr McKee:** On the back of that, what is the position? Is this a trial for TVR? If it proves successful, what is the possibility of it being rolled out across the Six Counties? Will we be too strapped for cash?

**Ms Warde Hunter:** I am sorry, but are you talking about the new —

**Mr McKee:** The TVR control.

**Mr Wilkinson:** As Louise said in her opening comments, the TB strategic partnership group is developing its report, and I have no doubt that there will be requests for funding as part of that process. If there are additional requests, we will have to look at those once we have received the report. That may include rolling out TVR, amongst other measures. You are right to say that there may be a significant funding ask; we will have to look at that once we have received the report and the financial information contained within it.

**Mr Anderson:** Louise, I go back to the relocation of headquarters, the reduction in the number of full-time equivalents by 385 and the savings of £14 million a year. Are you confident that savings of £14 million can be maintained each and every year at no cost to the efficiency of delivering services?

**Ms Warde Hunter:** Are you talking about the voluntary exit scheme?

**Mr Anderson:** Yes, I am.

**Ms Warde Hunter:** I beg your pardon. I misheard and thought that you were talking about relocation, so my apologies for that.

**Mr Anderson:** There is an element of that there.

**Ms Warde Hunter:** You will be coming to that. The reality is that we have an envelope to live within for each group. As I may have mentioned one of the last times that I was up at Committee, each group got its budget allocation for 2016-17. Within that, we also applied our own headcount ceiling that makes sure that we work within the full-time equivalent reductions that were referred to and the attendant budgetary implications. Graeme, working with Roger, set out what each group had to achieve. We have a double lock: each group has its own budget and headcount ceiling.

We also have internal mechanisms. I chair the subgroup that examines how we achieve that. That means that we have a very clear monitoring process whereby colleagues David, Robert Huey, Norman Fulton and I meet regularly to ensure that we keep within that. That is how we police it to make sure that we deliver on the savings. Within that, we recognise that we have to reprioritise to meet the Minister's priorities and all of the other things that the Department is there to do. We have to then make tough decisions about the allocation of resources. Your specific question was whether we can keep on living to deliver that. The reality is that we have absolutely no choice; we must keep on doing it. We have committed to making those savings, which was the whole point of having the voluntary exit scheme in the wider sector in the first place. As my finance director is sitting beside me, I would not say anything other than that we must achieve those savings.

**Mr Anderson:** Is there no possibility of bringing in staff to ease the pressures? If such pressures were ever to come about, it would mean a relaxation of services.

**Ms Warde Hunter:** The focus is on —

**Mr Anderson:** Do you see where I am coming from? To deliver the services as we are —

**Ms Warde Hunter:** That is about us being more efficient and effective, which is where our change programme comes in. I referred briefly to a number of projects that come under that, such as customer contact and inspections. Norman, David and I each have responsibilities for one big slice of our change programme. It is about looking at the efficiency and effectiveness of what we do. We are trying to do that and to think about what that means in the context of Brexit, which Graeme might want to say a word or two about. The point is how we achieve that in a new, challenging environment, albeit one with opportunities as well. Nonetheless, it is about our ability to respond agilely to what we need to do. I do not know whether you would like to add to that, Graeme.

**Mr Wilkinson:** Our business model is changing, with more of our services delivered online. Almost 70% of our applications were done online at the last application process, so that is changing. We also now have officially brucellosis-free status, so we are able to redeploy staff from that programme to others such as the TB programme. Louise made points about the way in which we do business on inspections, customer contact, our advisory role etc. We are looking at how we deliver our business across all areas of the Department. Things are changing, and we are redeploying and better utilising the resources that we have. We are under no illusion that —

*(The Chairperson [Ms Dillon] in the Chair)*

**Mr Anderson:** Will you work within the budget?

**Mr Wilkinson:** We will work within the budget.

**Mr Anderson:** And within that allocation?

**Mr Wilkinson:** Absolutely.

**Mr Anderson:** Finally, there was a reduction of 385 full-time equivalents. To me, that eases up office space. I may have asked this before, but are there any offices or property that the Department will not require? Losing 385 staff leaves quite a bit of space.

**Ms Warde Hunter:** Indeed, and no doubt the staff were drawn from across the entire spectrum of the Department. I think that the ongoing efficiency and rationalisation of the estate, not just for our Department but at an overarching level, remains a plan for the Executive. Perhaps Graeme might like to add some specifics to that.

**Mr Wilkinson:** We are looking at our estate strategy. You are right: there has been a significant change in the workforce, with reductions not just in our Department but across Departments. We are working with the asset management unit in the Strategic Investment Board (SIB) to consider the impact on our estate, and we are developing our estate strategy as part of that. We hope to have a draft of that before the end of this financial year. It is an issue that we are alert to, and we are working through the details of that. In particular, we are looking at the spare capacity across the estate. Rationalisation will be required.

**Ms Archibald:** You mentioned Brexit. Are there significant resource pressures in dealing with the outworkings of that?

**Ms Warde Hunter:** We have created a small team that Graeme leads and has oversight of, and we have a Brexit board. We very much see that this is a new environment in which we are doing business, and we will continue to scope that up. The important part for DAERA is to see itself as one new and integrated Department that is working in a new environment. Therefore, the majority of the thinking as we move forward into the policy dimensions that will arise, as one might imagine, from Brexit will be on our four distinct business groups and business areas, where we have already brought together policy and delivery. To assist us in early scoping and early engagement and bringing all of that together at speed and so that we can provide the range of interfaces we need to do it in a coordinated way, we have a small dedicated team that works under Graeme's supervision and reports to a Brexit board. This afternoon, we are going to a meeting of that board, which is chaired by the permanent secretary.

**The Chairperson (Ms Dillon):** Thank you for your briefing, and I thank members for keeping their questions brief. Sorry that I had to step out.