



Northern Ireland
Assembly

Committee for Agriculture, Environment and
Rural Affairs

OFFICIAL REPORT (Hansard)

Central Services and Contingency Planning
Group: Briefing

13 February 2020

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Declan McAleer (Chairperson)
Mr Philip McGuigan (Deputy Chairperson)
Ms Clare Bailey
Mrs Rosemary Barton
Mr John Blair
Mr Maurice Bradley
Mr John Dallat
Mr Harry Harvey
Mr William Irwin

Witnesses:

Mr Brian Doherty	Department of Agriculture, Environment and Rural Affairs
Mr Roger Downey	Department of Agriculture, Environment and Rural Affairs
Mr Sean McGrade	Department of Agriculture, Environment and Rural Affairs

The Chairperson (Mr McAleer): I welcome Brian, Sean and Roger to the meeting. I invite you to brief the Committee.

Mr Brian Doherty (Department of Agriculture, Environment and Rural Affairs): Good morning. I thank the Committee for the opportunity to provide an overview of the work of the central services and contingency planning group. I am joined by Roger Downey, the Department's finance director, and Sean McGrade, director of corporate services. I am aware that the Committee received a briefing document on my group, and I hope that you found that informative.

Chair, if you are content, I propose to provide a high-level overview of the group's business activities, and Roger, who was due to appear before the Committee next week on the budget, will do a presentation, which is included in my briefing pack.

DAERA, as you are probably all aware, is a very diverse Department that impacts the lives of every citizen in Northern Ireland every day. We have over 3,000 staff in over 70 locations delivering high-quality, outcome-focused services. Central services and contingency planning is one of five groups in DAERA. We have 260 staff providing, in the main, corporate and support services to the wider Department. There are six directorates in the group: corporate services; digital services; finance; staff engagement and leadership; and two Brexit contingency divisions. Corporate services, which Sean leads, has a wide-ranging remit and, among other things, is responsible for the Minister's private office, the Assembly section, sponsorship of five arm's-length bodies, human resource-related activity,

the press office, equality, diversity and public appointments. We are working with the arm's-length bodies to secure closure to a range of governance issues, including a number of public appointments, and, in the coming weeks, we will be engaging with the arm's-length bodies on the business planning for 2020-21.

The Department has demonstrated year-on-year compliance with its statutory equality and diversity duties by submitting an annual progress report to the Equality Commission. The progress report for 2019-2020 will be submitted to the Equality Commission for scrutiny at the end of the summer, and I would be happy to return to the Committee to brief you on it.

In addition, we have established an equality and diversity steering group as a subcommittee of the departmental board. It is chaired by the permanent secretary and is seen by the Equality Commission as an exemplar of strong leadership in equality duties. Corporate services division also provides support to the departmental board and its associated subcommittees to assist the board in exercising its responsibilities.

Digital services division, in conjunction with a number of partners, provides information and IT support in developing services across the Department and is leading the Department's digital transformation programme along with information security and access. The division plays a leading role in ensuring that our customers can access services through a digital platform accurately and in a timely fashion. The division has had considerable success and is on track to achieve its target of moving 125,000 transactions annually from paper to digital platforms by 2020 and moving 150,000 transactions annually from telephony to digital platforms by 2021. That aligns DAERA with the wider Northern Ireland Civil Service (NICS) ambition set out in the strategy for the digital transformation of public services between 2017 and 2021.

The staff engagement and leadership division is taking forward DAERA's people strategy and works across the Department to build staff capacity and capability. That includes an extensive leadership and development programme and mentoring for over 150 staff. As a result of our focus on our people, the NICS people survey in 2019 showed an increase in employee engagement for DAERA of 58% against a Northern Ireland Civil Service score of 51%, and that is a very significant achievement.

The two Brexit divisions were established as temporary measures when the Department was preparing for a no-deal Brexit. Work is ongoing to refocus those teams and priorities in light of the European Union (Withdrawal) Act and the Ireland/Northern Ireland protocol.

Finally, before I hand over to Roger, finance division plays an integral role in delivering the Department's strategic outcomes. Its focus revolves around the five key themes of strategy, financial management, value for money, performance and corporate compliance.

Chair, if you do not mind, I would also like to say that, in the briefing note that I provided, you may have noticed that, at the top, there were three figures around resource depreciation impairment (DI) capital. Those figures were not accurate when they were submitted. So, just for completeness and accuracy, the resourcing figure was £47.2 million instead of £47.3 million; the DI should have been £16.4 million instead of £4.3 million; and the capital should have been £36.9 million instead of £22.6 million. Apologies that those figures were not correct when they were put to you.

That is a fairly high-level overview of the work of the group. Following Roger's presentation on the budget position, we will be happy to take questions.

Mr Roger Downey (Department of Agriculture, Environment and Rural Affairs): Good morning. I propose to go through the presentation, which you should have in your packs, page by page, and highlight some key figures in each of them. The slides are in two parts. The first part covers the final budgets for the current year 2019-2020 and then our proposals under Budget 2020-21. Starting with the first slide, you can see our final budgets for this year split into the three budgetary categories: resource of £206.2 million; resource depreciation impairment, which is non-cash, of £24.6 million; and our capital budget of £81.7 million. It is important to note that the table underneath shows our Brexit budgets. Those are not baselined. That was additional money that we got this year that does not roll over, so we will have to bid for that as part of the budget exercise for next year.

On the next page, you will see that those budgets are broken down into the five main groups in the Department, and you can see, on resource, that veterinary service animal health has the highest resource. The figures for Brian's group, which he clarified a moment ago, are in the bottom row.

The next slide breaks down the resource budget into the main expenditure categories, and, immediately, you can see at the top that the salary and wages are the biggest cost in the Department at £125 million.

On non-department public body funding, the Agri-Food and Biosciences Institute (AFBI), as our largest NDPB, has the largest budget, of which just over £21 million is for staff within that £32 million. If you add that £21 million for staff to the core Department, you find that we have staffing costs of about £146 million, which is around 71% of the Department's budget. So, the main part of the Department's budget is on staff. On the programme side, we have the rural development programme (RDP), with match funding of £7.4 million. TB compensation is projected to be £18.9 million this year, and we project that we will generate almost £52 million of receipts.

The next page sets out at a high level our capital budget for the year across the five main categories that we classify. The largest category is our programmes, which includes the RDP, and the next one is research and development. In 2016-17, Treasury changed the classification of research and development. It now scores in capital, so the staff and running costs in AFBI that are involved and meet the strict criteria for research and development now score in capital.

At this stage of the year, January monitoring has concluded. We declared some reduced requirements in that exercise, which were £12 million of resource, £1.6 million of resource DI, and in capital — there is a typo in the document — we declared £4 million. The outcome of that monitoring round sets the final budget for the year, and our focus now is on spending that budget and meeting our business plan target of between 99% and 100%.

The next stage is the spring Supplementary Estimates process. That provides legal authority for the Departments to spend the budget and cash that Ministers have approved in the monitoring rounds. As members may be aware, the Main Estimates process is usually at the beginning of the year and gives the legal authority for the opening budgets, and then, as the monitoring rounds take place during the year, there are adjustments to that and the spring Supplementary Estimates give the legal authority for the final budgets.

The resource and capital budgets in the tables that I have just discussed are then split across various functions in the spring Supplementary Estimates. They are set out in detail in the separate pack that I have given you, and they support the Budget Bill, which is due to be debated later this month. That is this year's funding.

If we turn over the page, we start looking at next year. A big element that we are having to focus on for next year is EU replacement funding. Those are the funding streams that we got from the EU in the past that need to be replaced. The largest one there, as you can see, is the CAP pillar 1 funding of £293 million. That has been confirmed by Treasury for this year, and the other elements will be firmed up as part of the Budget exercise.

Over the page is a breakdown of our resource bids. The first one is the Brexit staff costs, which, as I mentioned at the outset, is not baselined, so you have to bid for it. There is the large EU replacement funding, which I just mentioned, and then we have a number of inescapable pressures, including pay inflation and the fact that 71% of our budget is for staff. Also in there is tackling rural poverty and social isolation (TRPSI): £1.8 million of that was funded by confidence and supply over the past two years, so we have to bid for that. We also have a £3 million bid in for strategic environment programmes.

Over the page, we have our capital budgets, again split out over the five categories, with the largest being for our programmes. If you turn over the page again, you will see a table that breaks them down into the different elements. On programmes, the RDP is the largest; we then have the farm business improvement scheme and waste recycling. On the IT system side, digital transformation is the largest element. Over the page, we have AFBI research and development. Finally, for recurring capital, there are various bids across our estate for building improvements and replacement plant, vehicles and machinery. There is also a bid for the AFBI research vessel.

Finally, when the Executive came back and the 'New Decade, New Approach' document was published, DOF asked us for bids that the Department would like to make for any references to actions that relate to this Department. We identified three bids on climate change for staff to take forward any initiatives, scoping the creation of an independent protection agency and undertaking a light detection and ranging (LIDAR) survey of the Northern Ireland coastline, as well as some projects to tackle marine plastic pollution and further research and development.

That is a high-level overview of our final budgets for this year and our proposals for next year. As I said, there is a separate pack on the spring Supplementary Estimates. I am not proposing to go through it in any detail, but I am happy to take any questions on it and any of the slides that I have just gone through.

The Chairperson (Mr McAleer): Thank you. A number of members would like to ask questions. My question is for Brian. We had a very informative briefing just a while ago from Shauna Mageean on the implementation of the protocol for here. The protocol makes reference to increased regulatory checks on certain goods entering the North from Britain. What assessment have you done to identify what goods might be subject to those checks? How certain is it that such checks will be required? Where and when will they happen?

Mr Doherty: You have probably caught me, Chair, completely out of my depth on this one. I am not in a position to answer that question. That is probably more for Robert Huey, who does the sanitary and phytosanitary checks. We are still trying to fully understand what the implications of the protocol will be for Northern Ireland and trade, whether it be with the EU or from an east-west point of view, from GB to ourselves and vice versa. We have been doing a little bit of scoping work on what the volume of checks could be if we were receiving goods from GB into Northern Ireland, but that is still very fluid, so I am not in a position to provide any commentary on that. I am happy to take it away. I think that Robert is due to appear before the Committee, if he has not already done so.

The Chairperson (Mr McAleer): He has not been here yet.

Mr Doherty: He will be in a better position to answer the question than I am.

The Chairperson (Mr McAleer): Roger, I note the report shows that, from the Department's budget, £12 million of resource was surrendered. Why was that the case?

Mr Downey: There were a number of elements for those reduced requirements on resource. The largest was £2.9 million in relation to EU exit funding. We got that around September when there were no-deal preparations for an exit on 31 October. That did not happen so a number of things that would have happened did not need to happen, and we were able to surrender that back to the centre. TB compensation is also down on last year, so there was £2.6 million in it that we did not need, but, because of the nature of the disease, you do not know until late in the year what is likely to land at the end of the year. There were also some savings that we were trying to generate in preparation for next year, and £1.2 million was given back in that. The rest are a number of one-off easements. We got additional income from Forest Service of £0.9 million in timber receipts. That moves up and down each year. Extra income also came in on the regulatory side in the Northern Ireland Environment Agency. We were fortunate that no disallowance was required on our European schemes this year, so we were able to release £1.4 million on it. A number of these things do not play out until late in the year, so that is why they were given at that stage.

The Chairperson (Mr McAleer): I will pass round to some of the members.

Mr McGuigan: I have a couple of questions — maybe more than a couple. I am making the assumption that the £7.5 million allocated for rural broadband is the Department's contribution to Project Stratum.

Mr Downey: That is correct.

Mr McGuigan: Fair enough; that was an easy one. Some £0.9 million is directed towards remediation at Mobuoy. Could I have a bit more detail on what that remediation is? We have the commitment that the EU funding is safe for this year. At what point during next year's process will you be engaging to secure long-term funding going into the next year? Obviously, £310 million is a huge block of funding for the economy here in the North; it is money we cannot do without. On the climate change aspect of the budget, I see you have £2 million resource and £1 million capital for additional staff. Could you give a wee bit more detail on the remit of the staff, how many staff and what the capital cost is? I take it that that is for staff to work towards producing a climate Act.

Mr Doherty: Roger and I will do our best to pick up on all those. On Mobuoy and the remediation, there have been a couple of stages to the ongoing work. There was a business case, which went through and was approved by the Department of Finance, on the preparatory work taking us to a

point. The large remediation will be subject to a further business case. The expenditure that has been incurred is more around preparing ourselves for what will happen in the future. This will be a very significant piece of work, so it is a relatively small amount of money in what the overall cost will be. It is not as if there has been a lot of remediation on the site. It has been around getting surveys done so it has involved a lot of the preparatory work that we need to do for what we will do with Mobuoy going forward.

The EU funding will be subject to the normal bidding process for us. As Roger said, we have the £293 million guaranteed from Treasury this year. There is a guarantee through to 2022 of that funding continuing to come across, but I think that we received around about 95% of the £295 million.

Mr Downey: Yes, we have a guarantee that we will get that in 2020-21.

Mr Doherty: They did not give us the absolute amount; they gave us 95% of it and then we will bid further. That was based on historical requirements for us. We will continue to bid through the normal bidding process to secure that money from Treasury.

I am not across the detail of what exactly was involved in determining the costing of £2 million for the climate change work.

Mr Downey: It is initial scoping at this stage because the document came out only in January. It is for between 30 and 40 staff to take forward new climate change legislation and associated policies and strategies, and the scoping study for the creation of the new agency. There is also some money in there to take forward the light detection and ranging survey on the Northern Ireland coastline. This is not an allocation yet; it is just a bid that we have put in along with our other bids. They go in with the bids from all Departments, and it is for the Executive to decide how much of the pot goes to each Department. This is what we project that we will need for next year.

The Chairperson (Mr McAleer): Philip raised Project Stratum and £7.5 million going towards that. I declare a big interest in this given that the area that I am from, the Fermanagh and Omagh district, is the worst in these islands for access to fast broadband. Have you any measures in place with the Department for the Economy to make sure that it targets the areas most in need of broadband?

Mr Downey: The Department for the Economy has the lead on it, and I think £150 million is the total amount. Our remit in rural affairs meant that we were asked to make a contribution. We have put in bids for £7.5 million and we have indicated £7.5 million for subsequent years as well. Since we put in those bids, we have heard that this money might not be needed in 2020-21 due to delays in the tender process on the DFE side. Whilst that was factually correct when we put the bid in, it might not be needed now. I suppose DFE is also bidding for it as part of the budget exercise, so it does not need a contribution from us in the first year, but we will be putting money towards that in later years.

The Chairperson (Mr McAleer): Is there a protocol or assurances in place that, if it is used in subsequent years, it will target —? Does the Department have an input into the shape of Project Stratum?

Mr Downey: Paul Donnelly is the director of rural affairs, and he liaises closely with his colleagues in DFE. I am not sure whether there is a detailed protocol in place because it is still early days, but I know that they work closely and that they feed back to us. When there is an exercise to put bids into DOF, he phones to say, "Make sure we get this in", so I know that he works closely with them and keeps us informed.

Mr Irwin: Thank you for your presentation. I was going to ask a question on TB, but you have answered that one. In relation to the College of Agriculture, Food and Rural Enterprise (CAFRE), I see building improvements of £5-7 million. Do you know what that is for?

Mr Downey: It is for next year. It is for building improvements and PV and M, which is plant, vehicle and machinery. It is vehicles and machinery, and there will be some kit in there. CAFRE is quite a wide estate, with Greenmount, Loughry and Enniskillen, so there are always smaller sheds or projects like that. There is a number of small projects that they constantly refresh yearly. I do not have a list of all the specific ones, but I know that they send through a list.

Mr Irwin: It is a sizeable sum.

Mr Downey: Again, that is the bidding process. We have bids in there of £124 million in total. This year, the capital budget is £81 million, so we are not expecting to get £124 million, but we would like to get somewhere between the two. It is unlikely that CAFRE will get the full £5.7 million.

Mr Dallat: We have focused mostly on what money you are going to spend, but you also earn some money, particularly in research and development. How is that going? There was a report produced by the Audit Office that seemed to suggest that your debt collection has not been particularly successful.

Mr Downey: That is in relation to the royalty income on the AFBI side. In the 2018-19 accounts, they had put in royalty income. The arrangement was put in place almost 20 years ago, and it is coming to the end of that. AFBI has done the work, it has sold the vaccines and it is due to get the royalties back. However, it has not got them in yet and it is going through the process on the legal side to try to bring that to a conclusion. As far as AFBI is concerned, it is still aiming to bring that in.

Mr Dallat: I welcome that undertaking, because your Department has over 800 employees and there are serious pressures. We cannot afford the embarrassment of outstanding money that I believe is rightly due to you. I think that it is an absolute disgrace.

You are looking for some additional staff for climate change. I know that this runs into another Department, which perhaps deals with more than plastic bottles. Coastal erosion is a serious issue on the Foyle estuary, Magilligan Point and across the Causeway coast. What is your role in that, if any?

Mr Downey: The capital infrastructure for coastal erosion may be more to do with the Rivers Agency. We have put a bid in here to do the LIDAR survey on the Northern Ireland coastline. That will help to inform what works need to be done on the back of that, but, unless it was round the ports and where the Northern Ireland Fishery Harbour Authority (NIFHA) has responsibility, I am not sure that there is a remit for the Department in other more general coastal areas.

Mr Dallat: The very fact that you have addressed it and are going to do some work on it is, I hope, useful and will inspire some Departments to take action, because our coastline is in serious difficulty. Notwithstanding all the plastic in the water, there is a sheer need for maintenance.

Finally, is the Department sufficiently resourced to ensure that we never have another Mobuoy?

Mr Doherty: My understanding is that there are a number of sites across Northern Ireland, probably upwards of 400, where there has been illegal dumping, and we have enforcement officers out regularly trying to ensure that they are identified and that action is taken. As somebody who lives in the north-west, quite close to that site, there is no doubt that what happened at Mobuoy was terrible, and, as you will appreciate, it is subject to a legal case, so I would not wish to say too much more. I hope that the steps we take and the legislative powers that we have ensure that we can take action to prevent that and whatever we determine to take forward legal prosecution.

Mr Dallat: Again, Chairperson, that is a yes from me, because it is critically important that all sites, including those that are licensed and operating legally, remain within the remit and the regulation. It would be unfair to you — now that you have told me that you live near Mobuoy, I feel sorry for you. No community should be expected to live near something that is anything but of the highest standard.

Mr Blair: I thank the officials for the information that we have received so far. I have a few questions, none of them lengthy. The reports on the budget show us that Brexit costs have increased from about £12 million to about £24 million. Is that solely related to increased staff costs and preparation for the processes ahead?

On digital transformation, has the Department, across the board as it were, a target for the increase in digitalised services available to the public? Has an expected cost saving that digitalisation will bring been profiled?

On climate change, does the Department build in the prospect and potential to include the voluntary resource that exists to assist in our voluntary and community sector? There are people already working very willingly and well on these issues across Northern Ireland.

Finally, on estates, which are listed here in the budgets in some detail, is there a strategy across the Department to examine unused, underutilised surplus requirements in the estate overall, and is any

income expected from them? Essentially, the question is this: is there a strategy to examine this now, or is there, or should there be, a strategy to continually review estates provision, especially in relation to underused or unused facilities?

Mr Doherty: Between Roger and me, we will try to answer all those questions. On the Brexit expenditure that we have incurred to date, it has been staff costs, although I should point out that none of that is funded. We have put our bids in to the Department of Finance to say that this is the expenditure that we anticipate or this is the expenditure that we have incurred. We go from year to year. So that has been staff costs. We have 253 Brexit staff working across the Department.

Mr Blair: Sorry, how many?

Mr Doherty: There are 253. We believe that we need around 454 staff, so there is a continuous process to secure the staff, both within government and from some external advertising, because there are specialist posts that we cannot provide from within the Department.

As for digital transformation, as I indicated earlier, there are targets for the NICS to go from 125,000 paper transactions to digital and 150,000 transactions from telephony to digital.

Mr Blair: In DAERA?

Mr Doherty: In DAERA. They are our targets specifically. It was part of a wider transformation programme across the NICS. They are designed to do two things: to generate a cost saving, but also to improve the services that customers have, which is a financial benefit as well. You only have to look at the uptake that there has been. Basic payment scheme applications are now 100% online. The feedback that we have received from customers has largely been very positive, because we can process applications for the customer much more quickly and access the information online. There are set targets for us to do that.

With regard to your climate change question, nothing that we deliver in the Department could be done without assistance from our partners, whether that be those who we contract or, particularly, those in the voluntary and community sector. They are hugely important to us. At this early stage, the £2 million that Roger referred to is very much about scoping what we will do as part of the climate change agenda. I have absolutely no doubt that that will include the involvement of our partners across the piste. I cannot sit here and say that that includes funding for those organisations. Only when we actually scope out the work will we be in a position to know the partners who we can link in with. However, I would be surprised if we did not seek to provide some sort of funding across the board for our partner organisations.

Finally, I will touch on the estate side, Chair, very briefly, because I know that you are due to have a presentation from Fiona McCandless, who is responsible for estates transformation. However, as I think you pointed out, we will have an estates strategy for the Department, but it will link in to what the Strategic Investment Board is undertaking, looking at the wider NICS estate. Again, I would not like to say what that would include, but we need to maximise the estate that we have across government.

DAERA is already in 70 locations. As you may know, we have a relatively new building in the north-west, in Ballykelly, and we anticipate that it will be filled very shortly with over 400 staff. I think that there will be a wider question for the Department of Finance, which leads on estates and whether the estate, or any part of it, will be sold in order to generate income. Maybe that is a broader question for Finance. I will ensure that Fiona is aware of your interest, and maybe she will have a more detailed answer for you when she arrives at the Committee.

Mr M Bradley: Thanks for your presentation. You have a bid for a research vessel. Is that a replacement for the vessel that sank in Lough Foyle in 2015?

Mr Downey: No. That is a different one.

Mr Doherty: It was a Loughs Agency vessel that sank in 2015. This research vessel is for AFBI. AFBI had been working with counterparts in the Republic to determine whether they could share a vessel, but that did not materialise. That is why the cost has been put in, specifically for a research vessel for AFBI.

Mr Sean McGrade (Department of Agriculture, Environment and Rural Affairs): The other vessel, though — sorry to interject — is also being considered by the Loughs Agency with regard to the options that it has to carry out the work that the vessel that sank did previously. One option would be some kind of replacement vessel, but lots of other options are also being considered.

Mr M Bradley: Thank you very much.

Mrs Barton: Under your capital budget, there are bids for programmes at £31.7 million. Can you give me a breakdown of what they are?

Mr Downey: The largest element is on the rural development programme side, with LEADER, at £12.9 million; there is rural tourism at £2.6 million; the environmental farming scheme at £3.5 million; and forestry. That totals £19.3 million. Then there is the farm business improvement scheme at £4.6 million; waste recycling at £3.2 million; and the TRPSI programme at £3.2 million. That is the lion's share of the bids.

Mrs Barton: Obviously, the largest is the rural development LEADER programme.

Mr Downey: Yes.

Mrs Barton: You also have estate transformation at £2.4 million. What does that cover?

Mr Downey: That is a much smaller amount; £1.6 million of it is for the estate transformation division in the Department for a number of small projects across the specialised estate, with a further £900,000 for AFBI itself. It is not part of any big, significant project but smaller-scale ones.

Mrs Barton: My last question relates, again, to the estate. A few moments ago, you said that you hope to have 400 staff in DAERA headquarters in Ballykelly. If you have 400 staff in Ballykelly, how many are working in Dundonald House?

Mr Doherty: These are shifting sands. When the decision was taken by the Executive to establish Ballykelly, we did not have Brexit. It was a relocation programme of almost 700 staff. However, since the advent of the EU exit, the number of Brexit staff are in addition to what would have been the staff in the headquarters relocation.

My understanding is that the number is still up around the 500 to 600 mark, and the 400 that we will have in Ballykelly — I will qualify what I mean by "will". We have about 320 or 330 in Ballykelly currently and there are a number of vacancies earmarked to be filled there. That will take us to 400. The target was to have 320 staff by March 2021. Obviously, we have exceeded that at this stage. There is, therefore, a wee bit of shifting sand, because some posts still have to transfer, but they have added posts from the Brexit point of view, which is the 253. Not all of those are in Dundonald House. They are spread across our estate, be that the Klondyke Building or Ballykelly, but the majority are probably in Dundonald House. That is a very long-winded way of saying that there are probably still around 500-ish staff in Dundonald House.

Mrs Barton: You do not mention it in your papers, but can you give me any idea of the final cost of the building and outfitting of your new DAERA headquarters?

Mr Doherty: My understanding is that the total cost was about £17 million, including the land, clearing the land and the build itself.

Mrs Barton: That includes outfitting and everything.

Mr Doherty: Yes, that is everything.

Ms Bailey: Was the £17.6 million in reduced requirements sent back? Am I reading that right?

Mr Downey: In January monitoring?

Ms Bailey: Yes.

Mr Downey: Yes. That was sent back to the Department of Finance in that round, and the Executive agreed to reallocate it to other Departments.

Ms Bailey: It is great to see that the commitments from New Decade, New Approach are being bid for, particularly in respect of a climate change Act and the environment protection agency. You have put in a bid for the scoping study, and you mentioned the financial implications and cost of setting up the independent environment protection agency. If that bid is refused, will we still go ahead with it?

Mr Doherty: The bid is in, and the Minister has already indicated his intention to work through the detail of what an environment protection agency would be like, and it is a commitment under New Decade, New Approach, so I expect that he will ask us as officials to follow it through.

Ms Bailey: Have you an estimated timeline for how long the scoping study should take?

Mr Doherty: Given that the money that we have bid for is in 2020-21, it should be done within the year.

Ms Bailey: I want to go back to the projected costs for remediation at Mobuoy. Are we still being fined for Mobuoy and the environmental damage? Have we ever been fined by the EU for the damage caused?

Mr Downey: For infraction?

Ms Bailey: Yes

Mr Downey: I am not aware of any infraction fines.

Ms Bailey: No?

Mr Doherty: We are happy to come back and clarify that, but we are not aware of any.

Ms Bailey: Do we get regular fines for any climate or environmental infractions?

Mr Downey: I am not aware of any recent infraction fines, although there were some in DOE before the Departments came together. However, I am not aware of any in the past three years.

Mr Harvey: I simply want to say that I welcome the rural development programme and the farm business improvement scheme. It is good to see.

Mr Dallat: I would like to go back to Ballykelly, more for information than anything, because I am not sure that I have got the figures right. Decentralisation was warmly welcomed at the time, and I am pleased that it is working — or so it seems from what I can find out. However, it is a bit disappointing that there are still 500 staff in Dundonald House. It seems to me that the decentralisation programme has not gone quite as well as it might have. That is one element. Another is: are there other Departments now in Ballykelly as well as the Department of Agriculture, Environment and Rural Affairs?

Mr Doherty: A number of staff in Dundonald House are in Brexit posts that were never in the original overall headcount for Dundonald House. We have moved 400 posts out of Dundonald House. The number remains high due to the Brexit posts that have been added since the decision was taken. The decentralisation, from the Department's point of view, has worked. We exceeded the target considerably beforehand; moreover, we anticipate that the building will reach its maximum capacity in the very near future, most definitely within the next 12 months. From that point of view, I suggest that it has been a success for the Department. As somebody who works in the building, I think that it is great. I think that Rosemary has visited the building.

With regard to other Departments being in the building, when the programme was approved, it was a headquarters relocation for DAERA, or DARD as it was when the project started. We have remained committed to what the Minister wanted at that time. It is fair to say that we have been approached by other Departments that have asked us whether they can take space. However, we believe that we can maximise the space ourselves as a Department. There is a review ongoing with the Strategic

Investment Board looking at the success of Ballykelly. When Fiona McCandless comes here as part of the estates transformation group, she can comment more authoritatively on where that is than I can. It is a DAERA building; it is not an NICS hub building. However, in the future it may be something else.

Mr Dallat: I wish you every success with it. The wider world is watching, and I hope that other Departments recognise what has been achieved and that the decentralisation programme will not simply be one Department but all. We have talked about climate change and all sorts of things. It took me some time to get to Belfast today. I am not suggesting that Stormont be decentralised, but there were a lot of people in cars going to Departments that could easily operate from other areas.

Mr Doherty: Absolutely.

The Chairperson (Mr McAleer): Brian, before you leave, I note in the briefing paper that the milestones have not been met for NIFAIS. There are high-level defects and lengthy delays that could have a huge impact on traceability in the agri-food sector here. We are looking towards international markets for our produce. This is a very high producing region for nutritious, traceable, high-quality produce. What are the delays and the issues with the introduction of NIFAIS?

Mr Doherty: You have probably alluded to quite a few of them, Chair. The contract for the project was awarded in April 2016, and we anticipated that it would be completed towards the latter stage of 2018. Unfortunately, the quality of the software that we have received to date from the contractor, which is a company called AMT-SYBEX, which is part of the Capita group, was not up to the quality standard, and there has been a bit of going backwards and forwards with AMT-SYBEX on that.

We are considering a rectification plan from the company, with a view to getting a firm date on when we will see some of the various stages completed. It is very disappointing. The papers suggest that I was appointed as the SRO in early January, so I am reviewing all aspects of the contract. Hopefully, you will also understand that there are a lot of commercial sensitivities around it at the moment and that I do not want to go too far into it because we are looking at the rectification plan, but it is very unfortunate that we do not have the new system in place.

To give the Committee some comfort, the animal and public health information system (APHIS), which is the system that we currently use, remains fit for purpose. The reason why we were seeking to replace it was that NIFAIS has some flexibilities that we would like to have in how it interacts with other systems in the Department and in AFBI that APHIS cannot do, as it is quite a clunky system. APHIS also has some limitations in the strategic alignment in the Department around how we manage IT. So, there is no doubt that APHIS needs to be replaced, but, to give assurance both to the Committee and to those who interact with APHIS, it remains fit for purpose; it does what it says on the tin in terms of traceability. At the forefront of my mind is what we do with that contract.

The Chairperson (Mr McAleer): How much has been spent to date, Brian, on implementing NIFAIS, and how confident are you that the issues can be addressed when we get a new system implemented?

Mr Doherty: The Department has incurred expenditure of around £10.9 million for the development costs of the project. How confident am I? I would like to defer that question solely because there are some commercial sensitivities in that we are looking at the rectification plan, which will result in a decision from the Department. I would prefer, if you do not mind, not to say too much more.

The Chairperson (Mr McAleer): Thank you for that, Brian. I suggest that, subject to agreement from the Committee, given the huge importance of our traceability and the need for an appropriate and effective system to achieve it, we get a follow-up briefing from you and your colleagues on NIFAIS, because it is something that I want to keep a focus on.

Mr Doherty: I am more than happy to do that.

The Chairperson (Mr McAleer): OK. Thank you all very much, and I thank members for their questions.