



Department for Environment, Food & Agriculture

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Department Financial Plan 2024/25

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1. Executive summary

The Department for Environment Food and Agriculture (DEFA) financial plan for 2024/25 continues to support and implement the actions under its responsibility contained within the Isle of Man Government's Island Plan, alongside the Department's statutory duties. This Plan outlines the Department's anticipated challenges or pressures that may impact on either the current financial year or the 2024/25 financial year.

In the past 12 months the Department has successfully launched an Energy Efficiency Scheme, benefiting 1,800 homes; conducted a trial on year-round bathing water quality testing and will soon commence a two-year trial on air quality testing. Furthermore, it has collaborated with the UK to introduce fishing quotas for herring in our seas, and has successfully brought the Energy Act 2023 and the Animal Welfare Act 2023 through the House of Keys and Legislative Council branches.

In addition to these achievements, the Department delivers a wide range of public services that are vital to our community. From processing planning applications and ensuring building control, to enforcing CITES regulations and monitoring river water quality, efforts extend to managing sea fisheries, identifying tree diseases, and licensing waste management facilities. Focus is also given to maintaining glens and plantations, providing agricultural development grants, issuing export licenses, and inspecting food premises.

In 2022/23 the Department faced various challenges, including Avian Influenza, and increased requirements for EU Trade Compliance regulations. Nevertheless, it has persevered and continued to operate, delivering results within the constraints of limited budgets.

Moving forward, resources and funding will remain crucial factors in our ability to deliver and the Department is deeply committed to working closely with Treasury and the Climate Change Transformation Board to ensure the successful implementation of each action area. We strive to provide the greatest possible value to our Island and have established a set of key performance indicators to accurately reflect the delivery of both statutory and community-enhancing services.

As well as its six Divisions, the Department also acts as a sponsoring Department for the Office of Fair Trading (OFT) and the Road Transport Licensing Committee (RTLCL).

Natural Capital

The main purpose of the Department is to protect and enhance the Island's natural assets within the core principles of environmental, economic and social sustainability; whilst optimising quality of life, international reputation, food production, energy security and outdoor amenity.

Traditionally the economic value of nature has been grossly undervalued; with the environment often seen as an entirely separate consideration, rather than an integral part of a healthy and prosperous economic system.

However, it is becoming increasingly clear that this approach is outdated, and valuing natural assets through a natural capital approach is fast becoming a fundamental part of planning for a vibrant and sustainable future in surrounding jurisdictions; most notably in the UK whereby natural capital forms part of their natural wealth, alongside other assets such as infrastructure, skills, buildings and technology.

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DEFA have funded a pilot study to assess the value of the natural capital of the Island, with the aim of integrating a natural capital approach across government, to help deliver key objectives under both the Island Plan and Economic Strategy, and contributing to actions under the Climate Change Action Plan and Biodiversity Strategy.

2. Background

Through prudent management of the budget, the Department was able to achieve financial balance for the 2022/23 financial year. However this relied upon the implementation of a Department-wide recruitment freeze and income derived from Planning & Building Control fees returning £760k more than budget.

DEPT ENVIRONMENT FOOD AND AGRICULTURE									
INCOME & EXPENDITURE BY CATEGORY - PERIOD TO 31/03/2023									
£000	YTD	YTD	Variance	Variance by Division					
	Actual	Budget	To Budget	Corp Svcs	Planning	Agri	Reg	Env	Climate
INCOME									
Taxation Income	-105	-107	-2	0	0	0	-2	0	0
Third Party Contributions	-335	-340	-5	0	0	0	-0	-6	0
Operating Income	-4,059	-3,631	428	7	761	-107	-205	-28	0
Grant Income	0	0	0	0	0	0	0	0	0
Other Non-Trading Income	-41	-78	-37	-21	0	-18	-0	1	0
Total Income	-4,540	-4,156	384	-13	761	-125	-207	-33	0
EXPENDITURE									
Employee Costs	10,405	10,073	-333	-705	1	58	190	-45	169
Infrastructure Costs	913	845	-68	16	0	-112	2	26	0
Transport Costs	64	45	-19	0	0	2	3	-24	0
Supplies & Services	6,297	2,612	-3,685	-34	12	-3,065	-24	-561	-12
Agency & Contracted Services	0	1	0	0	0	0	0	0	0
Loan Charges	0	0	0	0	0	0	0	0	0
Social Security Clients	0	0	0	0	0	0	0	0	0
Other Costs	3,591	7,311	3,721	397	0	2,520	123	643	39
Total Expenditure	21,271	20,887	-384	-327	13	-598	292	39	196
NET EXPENDITURE	16,730	16,730	-0	-340	774	-722	85	7	196

It was necessary for the Department to also claim £3.7m funding from Treasury's internal funds. Whilst the majority of this funding related to subvention payments to the Isle of Man Meat Company Limited as well as Climate Change initiatives such as the Energy Efficiency Scheme, £386k was in respect of the pay award for 2022/23, which clearly sought to address a recurrent issue with a one-off solution.

The 2023/24 budget was built seeking to address the payroll deficit as a priority. To achieve this, several discretionary services were ceased, historic vacancies removed and a priority base recruitment approach taken. However as part of building the establishment budget for 2023/24, the Department could only afford to budget for a 2% pay award. Since it is clear that the pay award will be in excess of this, for the 2023/24 financial year many of the positions have not yet been recruited to in order to ease the budgetary pressures.

As at June 2023 the Departments management accounts show a positive position, but are not without risk.

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DEPT ENVIRONMENT FOOD AND AGRICULTURE									
INCOME & EXPENDITURE BY CATEGORY - PERIOD TO 30/06/23									
£000	YTD Actual	YTD Budget	Variance To Budget	Variance by Division					
				Corp Svcs	Planning	Agri	Reg	Env	Climate
INCOME									
Taxation Income	-26	-28	-2	0	0	0	-2	0	0
Third Party Contributions	-93	-88	5	0	0	0	7	-2	0
Operating Income	-1,035	-954	82	-3	45	23	21	-5	0
Grant Income	0	0	0	0	0	0	0	0	0
Other Non-Trading Income	-3	-12	-10	-0	0	-7	-0	-2	0
Total Income	-1,157	-1,082	75	-3	45	16	26	-10	0
EXPENDITURE									
Employee Costs	2,845	2,919	74	5	-1	20	33	-2	20
Infrastructure Costs	246	213	-33	-5	0	-43	-0	15	0
Transport Costs	17	19	2	0	0	2	1	-0	0
Supplies & Services	632	473	-159	13	2	-99	-78	-26	29
Agency & Contracted Services	0	0	-0	0	0	0	0	-0	0
Loan Charges	0	0	0	0	0	0	0	0	0
Social Security Clients	0	0	0	0	0	0	0	0	0
Other Costs	203	408	204	0	1	88	10	105	0
Total Expenditure	3,944	4,031	88	13	2	-31	-36	91	49
NET EXPENDITURE	2,786	2,949	163	10	47	-15	-10	82	49

Successes

- Planning & Building Control income continues to outperform budget, however this will not necessarily continue on a full year basis.
- Commencement of the Built Environment Reform Programme.
- Payroll deficit has been closed (compared to £333k overspend on a full year basis 2023/24).
- Purchase of new machinery at the Sawmill to increase production.
- Energy Bill, Animal Welfare Bill, Energy Security, delivery of the Agri-Environment scheme.

Risks

- Pay award for 2023/24 has not yet been agreed.
- The running and maintenance costs of the Sea Fisheries Patrol vessel continue to increase in excess of budgets. Due to the age of the vessel additional maintenance is required in addition to the general maintenance plan.
- The Government Analyst’s Laboratory has seen a significant increase in the costs of gases & chemicals over the last few years, without the corresponding budgetary uplifts. This is currently being managed by more commercially focused income generation, and the Lab continues to consider what further markets there are to explore.
- Despite the Wildlife Park showing an increase in visitors, it is currently overspending on its budget by almost 100% as a result of increased utility costs and animal feed. The Department is exploring options (such as growing some feed itself) in order to reduce the costs of animal feed, as well as looking at a Biomass boiler to help control the cost of energy. The Department will seek to build a business case for this.
- Contractor costs across the Department continue to rise, placing pressure on the Department’s revenue budgets and delivery of services which will include the management of the estate.

3. Overview of funding assessment

The 2023/24 Pink Book has provisionally indicated the following budgets for the 2024/25 financial year;

Category	24/25 base budget (£000)
INCOME	(4,452)
EMPLOYEE COSTS	11,909
INFRASTRUCTURE COSTS	879
TRANSPORT COSTS	52
SUPPLIES & SERVICES	2,482
GRANTS & SUBSIDIES	7,312
Net Budget	18,182

The Department is working towards creating a greater degree of separation between itself and the RTLK and the OFT, both of whom are statutory bodies sponsored by the Department.

Across all areas of the Department, payroll costs remain the most significant pressure. Whilst the year to date position is favourable, this has not included recruitment to any of the agreed vacancies.

Employee Costs

Employee costs accounts for approximately 50% of the Department’s annual spend. Whilst the Department maintains a tight control of its staffing establishment, the impact of pay awards is a serious risk and for the purposes of this plan a 6% increase has been assumed for 2024/25. Based on a 2% budget increase this presents the Department with a £467k cost pressure it would find impossible to absorb without significantly impacting services.

In additional to these pressures, divisions have financial pressures in relation to the services which they deliver.

3.1 Wildlife Park (Forestry, Amenity and Lands Division)

Despite the Wildlife Park successfully implementing an online ticket purchasing system which has expanded the market for their visitors, the Park finds itself in an extremely tough financial position due to a significant increase in energy, feed and bedding costs.

A review into the future of the park has identified the requirement for significant investment in its infrastructure, services and animal enclosures within the Park. This is also required in order for the park to maintain its BIAZA and EAZA status, which is critical to maintaining the collection of animals we currently have and allows us access to wide networks that benefit the visitor experience.

Particular areas requiring investment include the Education Centre, soft play area and the café and toilet facilities, as well as more general infrastructure updates. The Park's infrastructure also requires significant expenditure over and above the MCW budget, with some elements becoming critical in terms of health and safety requirements.

Redacted

Revenue Budget pressure (excluding capital and MCW requirements) - £380k

3.2 Forestry & Sawmill (Forestry, Amenity and Lands Division)

The Sawmill was able to procure a new piece of machinery during 2022/23, which once installed should hopefully significantly increase output at the mill (subject to demand). It is forecast that the new equipment will generate additional income. However, whilst the Sawmill expects to increase its income through greater efficiency as a result of the new equipment, the requirement to increase harvest and store the timber for up to a year prior to it being ready for production is leading to increased pressure on finances with no immediate return.

Tree disease continues to be an area of significant financial pressure to the Department. For 2022/23 an additional £250k was allocated by the Department to help manage the issue. A further Redacted was approved from the AFF in order to treat diseased trees at Glen Helen, however further work is required and disease management requires an increase in budget to remove diseased trees (Ash Dieback, Dutch Elm Disease).

Further budget is also required in order to effectively manage the Island's glens and plantations. One of the actions within the Island Plan is to 'Support and protect a natural and built environment which respects our rich culture, biodiversity and sense of place'.

The network of glens and plantations form an integral part of the Island's natural amenities that are open and accessible for our residents and visitors. They are key to the enhancement of well-being and bring a valuable quality of life amenity to our island, recognised as a key attraction for inward migration. Glens and plantations provide opportunities for healthy lifestyles, positive mental health, and are important family activity spaces and visitor attractions that the Department has been asked to make more accessible.

As well as the revenue budget, the Department has a £450k capital budget in order to manage the Island's glens, footpaths and plantations. This is currently hugely insufficient and many of the Island's glens are now at risk of closure. The Department has identified works across its estate over the next 5 years at a projected cost of approximately £3.9m.

Budget pressure (including capital and MCW requirements) - £900k*

*Noting that it is likely that the Division would require funding far in excess of this figure if it were to fully manage the glens, plantations and tree disease.

3.3 Planning & Building Control Division

Planning and Building Control (P & BC) is one of the Department's primary areas of income generation. In times of increasing building costs and high rates of inflation the building industry is often one of the first to suffer, having a potentially detrimental effect on revenue streams.

A significant area of focus in the Division is the Built Environment Reform Programme (BERP). BERP has been driven as part of the IOM Government's Island Plan, the benefits of which are anticipated to be realised during the 2024/25 financial year. Included in such is the requirement for new modules to the existing IT database (Uniform) which have been commissioned to improve the efficiency of the established/existing platform for all users – back office and external users/customers and partially meeting the costs of two contract planners and the full cost of a planning assistant and administrative officer.

While BERP has received some initial funding in relation to proactively responding to climate change, the outcome of this work will be a scoping report which identifies what will need to be put in place to implement the planning aspects of the Climate Change Act and a broad approach/plan for this. Implementation of this is outside the scope of BERP and so will be dependent on further/separate funding.

A financial pressure on the horizon for the Division relates to applications. Pre application discussions have been/are being held in relation to a number of major applications, some of which will not command a fee, as the authority progressing the major application (Manx Utilities) is exempt. These, by area, would each in all likelihood incur the maximum planning application fee, currently £109K and will demand timely Senior Officer assessment as well as specialist consultation. Even with provision of additional officer resource then there is the risk that such complex applications could take years to assess.

As the current fees order exempts other Government Departments and Statutory Bodies, applications from these bodies would mean that no fee would be generated and yet a high level of resource would be required.

Further applications are expected for both the Laxey Sewage Treatments Works (STW) and Peel STW. Again MU are exempt from fees for these but they will require significant resourcing from within the P & BC Team.

The Department is concerned that such applications will not only come under significant public scrutiny, but also put significant financial pressure on an already stretched budget and resources, without any fee income. Furthermore progressing these applications would likely divert significant resources away from other fee generating applications, which would take

longer to deal with. This, in turn, could impact on economic activity in relation to small/medium size companies.

The Department is also aware that there is likely to be increased pressures to meet industry led targets such as telecoms provisions and the required equipment replacement.

The high level profile given to Planning and Building Control in Our Island Plan has highlighted the services and role of P & BC and increased the level of scrutiny on the officers within the team. Correspondingly the planning enforcement team struggles to deal with the number and complexity of requests to investigate and the increased scrutiny around those cases.

Opportunities for increased income and options considered to ease the above could be;

a) to amend the current fee regulations to remove the exemption of Government Department /Statutory Bodies from the planning fee regulations (Town and Country Planning (application and Appeals Fees) Order 2021 Article 9 Relevant persons – as amended by the Amendment Order 2023) - making planning fee charging consistent with Building Control Fee regulations, (under which Government Departments are already charged fees).

OR

b) Increase the existing P&BC consultation budgets by £100k, to enable recruitment of contract planners in instances of such. The procurement process would need to be progressed to enable 'consultant planners' to register into a 'pool' and be invited for quotes where applications meet the criteria.

Revenue Budget pressure - £100k

3.4 Animal Health (Regulation Division)

Almost all functions delivered by the Animal Health team are statutory.

Trade compliance post European Union (EU) transition continues to have a significant impact on Animal Health resources, with a number of new pieces of legislation being introduced, leading to a number of additional statutory tasks requiring action.

These include milk sampling for residues which require collecting from farm dairies and sending for laboratory analysis, veterinary medicine regulations (inspecting veterinary product retailers), sheep sampling, dairy product export health certificates, pet animal health export certificates and inspection of products of animal origin potentially illegally imported from the EU. The Isle of Man (IOM) has agreed to align with Great Britain (GB), with regards to animal health, disease and welfare to enable us to trade in animals, and animal products with GB and the EU.

The Animal Welfare Bill 2022 will hopefully gain royal assent later this year. There is the risk that the bill will lead to an increase in animal welfare complaints and subsequent investigation. This may impact upon the Animal Health team and their ability to deal with existing statutory work.

Revenue Budget pressure –approx. £40k

3.5 Government Analyst's Laboratory (Regulation Division)

During the financial year 2023/24, the Government Analyst's Laboratory continues to experience significant financial pressures, particularly within the materials budget. Although this has been under significant pressure for a number of years, there is particular cost pressure at present on chemicals, apparatus and industrial gases. The use of these items is driven by the amount of testing the lab is required to undertake and since the items are of a specialist nature the opportunities to use alternative suppliers are very limited.

Inflationary pressures continue to impact the cost of laboratory chemicals, with their costs typically rising in excess of general inflation. Currently these pressures are being partially mitigated by overachievement of income generation, however this also increases usage and therefore cost of the consumable items.

The Island Plan commits the Laboratory to several workstreams and an appropriate revenue budget is vital to ensure all of the work it undertakes is adequately funded and resourced. Currently the budget is not sustainable and relies upon income targets being exceeded in order to balance on a bottom line basis. Additionally not all of the services undertaken by the Lab are chargeable (to DEFA for example) and so full cost recovery is not currently possible and would represent a significant shift from the current strategy.

Revenue Budget pressure - £155k

3.6 Fisheries (Environment Policy Division)

The largest financial challenge for the Environment Directorate is maintaining the Sea Fisheries enforcement vessel, FPV Barrule. The vessel is 23 years old and of steel construction. Both the operating and service/maintenance costs have exceeded the allocated budget for many years, but are now increasing significantly far in excess of the current budget provision.

The vessel is required to be maintained in operational condition in order for the Island to enforce its own regulations, or those of the UK (including international obligations extended to the Island). The risk of Illegal, Unreported and Unregulated (IUU) fishing is high and if unenforced, could also lead to a complete loss / exclusion from export markets such as the EU.

The Department is working to engage with other areas of Government to understand what the opportunities would be for a multi-purpose vessel as mentioned in 4.1.

In addition to these pressures, the Department has developed a strategic framework to ensure sustainable fisheries and diversification of the Island's fisheries sector. The strategy includes diversification such as additional quota for herring and nephrops which by 2026 will have an additional annual value estimated to be £1.7M.

The fisheries sector will require additional support in order to deliver the strategy, diversification and decarbonisation of the fleet. Recent bids to the CCTB for additional funding / investment were not approved by Treasury. This is not included below but is an area of significant risk.

Revenue Budget pressure -£150k

3.7 Energy and Ecosystems (Environment Policy Division)

The energy strategy commits the Department to assisting with consenting of future onshore renewables, offshore wind farm and a new electricity interconnector. Each of these projects will require technical assistance to provide a scoping opinion for the Environmental Impact Assessment (EIA) and advice in the planning process.

Tynwald has recently announced a biodiversity crisis. If we are to meet our future international obligations such as the United Nations Biodiversity Conference (COP) 15 global biodiversity framework including the commitment for 30% of land to be conserved by 2030 then it will be necessary to further invest in conservation measures.

In order to “deliver the UNESCO Biosphere Isle of Man strategy and achieve re-accreditation by 2026”, additional resources will be required to assist in preparing for the Biosphere review in 2024/25.

Revenue Budget pressure -£100k

3.8 Climate Change

The Climate Change team is fortunate to be able to apply for funding for climate change actions from the Climate Change Fund and this helps alleviate (non-staff budget) financial pressures. We are also looking into ways (as are other Countries) to generate additional income streams to pay for the transition costs.

The team produced a significant underspend last year as a result of staff changes leading to only 2.7 FTEs in the team (down from 12). Whilst the team have now recruited back up to 10 FTEs, there is still a concern that the team are under-resourced in order to sufficiently deliver the Climate Change Plan 2022 – 2027. This was recently reported in the Annual Progress Report to Tynwald.

With Climate Change not yet sufficiently embedded across Departments, the team find themselves undertaking the work of Departments instead of facilitating that work which has an impact on workloads.

In order for the team to deliver on its actions and legal commitments to 2050, additional staff will be required on a permanent basis over the next few years and this need is the basis for the revenue budget pressure of £122k for 24/25.

The team have also started a project to understand how private sector can contribute to nature based sequestration in order to free up public funding to commit to other areas of climate action.

Revenue Budget pressure -£122k

3.9 Statutory Boards and Committees

3.9.1 Office of Fair Trading (OFT)

OFT funding is currently part of DEFA's annual budget. The DEFA/OFT relationship is described in a Service Level Agreement (SLA). Discussions are advanced in identifying actions to further demonstrate the independence of the OFT. Part of this will be to separate the OFT and DEFA budgets and return to a position more akin to that prior to 2016 when the OFT negotiated its own budget with Treasury.

OFT independence will require the transfer of some funding which is currently centralised in DEFA Corporate Services, including Secretary to the Board costs, admin, and general office expenses. This remains to be finalised.

Services and activities have been scaled back over recent years and the Business Plan is currently framed to utilise available budget, excepting concerns around future competition obligations. The remaining functions are all statutory requirements, with the exception of the Debt Counselling service which falls within the remit "to protect, inform, advise, support and represent generally the interests of consumers".

Whilst fees and charges increases have been implemented where possible in 22/23, income budgets remain unrealistic.

There is a range of mass comparators required to fulfil statutory weights and measures obligations. These are old and will require replacement, but it is cost effective to replace them only as and when needed on failure of the equipment. One unit has recently failed and will cost around £15K to replace. Hopefully this can be accommodated within 23/24 budget but there will likely be others requiring replacement in the future.

3.9.2 Road Transport Licensing Committee (RTLCL)

The RTLCL oversees a regulatory regime which is governed by the Road Transport Act 2001 and its accompanying regulations. It has a statutory duty to enforce the provisions of the 2001 Act, which were significantly increased in 2019 when goods vehicles were added to the regime. Its purpose is to protect the safety of passengers and the public and ensure fair competition within these two industries.

The RTLCL is also involved in the process to explore new legislation (such as wheelchair accessibility in taxis and the feasibility of electric vehicles as taxis). All of which require additional support in order to ensure the administration and enforcement of the Act is carried out effectively.

The RTLCL team is currently too small to allow for adequate enforcement and significant senior officer time is spent performing administrative tasks to the detriment of legislative work.

As a consequence, the Committee is unable to fulfil all of its statutory duties, particularly regarding goods vehicles. Given the current economic pressures, there is greater risk that operators cut corners to avoid costs and so from a RTLCL perspective, there is a need for a higher level of enforcement to ensure health and safety standards are maintained.

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The lack of staffing also means that the RTLC struggle to achieve their income target, therefore should additional budget be provided to address this, there will be an expectation that fees will also increase (although not sufficiently to fully offset the cost).

There is the question on whether the trade or the public should pay for such costs, but currently the fee level is insufficient to cover all costs associated with the Committee.

Revenue Budget pressure - £96k

4. Cost and savings analysis

The current year forecast at June 2023 is for the Department is just within its budget envelope.

DEPT ENVIRONMENT FOOD AND AGRICULTURE									
INCOME & EXPENDITURE BY CATEGORY - FULL YEAR FORECAST									
£000	Forecast	Budget	Variance To Budget	Variance by Division					
				Corp Svcs	Planning	Agri	Reg	Env	Climate
INCOME									
Taxation Income	-123	-112	11	0	0	0	11	0	0
Third Party Contributions	-356	-357	-1	-2	0	0	-0	1	0
Operating Income	-3,988	-3,814	174	2	37	126	35	-26	0
Other Non-Trading Income	-41	-81	-40	-21	0	-6	-0	-13	0
Total Income	-4,508	-4,364	144	-21	37	121	46	-38	0
EXPENDITURE									
Employee Costs	11,860	11,675	-184	-72	-29	-84	35	-35	2
Infrastructure Costs	1,308	1,123	-185	-10	0	-215	-5	45	0
Transport Costs	71	77	6	0	0	2	3	1	0
Supplies & Services	4,805	2,247	-2,558	23	-47	-553	-138	-956	-888
Other Costs	4,260	7,210	2,950	0	0	1,015	1	1,045	890
Total Expenditure	22,304	22,333	30	-59	-76	165	-105	100	4
NET EXPENDITURE	17,795	17,969	174	-80	-39	286	-59	62	4

However, it is difficult to forecast with any certainty the full year position so early in the year. One of the largest risks to this is the pay award, with each 1% of unfunded pay award presenting an additional £115k cost pressure to the Department.

Income once again is better than budget, due to the additional income expected from the Sawmill, whilst Planning & Building Control is also better than budget, but not expected to reach the fee levels experienced during 22/23.

4.1 Internal fund transfers, including the Project Development Fund (PDF)

- Biomass Boilers : trial at Wildlife Park
- A replacement vessel for the Sea Fisheries patrol vessel – discussions have been ongoing with other areas across Government to understand their present/future sea-going requirements, and to explore the opportunity for the replacement vessel to be a shared asset for multiple uses. The intention would then be to submit a bid to the PDF to design a replacement vessel that would fulfil a range of operational requirements across Government.
- Estates maintenance/renovation: as already mentioned £3.9m of required works have been identified across the Government estate over the next 5 years.
- AFF – Forecast funding of £4.6m required in order to maintain the Agri-Environment Scheme and provide subvention to the Isle of Man Meat Company Limited.

4.2 Opportunities for increases to income

The Department of Environment Food & Agriculture is currently reviewing opportunities for further income generation, but the most financially beneficial task is to ensure (where possible) that the Department can achieve as close to 100% cost recovery as possible.

4.2.1 Planning & Building Control

- Review of Planning fees and the relationship with other Government Departments, Boards and Local Authorities.

4.2.2 Agriculture & Lands

- Promotion of Biomass Boilers (at least) across the Government Estate , for example at the Prison, Hospital and Swimming pools (subject to successful implementation at the Wildlife Park)
- Recovery of costs for motorsport events
- Agricultural and Food & Drink shows income/frequency
- Motorhomes overnight parking
- Drying floor and chipper decanter will increase revenue within the sawmill
- Potential sale of land & buildings
- Peel Food Park development

4.2.3 Regulation

- Charge for pest control services
- Increase demand via marketing activities for chargeable services at the Government Lab and move to a cost recovery pricing structure.

4.3 DEFA 2023/24 Cost Improvement Programme

With only a modest budget, the Department is rather restricted with what it may reduce or stop in order to achieve budget savings. In 22/23 it was necessary to implement a recruitment freeze, however the impact on staff goodwill and service delivery was clear to see. Whilst recruitment to the vacancies identified as part of the budget setting process has been rather slow (due to other vacancies, restructures etc.), they are still intended to materialise.

Additionally as part of the 23/24 budget setting, several discretionary contracts were stopped in order to help balance the budget. This therefore reduces further the Department's opportunities for further savings. One area of change for the current financial year is the centralisation of budgets with discretionary spend. The idea being that such costs are more visible and, given the financial pressures, only what is required for statutory or regulatory purposes should be committed (where appropriate).

5 Summary of expected benefits and risks

The Department continues to deliver its actions within the Island Plan and continues to lead on the many challenges and opportunities that come from Climate Change, both in and across the IOM Government as well as across the Island.

The Built Environment Reform Programme (BERP) is a two year programme of work set out to develop commitments in the Island Plan to build great communities. As well as DEFA, the delivery of the Programme is being delivered by the Cabinet Office and the Department for Enterprise.

BERP was refocussed in May 2023 to align with the following priorities within the Island Plan.

1. 2 key brownfield sites developed with private sector leverage (whilst the metric within the Island Plan is key sites, the programme should aim to incentivise and unlock as much development as possible); and
2. +1,000 additional homes occupied.

The key benefits to be achieved by the programme are:

1. Reduced end to end processing time for applications through simplified processes and system.
2. Improved customer satisfaction with planning services through increased transparency and improved support.
3. Boost the economy via increased investment in the Island's infrastructure.
4. Reduced derelict and unsightly buildings in town centres.

However the programme is not without risk and these are tracked via the BERP Programme Board.

- Another action within the Island Plan, for which the Department is responsible, is air quality monitoring. This is expected to start in October 2023 using existing revenue budgets. Staff are currently being trained and the associated consumables are due to be procured over the next few months.
- The Attorney General Chambers are currently drafting regulations regarding the action to implement a waste strategy, which involves reporting on international standards in relation to environmental waste to ensure that there is no intentional discharge of Polychlorinated Biphenyls into waters. Whilst the policy and legislation will be funded from existing DEFA revenue budget, currently there has not been any funding allocated for the implementation of the regulations.

6 Total funding request (excluding AFF)

Category	24/25 base budget (£000)	Wildlife Park	Forestry	PBC	Animal Health	Gov. Lab	Climate Change	Env. Policy	RTLC*	Payaward (4%)	Revised 24/25 budget (£000)
INCOME	(4,452)								(47)		(4,499)
EMPLOYEE COSTS	11,909			100	40	52	122		112	467	12,802
INFRASTRUCTURE COSTS	879	200				2					1,081
TRANSPORT COSTS	52							150			202
SUPPLIES & SERVICES	2,482	100	900			101		100	31		3,714
GRANTS & SUBSIDIES	7,312										7,312
Net Budget	18,182	380	900	100	40	155	122	250	96	467	20,692

7 Approvals

Designated Finance Officer

Name:	Andrew Quayle
Title:	Finance Business Partner
Date:	12 th September 2023
Signature:	Redacted

Accountable Officer/Chief Officer

Name:	Jennie Wheeler
Title:	Acting Chief Officer
Date:	13 th September 2023
Signature:	Redacted

Minister/Chair

Name:	Clare Barber, MHK
Title:	Minister, Department of Environment, Food & Agriculture
Date:	13 th September 2023

Signature:

Redacted