



Northern Ireland  
Department of Finance  
and Personnel  
Memorandum on the  
16th and 17th Reports from the  
Committee of Public Accounts  
Session 1994–95

Presented to Parliament by the Secretary of State for  
Northern Ireland by Command of Her Majesty  
September 1995

# Department of Agriculture for Northern Ireland Science Services: Research & Development

## *On Planning and Commissioning of R&D*

### *PAC Conclusion (i)*

**We are greatly concerned that the Department spent £43 million on R&D without having a proper strategic plan, a strategy committee or any other formal mechanism for determining research needs and priorities.**

### *Response*

14. The Department of Agriculture for Northern Ireland (the Department), notes the Committee's concern. An R&D Strategy Committee is being created (and will have its first meeting in the autumn of 1995), and will review the Department's R&D programme against a Strategic Plan, which is being developed, and which will be in place for the Strategy Committee to consider at its first meeting, to ensure effective implementation of an agreed research programme. In so doing the Strategy Committee will take account of the research requirements of both internal and external customers.

### *PAC Conclusion (ii)*

**We welcome the Department's intention to introduce comprehensive strategic planning arrangements by 1995-96 and consider that such arrangements should include a systematic review of manpower needs.**

### *Response*

15. The Department notes the Committee's comments and has embarked on a systematic review of manpower needs. This review is taking place in the context of the consideration of the establishment of a Science Agency. As a follow-up of a Prior Options Study the precise role and tasks of the Agency are currently being defined and the manpower requirements to carry them out are being assessed.

### *PAC Conclusion (iii)*

**We are disturbed that good practice guidance on the need for a clear split between customer and contractor roles was ignored for so long. As a consequence, it seems to us that the Department's assessment of R&D needs and priorities may not have been as objective as it could have been. We welcome the Department's belated decision to establish a clear customer/contractor relationship for the commissioning of R&D.**

### *Response*

16. The Department notes the Committee's conclusions and has completed a Prior Options Study which has recommended the creation of a Science Agency which will clearly define a customer/contractor split – the Agency acting as contractor to DANI policy customers for R&D.

## *On the Next Steps Initiative*

### *PAC Conclusions (iv)*

**While the absence of progress on assessing the suitability of the research activities for agentisation is disappointing, we note that consideration of this and the scope for further market tests are now being addressed.**

*Response*

17. The Department notes the Committee's comments. The Department will employ Market Testing as a mechanism to maximise value for money in the delivery of scientific services.

*On Costing Systems and the Management of Externally-Funded Contracts*

*PAC Conclusion (v)*

**We regard the availability of reliable costing information as fundamental to the effective management and control of R&D expenditure and are therefore concerned that over a 2 year period the Science Service costing system failed to take account of costs of approximately £15 million.**

*Response*

18. The Department notes the Committee's concern and is currently addressing the enhancement of costing systems for its scientific programme. Major improvements will be in place by 31 August 1995 and additional enhancements by 31 December 1995.

*PAC Conclusion (vi)*

**We are pleased that DANI is now taking steps to establish a proper computerised costing system in the Science Service. This work should be completed as a matter of urgency.**

*Response*

19. The Department notes the Committee's comments. Systems are now being developed as a matter of urgency.

*PAC Conclusion (vii)*

**We note with particular concern the extent of the shortcomings in the Department's management and control of externally-funded contracts. We find it unsatisfactory that one-third of these contracts have not been recorded, given that a computer logging system has been established for precisely this purpose three years earlier. We are glad that these shortcomings are now being rectified.**

*Response*

20. The Department has revised its computerised database for external contracts. All such contracts are now recorded on the database and an enhanced mechanism was put in place in April 1995 to ensure that the management and control of externally funded contracts is carried out effectively.

*On Monitoring of R&D*

*PAC Conclusion (viii)*

**We are concerned that there has been a lack of significant market success from the potato breeding programme which has been running for over 35 years. We urge the Department to put in place robust controls to prevent long-term research projects continuing indefinitely where they are not delivering results.**

*Response*

21. The Department accepts the Committee's recommendation and an R&D Strategy Committee will ensure that long-term research projects are critically reviewed regularly to ensure that they are delivering results.

*On Delivery of R&D*

*PAC Conclusion (ix)*

**We are disturbed that DANI has not set the Science Service any overall performance targets or cost budgets for individual projects and was unable to readily identify the number of R&D projects which were ahead of or behind schedule. We also note with concern that the Science Service is much less successful than equivalent research establishments in Great Britain in delivering work on time and that almost half the projects examined by the Northern Ireland Audit Office were at least two years behind schedule.**

*Response*

22. The Department notes the Committee's concerns and has taken steps to ensure that the progress of all R&D projects against previously agreed benchmarks is monitored annually. Delay in completion of projects can result from either unforeseen external factors or the unpredictable nature of research. The application of enhancements to the current research monitoring mechanism is already in place and the current research review round has paid particular attention to the examination of agreed completion dates for projects and has carefully considered these against defined criteria for extension.

*PAC Conclusion (x)*

**While we recognise that unforeseen events may have a disruptive impact on delivery, we consider that the Department must give greater emphasis to the timeliness of project completion. We endorse the C&AG's recommendations that the Science Service should be set challenging targets for significant improvements in the delivery of R&D work, that there should be improved management training arrangements for project leaders and that there should be more use of formal project management techniques.**

*Response*

23. The Department notes and accepts the Committee's recommendations. Within the current task of designing and planning the potential Science Agency, Key Performance Targets, which will be published and which will be subject to independent review are being set for the Agency and particular attention is being paid to improved methodologies for planning and monitoring research projects, and for training arrangements.

*On assessment of the effectiveness of R&D*

*PAC Conclusion (xi)*

**Given that all applied research projects are required to pass an economic appraisal prior to formal approval, we find it surprising that the Department was unable to quantify, in any way, the benefits arising from the majority of projects completed between 1991 and 1993. This suggests to us that a more rigorous economic appraisal is required at the project approval stage to ensure that the Department's applied research programme is properly targeted on projects which are most likely to deliver worthwhile results.**

*Response*

24. The Department notes and accepts the Committee's conclusions. Work is continuing to evolve a more effective methodology for the economic appraisal of research at its approval and completion stages, applying, where appropriate, existing methodologies available in GB. It is planned that a revised methodology will be considered by an R&D Strategy Committee at its first meeting.

*PAC Conclusion (xii)*

**We consider that there is a need for an enhanced system of peer review which would examine the contribution of R&D to the Department's corporate objectives.**

*Response*

15. The Department notes and accepts the Committee's conclusion. In the current work of planning and designing the potential Science Agency, an enhanced system of peer review to assess the contribution of R&D to the Department's corporate objectives will be incorporated.

The mechanism will involve scrutiny of the research programme by both the DANI Policy Divisions and the DANI R&D Strategy Committee (which will include representatives external to DANI).