

**DARD DEPARTMENTAL BOARD
SUB-COMMITTEE SUMMARY REPORT**

ON

**THE REVIEW OF STRATEGIC
INVESTMENT IN EDUCATIONAL
FACILITIES AT CAFRE**

June 2006

REPORT AIM: To advise the Board on a course of action in respect of CAFRE expenditure needs and other operational matters arising out of a DARD economic appraisal of CAFRE delivery options and consultation feedback.

This review was carried out by Alan Lennon, on behalf of a DARD Board Sub-Committee. It was initiated by the DARD Permanent Secretary as a review of the DARD economic appraisal of CAFRE's delivery model options in the context of projected operating and capital costs.

BACKGROUND

Service Delivery Group, one of four management groups within DARD, is responsible for implementing a number of DARD wide programmes and initiatives, one of which is the DARD policy on the Competence Development of People in the Northern Ireland Agri-Food Industry and Rural Community. This is achieved through programmes of Further and Higher Education, Industry training and Technology adoption which are delivered through CAFRE, an integral part of SDG.

CAFRE was established in April 2004 following rationalisation of the three DARD Colleges into a single College, with three Campuses throughout Northern Ireland. CAFRE impact on the competence development of people in the Northern Ireland agri-food industry through the delivery of an Education Programme which focuses on further and higher education and a Development Programme which focuses on industry training and technology transfer.

College programmes are currently delivered across the three campuses located in Enniskillen, Cookstown and Antrim. Each campus focuses on specific disciplines with equine programmes being delivered at the Enniskillen Campus, food and communications programmes at the Loughry Campus and agriculture and horticulture at the Greenmount Campus. Consequently, specialist facilities unique to the disciplines under study have been developed over a period of time at each campus.

The rationalisation of the three DARD Colleges into CAFRE was in response to the O'Hare review of Agri-food Education and Research and Development. The geographic spread of the CAFRE campuses contribute to keeping operating costs high so, as part of its response to the Gershon Review, DARD agreed to review the three-campus approach to education delivery as an action it would take to identify non-resource releasing efficiency gains.

An outline economic appraisal was produced by DARD. This appraisal identified a number of options for future delivery, four of which were considered in depth (1 three-site, 2 two-site and 1 one-site model) and a further 2 three-site options were costed. This appraisal also identified a significant need for capital investment in student related facilities at all the CAFRE campuses to address specific inadequacies.

A sub-committee of the Departmental Board, chaired by Dr Alan Lennon, one of DARD's two non-executive Directors, was designated to examine these costings

from a strategic perspective. This committee was also tasked with taking into account any potential impact on industry acceptance, wider public perception and student recruitment resulting from changes to the existing delivery structure. The main objectives of the sub-committee were:

- To Identify how CAFRE provision needs to change to meet industry needs,
- To review the investment required and Identify key costs and agree a recommendation to be put to the Board.

Initial visits were made to all of the CAFRE campuses. Management, staff and students were met with and existing facilities were inspected. Capital investment requirements were discussed. Utilisation rates of the existing facilities at each of the three campuses, were requested from CAFRE, and these, along with student numbers and enrolment trends were examined.

From the information initially gathered on the campus visits, it was concluded that within the timescale and limited scope of this review the main business issues arising were at the Enniskillen/Necarne sites and the Loughry site and that there were no prominent immediate operational issues at the Greenmount site. Discussions with CAFRE senior management indicate that Greenmount's ongoing capital needs are broadly in line with its normal investment programme and capital needs appear reasonable to meet its offering in this area.

FINDINGS/CONCLUSIONS

The main findings identified during the course of this review are that Food Processing and Equine provision at CAFRE are operating at higher than necessary cost and fail to demonstrate adequate evidence of engagement with or impact upon the respective industry sectors.

It has been suggested in a number of quarters including the *Strategic Investment in Education Facilities at CAFRE* options study for DARD that the integration of all CAFRE activities at Greenmount Campus site would attract more agri-food student and business users, thereby increasing utilisation and reducing operating costs. The author cannot see a great deal of evidence that this would either be an adequate or necessary response to the current situation.

Food Processing Provision

Whilst a different location might have some positive impact, relocation alone addresses few of the business issues facing the Food Processing provision at Loughry campus. In recent years Loughry has suffered a decline in student numbers and industry use of CAFRE appears limited. The key issue for CAFRE is that without radical change to its business model, the provision at Loughry is facing irreversible decline. In the shorter term CAFRE must consolidate its facilities in line with current demand, within the Loughry campus at minimum cost, to reduce its high operational costs.

Loughry and its student and industry customers all identify CAFRE's clear positioning as "hands on" technical experience. This is a very important niche for CAFRE to sustain and exploit, but this hands on offering needs to be both up to date and to sit in a broader skills and knowledge context. The skills and knowledge required by industry go well beyond the "hands on" or technical.

In providing technology support to the food processing industry, Loughry reports engaging with some 250 companies last year at a net cost of some £750,000 and a fee income of £250,000. The concern must be that this low level of engagement will be inadequate to make a material impact on the industry performance.

Equine provision

A recent report by BDO makes clear that there is little evidence of a cohesive equine industry in Northern Ireland. Rather, Northern Ireland is characterised by a large number of small business, lifestyle business and recreational activities falling into sports horse and thoroughbred breeding activities. Some observers feel that Northern Ireland can achieve the same status as a horse-breeding centre of excellence as ROI and this may be the case. Whether this putative industry is a target for DARD as an economic development priority should determine any future CAFRE priorities in equine training. The equine education and training activities mainly at the Enniskillen campus need to be considered in that overall strategy.

The CAFRE equine campuses at Enniskillen and Necarne are fully occupied and demand from students has been increasing. About half the students come from ROI, the rest from Northern Ireland. The programmes are well regarded by the students for their "hands on" experience. Few have course related placements or obtain jobs in Northern Ireland.

Relationships between CAFRE and this "industry" appear to be poorly developed, giving rise to the impression that equine training operates outside any Northern Ireland economic context.

CAFRE operates two equine sites for historical reasons. The Necarne site was created for a different purpose and is very expensive for CAFRE to operate. Split sites of themselves increase costs. However, concern has been openly expressed by local politicians and others that any decision by DARD to withdraw equine training entirely from the Enniskillen area would not be supported, for employment and community coherence reasons.

A cost evaluation of single site options, carried out by CAFRE, strongly favours an exit from Necarne. It is recognised that through consolidation at the Enniskillen campus, equine provision would remain in the west, maintaining a strong DARD presence and addressing local concerns.

Consolidation at a level accommodating overall current student numbers will still require some capital commitment at Enniskillen campus. This includes investment in equine, residential, learning and recreational resource facilities.

This will not meet the preference expressed by members of the equine sector, ie relocating the facility eastwards to (say) Greenmount Campus but the core issue appears to be one lack of engagement between the college and the industry, rather than location. In any event the costs are unjustifiable.

The apparent differences in values between CAFRE and employers must be resolved. Filling college places may have become a sole objective for CAFRE, but if DARD wishes strategically to support the development of a Northern Ireland equine industry, then CAFRE will have to engage. In this context, it is therefore necessary that any expenditure on the Enniskillen site to replace Necarne capacity and/or to provide any increase in student places, be fully appraised as a separate investment decision from that of exiting Necarne.

MAIN RECOMMENDATIONS

1. CAFRE must engage more fully with its industrial stakeholders to understand and meet future needs.
2. DARD/CAFRE should clarify its relationship with the processing industry and other economic development agencies.
3. CAFRE should seek educational partners to enhance Loughry's "hands on" USP for student courses and sell hard to industry and students.
4. CAFRE/DARD should consolidate CAFRE within the Loughry site.
5. CAFRE should measure equine studies output in the context of economic and jobs impact, as well as student numbers.
6. CAFRE/DARD should exit Necarne and locate any ongoing activity at Enniskillen single site.
7. CAFRE/DARD should treat a capacity increase at Enniskillen to replace Necarne capacity as a separate investment decision.
8. DARD need to engage in a long term scoping study to ascertain what the needs of employers will be in 10-15 years time in order to tailor appropriate provision to meet future demand.
9. CAFRE should develop partnerships with FE/HE providers, adding value to generic courses by supplying applied modules, which focus on delivering practical and applied skills as its USP.
10. CAFRE need to identify areas of opportunity and establish themselves quickly in these areas eg renewable energy bio-crops, diversification systems and such like.