



# Northern Ireland Environment Agency Annual Report & Accounts 2014/15





**Northern Ireland Environment Agency  
Annual Report and Accounts  
For the year ended 31 March 2015**

*Laid before the Northern Ireland Assembly  
under section 11(3) (c) of the Government Resources  
and Accounts Act (Northern Ireland) 2001  
by the Department of the Environment*

*on*

*3 July 2015*



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<b>CONTENTS</b>	<b>Page</b>
<b>SECTION 1 ANNUAL REPORT</b>	
Chief Executive's Foreword	5
Chief Executive's Strategic Report	7
Director's Report	35
Agency Remuneration Report	40
<b>SECTION 2 FINANCIAL STATEMENTS</b>	
Statement of Accounting Officer's Responsibilities	49
Governance Statement	50
The Certificate and Report of the Comptroller & Auditor General	57
Statement of Comprehensive Net Expenditure	59
Statement of Financial Position	60
Statement of Cash Flows	61
Statement of Changes in Taxpayers' Equity	62
Notes to the Accounts	63



# **ANNUAL REPORT**





## Chief Executive's Foreword

I am very pleased to present the Northern Ireland Environment Agency's (NIEA, the Agency) 2014-15 Annual Report and Accounts.

Our environment and heritage are essential to our economic prosperity and they are a foundation for the health and well-being of the people of Northern Ireland. This report sets out how the Agency has performed against its targets during the 2014-15 year.

The strategic objective of the Agency is "*to create prosperity and well-being through environment and heritage excellence*". This objective underpins the Minister's vision for the Department's work, "A Better Environment - A Stronger Economy". This is simple and clear language which powerfully expresses one of the key challenges of the 21st century: how to bring environmental and economic aims together.

We have continued to engage with our customers and stakeholders in new ways - supporting and partnering with those who have a responsible and progressive approach to environment and heritage management and getting tougher with those who want to take short cuts and risk damage to our environment and heritage.

The Agency met 4 of its 13 key performance targets set by the Minister, Mark H Durkan. These included progressing the Second Survey of Buildings of Architectural and Historic Interest towards the target of completion by 2020, publishing a consultation on the second Cycle Draft River Basin Management Plans, and delivering the operational requirements of the Nitrates Action Programme. Further detail of the work undertaken in meeting all the key targets is provided in Section 5 of the Strategic Report, but I would also like to highlight some of our other achievements in this foreword.

I welcome a significant amount of EU funding to be allocated to the Environment theme in Northern Ireland under the INTERREG programme. A total of €72m together with an additional €12.7m provided through national contributions will be available for collaborative environmental projects in the North, the border region of Ireland and Western Scotland. This programme offers a significant opportunity to recover habitats and species of concern, achieve a more integrated approach to marine management and improve water quality across the region. This is an exceptional opportunity for all eNGOs/environmental bodies to engage in the programme, when the Special European Programmes Body (SEUPB) opens calls under the environment theme later this year.

In December 2014, the Department published draft Second Cycle River Basin Management Plans, which will be available for public consultation on 22 June 2015. The plans set out our objectives for protecting and improving Northern Ireland's rivers, lakes, estuaries, coastal waters and groundwaters by 2021. The plans also set out proposed measures that will be required in order to meet these objectives, subject to funding being available.

NIEA and authorities in the Republic of Ireland continued to work on returning illegally deposited waste to fully authorised landfill sites in the Republic of Ireland. In this regard, approximately 9,700 tonnes of waste was removed from a site near Silverbridge in Co Armagh in 2014. In addition preparatory work was completed to plan for the removal of waste from two sites in County Armagh in 2015 and NIEA continues to work in close co-operation with colleagues in the Republic of Ireland on this important project.

Following the identification of the illegal waste site in the townland of Mobuoy near Londonderry in June 2013, an independent review of the illegal site was immediately commissioned. This review, which was undertaken by Christopher Mills, a former director of the Welsh Environment Agency, and completed by December 2013, and one of the key actions during 2014-15 was to deliver the actions in the Minister's Implementation Response to the 'Mills Report' which set out

a number of key recommendations to help create a waste sector that complies with the law, protects the environment and underpins resource efficiency.

NIEA continued to progress implementation of the Fly Tipping Framework, working in partnership with local councils and had 21 of the former local councils signed up under the pilot agreement.

The Agency reviewed the historic buildings of a further two district council areas, considering 958 buildings and structures in detail, providing extra detail for owners, statutory authorities and the public on 731 listed buildings as a result, and adding a further 82 buildings to the list. This is key baseline information for this part of the historic environment and maintains progress towards our target of surveying all of Northern Ireland by 2020.

Our sites and properties continue to be an important resource for Northern Ireland, both in providing green spaces and by protecting and giving public access to historic monuments and nature reserves. Over 2 million people visited our main properties in the 2014 calendar year, either to enjoy the facilities available or to attend some of the many events organised by NIEA designed to increase awareness of the environment.

In addition to the above we continued to do our underpinning work of licensing, consenting, inspecting and enforcing in relation to a wide range of regulatory regimes. This activity is fundamentally important in maintaining a high quality environment in Northern Ireland and for the well-being of our people.

Finally, I am grateful to the many organisations that help us, including those from the voluntary, business, law enforcement and community sectors. However, I am most grateful to the staff in the Agency for their professionalism, dedication and commitment in delivering the overall aims and objectives of the Agency.



**Wesley Shannon**  
(Acting) Chief Executive  
24 June 2015

# Chief Executive's Strategic Report

## Introduction

The Northern Ireland Environment Agency (NIEA, the Agency) hereby presents its Annual Report and Accounts for the year ended 31 March 2015.

Our Annual Report and Accounts have been prepared in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual (FReM) and under an Accounts Direction given by the Department of Finance and Personnel in accordance with Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

## Status

The Northern Ireland Environment Agency is an Executive Agency within the Department of the Environment in Northern Ireland. It is the successor of the Environment & Heritage Service (EHS) which was established on 1 April 1996. The NIEA was launched on 1 July 2008, pursuant to a Ministerial decision that the EHS would be reorganised into the NIEA.

The Chief Executive of the Agency is also the Agency Accounting Officer with the responsibilities and delegations outlined in Chapter 3 of the Department of Finance & Personnel (DFP) Guide - Managing Public Money Northern Ireland (MPMNI).

## Principal Activities

Our strategic objective is '*To create prosperity and well-being through environment and heritage excellence*'.

We seek to achieve our aim in a variety of ways, including regulation and enforcement, designation and management of sites, grant-aid schemes, management of countryside and heritage properties, monitoring programmes, and awareness raising measures.

We also provide scientific and technical advice to Government on the development of legislation and policy.

Further information about our activities is available on our website at [www.doeni.gov.uk/niea](http://www.doeni.gov.uk/niea) including information on a wide range of publications explaining or reporting on our work in greater detail.

## Business review

A full review of the Agency's business activities during the year is provided in sections 1 to 6 which begins at page 9.

## In Year Developments

The Natural Environment Division of NIEA contributed significantly to the provision of support and guidance to the new local authorities to assist them in their new environmental planning responsibilities under the roll out of the Review of Public Administration (RPA) across Northern Ireland.

In June 2013, the discovery of a major illegal waste dump in the NorthWest was announced. The criminal and financial investigation was carried out by NIEA and a file was submitted to the Public Prosecution Service in March 2014.

The incident and investigation in the NorthWest prompted the commissioning of an independent review to include lessons to be learnt for the future regulation of the waste industry in Northern Ireland. The independent review, the Mills report, published in December 2013, highlighted that there were systemic failures in the management and regulation of the waste industry in Northern Ireland including significant criminal infiltration.

A Waste Steering Group of senior DOE officers has subsequently drafted an action plan in response to his recommendations. Agency teams are now in the process of implementing this plan, focusing on helping business and the public reduce the amount of waste created, developing much stronger partnerships with local councils and strengthening the regulation of waste.

NIEA continues to participate on the Northern Ireland Shale Gas Regulators Forum which consists of representatives from government departments and agencies with a potential regulatory role in relation to hydraulic fracturing (fracking) activities. It provides a forum for emerging and cross cutting issues to be discussed. The Department of Enterprise, Trade and Investment (DETI) chair and provide the secretariat for the forum and meeting minutes are available on the DETI website at [www.detni.gov.uk](http://www.detni.gov.uk).

### **Future Developments**

In addition to the NIEA's Programme for Government key commitment relating to having in place an action plan to implement the new Biodiversity Strategy which will work towards halting the loss of biodiversity by 2020, examples of areas which the Agency will deliver on going forward are:

- 1) To deliver all the actions in the Minister's Implementation Response to the Mills Report, following the identification of the illegal waste site in the townland of Mobuoy near Londonderry.
- 2) The establishment of a Regulatory Transformation Programme which aims to put in place an intelligent, outcome-focused regulatory system, to make it easy for responsible businesses to comply and difficult for those who try to flout the law. The main focus for 2015/16 will be the introduction of the Environmental Better Regulation Bill and trialling a number of integrated environmental permits and associated voluntary Prosperity Agreements.
- 3) To work closely with the Department of Agriculture and Rural Development (DARD) on the direction and roll out of the Northern Ireland Rural Development Programme (NIRD) for 2014-2020. Through a new Environmental Farming Scheme and other related measures, the NIRD will provide invaluable funding to support sound environmental management and biodiversity across protected sites and the wider countryside. Natural Environment Division will look to provide support through the provision of data, advice on targeted and tailored interventions and ongoing monitoring.

## 1. THE ORGANISATION

- 1.1 NIEA is an Executive Agency within the Department of the Environment (DOE, the Department). The NIEA sits within the Environment and Marine Group of the Department and is headed by a Chief Executive and a Board of Directors which spans four Divisions – Historic Environment, Innovation Strategies, Natural Environment and Resource Efficiency. An organisational chart showing all the Divisions is at page 35.
- 1.2 Three Statutory Advisory Councils provide the Agency with independent advice on environmental issues and activities. These are: the Council for Nature Conservation and the Countryside (CNCC), the Historic Buildings Council (HBC) and the Historic Monuments Council (HMC).
- 1.3 Corporate service functions are provided by the Department's Human Resources and Organisational Change Division and Finance and Business Planning Division.
- 1.4 At 31 March 2014, there were 658 staff (full time equivalents). The split was 364 male and 294 female. At 31 March 2015, there were 663 staff (full time equivalents). The split was 376 male and 287 female.

## 2. STRATEGIC OBJECTIVE

- 2.1 Our strategic objective is *to create prosperity and well-being through environment and heritage excellence.*

## 3. VALUES

- 3.1 The Agency seeks to ensure high standards are maintained by its entire staff in fulfilling their role of supporting the Minister and developing good quality services to our customers. In doing this we will observe the core Northern Ireland Civil Service (NICS) values of integrity, honesty, objectivity and impartiality.
- 3.2 In addition to observing the core NICS values of integrity, honesty, objectivity and impartiality, we are passionate and proud of what we do and seek to ensure high standards in all areas of our work through:
  - ◆ Being trusted by having an open and participative working environment;
  - ◆ Providing excellent professional standards by delivering services to our customers based on speed, high quality and low cost;
  - ◆ Being fair and complying with government policy on fairness, equality and human rights; and
  - ◆ Working in partnership with others who are committed to protecting the environment and our heritage.

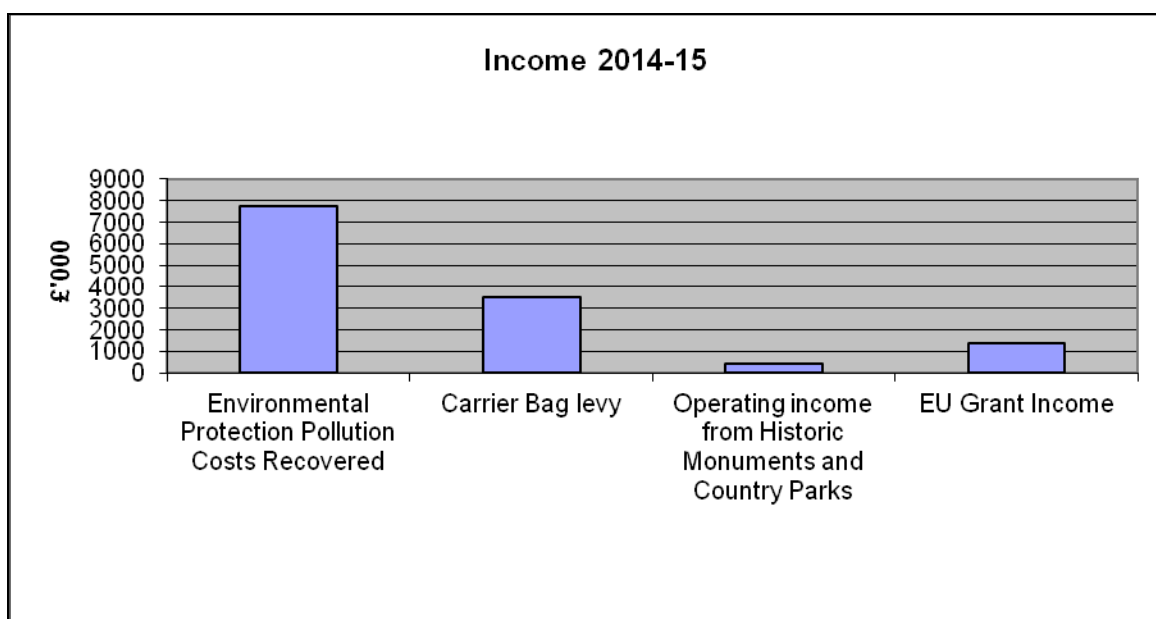
## 4. FINANCIAL REVIEW

### Funding

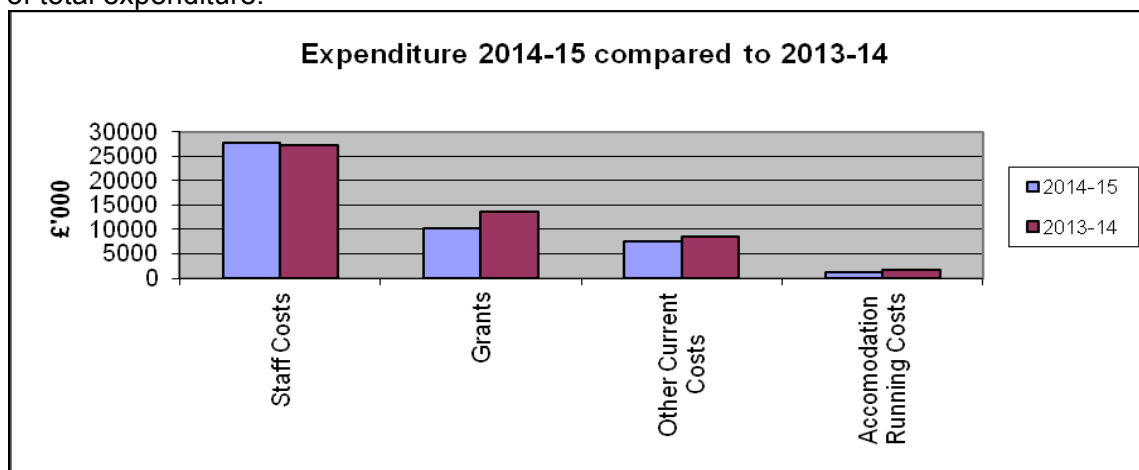
4.1 Our primary source of income in terms of Resource and Capital Expenditure comes from Central Government. The total net assets held by the Agency at 31 March 2015 was £22,307 (2013/14: £24,069K).

### Results for the Year

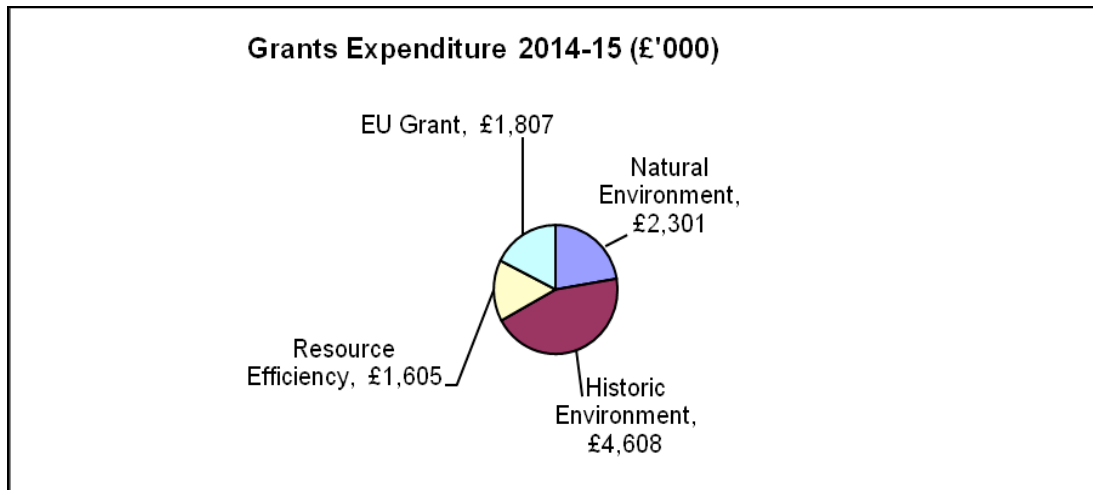
4.2 The Statement of Comprehensive Net Expenditure is set out on page 59 and shows the net cost of operations as £43,551K (2013/14: £47,429K) representing a decrease in net costs amounting to £3,878K (8%). Income decreased during the year from £13,976K in 2013/14 to £13,073K in 2014/15. The chart below provides a breakdown of the income figure.



4.3 Total expenditure during the year was £56,624K (2013/14: £61,405K) representing a decrease in total expenditure amounting to £4,781K (8%). Staff costs amounting to £27,644K (2013/14: £27,227K) make up 49% (2013/14: 44%) of the total expenditure and Grant costs amounting to £10,321K (2013/14: £13,605K) being 18% (2013/14: 22%) of total expenditure.



- 4.4 Grant spend in the current financial year was £10,321K (2013/14: £13,605K). A breakdown showing grants paid by each directorate is included below. Overall spend on Historic Environment listed building grant-aid and Natural Environment grants decreased to £6,909K (2013/14: £7,180K).
- 4.5 Resource Efficiency grants also decreased during the year with grant payments in relation to the Challenge Fund grant scheme, which provided funding to over 200 local environmental projects across a wide range of communities, decreasing by £1,074K. Grant payments amounting to £1,807K (2013-14: £3,490K) were made during the year in relation to the EU Interreg (IVa) programme.



**Property, Plant and Equipment and Intangible Assets**

- 4.6 The Agency does not believe that there is any material difference between the market and book value of its property, plant and equipment and intangible assets. Movements on property, plant and equipment and intangible assets are set out in note 8 to the accounts.

## 5. PERFORMANCE AGAINST TARGETS

### Programme for Government

5.1 Throughout the year the Agency reported against one of the Department's six Key Commitment Measures contained in the Programme for Government 2011-15 as shown below.

<b>Work towards halting the loss of biodiversity by 2020</b>	Designate an additional 15 Areas of Special Scientific Interest	<b>NOT ACHIEVED</b>
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### Agency Business Plan Targets

5.2 The Agency's performance against the 13 2014/15 key Ministerial targets set out in our Business Plan (2014/15) is reflected below. The achievements reported have been validated by the Department's Internal Auditors.

No	OBJECTIVE	MEASURE	KEY TARGET [Target date is 31 March 2015 unless otherwise stated]	RESULT
1	Deliver effective compliance and implementation of legislation and international obligations.	Built Heritage at Risk saved	Work with key partners, and especially the Ulster Architectural Heritage Society (UAHS), to save a further 25 buildings at risk (BHARNI) towards the overall target of saving 200 by 2016.	<b>NOT ACHIEVED</b>
2		Protect Historic Buildings through listing	Progress the Second Survey of Buildings of Architectural and Historic Interest towards the target of completion by 2020 by carrying out the recommendations of the Survey on 900 buildings and transferring the results to the Northern Ireland Buildings database.	<b>ACHIEVED</b>
3		Ensure that archaeological excavations and archives are managed according to statutory and professional best-practice standards	Develop an action and implementation plan, with stakeholder input, to remedy deficiencies in the current licensing arrangements in Northern Ireland concerning the conduct of excavations and curation of archaeological excavation archives.	<b>NOT ACHIEVED</b>
4		Protection of Drinking Water Quality	Achieve 99% overall compliance with Drinking Water quality standards in 2014 for Private Water Suppliers registered with the Drinking Water Inspector.	<b>NOT ACHIEVED</b>



No	OBJECTIVE	MEASURE	KEY TARGET [Target date is 31 March 2015 unless otherwise stated]	RESULT
5		Improve the water environment	Publish a consultation on the 2nd cycle Draft River Basin Management Plans by December 2014.	ACHIEVED
6		Improve resource efficiency and improve Waste Management	To deliver all actions in the Minister's Implementation Response to the Mills Report.	NOT ACHIEVED
7		Work towards halting the loss of biodiversity by 2020	Designate a further 15 Areas of Special Scientific Interest (ASSIs).	NOT ACHIEVED
8			Have in place an action plan to implement the Biodiversity Strategy to include a range of proposals/measures to draw down EU funding for the period 2015-2020.	NOT ACHIEVED
9		Realise the economic and social value of our natural environment	Present a strategic framework and associated delivery plan to implement an integrated approach to achieve prosperity and wellbeing through environmental excellence.	NOT ACHIEVED
10	Improve understanding and appreciation of our environment and heritage	Realise the economic and social value of our historic environment	Complete the Heritage- led investment at Tullaghoge, Carrickfergus Castle and Dundrum Castle.	NOT ACHIEVED
11	Support a sustainable economy	Support the sustainable growth in the Agri-Food Sector	To deliver the operational requirements of the Nitrates Action Programme (NAP) review by 31 March 2015.	ACHIEVED
12			To deliver a revised Landscape Character Assessment for Northern Ireland by March 2015.	NOT ACHIEVED
13	Promote best practice working	Environment & Marine Group (EMG) Health & Safety programme of Work	Achieve key targets on Board approved Health & Safety Programme of Work.	ACHIEVED

## Explanation for Targets not Achieved

### 5.3 Key Target Number 1

'Listed Buildings at Risk' owners, who have applied for Listed Building Grant-aid assistance, have not been given offers for financial support. 11 listed buildings at risk were saved during the reporting period, bringing the total number of buildings that have been saved to 183 since 2006. There were a further 49 BHARNI schemes for which applications have been submitted for funding assistance. Due to budgetary pressures no new letters of offer for Grant Aid have been issued since August 2014, with the exception

of a number of community-led/community-focused projects that were eligible for funding from monies raised through the Carrier Bag Levy.

The absence of DOE Grant-aid funding (available for up to 35% of the costs of eligible repairs) impacts on the viability of many projects, and as a result, many of these 49 conservation schemes will not have commenced on site, resulting in the buildings not being saved. Some owners have confirmed that it is not possible to extend mortgages to make up the shortfall.

As the budgetary constraints continue, the overall target of saving 200 buildings by 2016 is in doubt, and the situation continues to be monitored closely. At present only 12 listed buildings at risk have been identified as likely to be eligible for funding in the 15/16 reporting period, though if additional resources are secured this figure could rise.

#### 5.4 **Key Target Number 3**

Work to date has indicated that substantive progress on the curation of archaeological archives depends upon the appointment of a responsible body (i.e. a statutory authority to develop suitable repository and systems of deposition for archaeological archives) and the allocation of appropriate funding. A high-level set of proposals about how to progress this matter has been established by the Joint Working Group on Archaeological Archives, composed of officials from DOE and National Museums NI (NMNI). This has not yet been passed by the Board of Trustees of NMNI, and consequently has not yet been forwarded for Ministerial/Executive endorsement. Archaeological excavations are licensed by the Department in line with the provisions of the Historic Monuments and Archaeological Objects (NI) Order 1995. It is a professional norm that archives generated from such excavations should be appropriately cared for; in the absence of a resolution of this matter the Department is continuing to licence excavations, pending a solution. A revised timetable for achievement of this target will be developed in the context of departmental restructuring, which will affect how and by whom this target will be met.

In the short-term a revised target will focus on those elements within the direct responsibility of the Department of the Environment, i.e. the conduct of archaeological excavations and the formation of archives.

#### 5.5 **Key Target Number 4**

This target was only narrowly missed. The final compliance figure for 2014 for private water supplies drinking water quality was 98.82%.

#### 5.6 **Key Target Number Number 6**

It was recognised that the delivery of some of the actions in the Minister's Implementation Response to the Mills Report would take a number of years to achieve. Therefore the Actions that were to be completed by 31 March 2015 have been completed – remaining actions will be rolled forward into 2015-16.

#### 5.7 **Programme for Government Target & Key Target Number 7**

As agreed with the Minister, only ten ASSIs were designated in 2014/15, rather than the PfG target of 15, as a result of in-year budgetary pressures which led to a reduced staffing compliment, other high priority pressures which prevented reallocation of staff to this activity and the higher resource commitment which was required to deliver the extensive engagement on declared sites during the year.

### 5.8 **Key Target Number 8**

The Biodiversity Strategy has been agreed by the Minister and presented to the Environment Committee, which noted the Strategy, within the reporting period. In line with Executive procedures, the strategy has now been shared with Executive colleagues for comment prior to being tabled formally for approval at the Executive. Proposals to draw down EU Funding in place and awaiting first call for funding applications within the reporting period. NIEA is currently liaising closely with SEUPB to progress the applications for funding.

### 5.9 **Key Target Number 9**

A strategic framework was delivered to the NIEA board. However, this framework was superseded by the NIEA Delivery Framework which rolled out a number of business improvement initiatives including new operating principles, the Prosperity panel and Prosperity Agreements. These mechanisms were agreed by the NIEA board and Minister Mark H Durkan to support an integrated and innovative approach to promote the Minister's vision of a *'Better Environment – A Stronger Economy'*. *The operating principles are intended to guide all NIEAs work and to ensure delivery of the strategic objective and the Minister's vision.* Prosperity Agreements are voluntary agreements through which NIEA and an organisation can explore opportunities for reducing environment and heritage impacts in ways that create prosperity and well-being. The Prosperity Panel is made up of local and international experts to offer voluntary advice, expertise and innovative solutions to help create a future in which both the environment and economy can thrive.

### 5.10 **Key Target Number 10**

The planned works for 2014/15 are progressing with substantial physical development at Carrickfergus Castle, comprising a new temporary building and exhibition. A contract to design the new roof for the Great Tower has been put out to tender on two occasions, but could not be completed in both instances due to budgetary constraints on the first, and the quality of submissions received for the second. This will be progressed, subject to budget availability, in the 2015/16 reporting period. At Tullaghoge on-site works had to be suspended due to budgetary uncertainty for 2015/16 commitments. Works completed included securing planning permission and the start of on-site works for preparation, including some archaeological testing and vegetation clearance. Again, this will be progressed, subject to budget availability, in the 2015/16 reporting period. A Planning Application, to address the road access issues for Dundrum Castle, will be developed for submission in 2015/16; any future on-site works will depend upon budget availability in that and subsequent reporting periods.

### 5.11 **Key Target Number 12**

As a result of budgetary pressures, the delivery of this target has slipped until the end of May 2015.

## 6. REVIEW OF ACTIVITY DURING THE YEAR

### Customer Standards

- 6.1 NIEA is committed to meeting the standards of service to its customers as published in the Agency's Customer Charter and Environmental Legislation and Service Standards which can be viewed on the website at [www.doeni.gov.uk/niea](http://www.doeni.gov.uk/niea).
- 6.2 Internal figures for a few of the key areas are reported below to give an indication of performance for environmental legislation and service standards.
- ◆ 84% of the 180 grant payments for listed buildings were released within the 40 days standard;
  - ◆ 100% of the 84 Scheduled Monument Consent decisions were issued within the three month standard;
  - ◆ 100% of the 256 requests for licences to carry out archaeological excavations were issued within the 4 week standard;
  - ◆ 100% of the 245 notifications for regulating farm storage facilities were assessed and acknowledged within the 28 day standard; and
  - ◆ 100% of the 28,800 applications for consignment notes to move hazardous waste were fully completed within the 15 day standard;
- 6.3 We continue to review our processes and make every effort to address any specific causes of delay which may be identified.

### Raising Awareness

- 6.4 Throughout the year, NIEA continued to provide information, advice and guidance with a view to raising awareness of environmental issues, increasing knowledge on how to help protect the environment and also increasing awareness of NIEA, its roles and responsibilities.
- 6.5 By March 2015, NIEA has (without advertising) attracted 5,151 likes on its Facebook (compared with 3,362 likes in March 2014). NIEA continues to work to improve this increasingly important communications tool. Also, the Agency had 1,699 followers on Twitter by March 2015 (compared with 1,324 in March 2014).
- 6.6 NIEA promoted and delivered 2 major 'flagship' family events, 3 medieval fairs at our castle sites, 32 smaller family events, 88 living history events, 4 historical tours, 6 events associated with the centenary of the Great War, including two occasions involving the 'firing' of one of the 6-inch bore guns at Grey Point Fort, public access to excavations at Dunluce Castle and St Patrick's Wells at Struell, and 12 nature walks. There were also community excavations at Grey Point Fort and Tullaghoge Fort. In addition, NIEA co-ordinated and promoted a busy schedule of 'Archaeology Days' events and initiatives. September 2014 saw another very successful European Heritage Open Days (EHOD) weekend, which attracted over 75,610 visitors, a new record. In Spring 2014, NIEA took part in the Balmoral Show and in May 2014, two public consultation days were held at Dunluce Castle, where the public were invited to provide feedback on proposed developments for the site.

- 6.7 In June 2014, NIEA published '*An Archaeological Survey of County Fermanagh, Vol. 1*', a land-mark publication about the recorded archaeological resource of the county, from the time of its earliest known human settlement up to the end of the Middle Ages.
- 6.8 The Minister announced a further number of successful projects that will share up to £100,000 to improve water quality in various areas. The competitive grant scheme was open to voluntary and community groups, local councils and other not-for-profit organisations. The awards are a win-win for the environment. These grants could make a positive and targeted difference to improve and protect the rivers and the wider water environment in various areas, by harnessing a community's local knowledge. Local projects were led by local people working to improve water quality - one of our key natural assets.
- 6.9 NIEA works in partnership with the independent charity, Crimestoppers, to target illegal waste businesses.
- 6.10 NIEA has continued to improve the quality of interpretation at sites and properties to further enhance the visitor experience and ensure that key messages are communicated clearly to all visitors. We have produced detailed interpretation plans for the temporary exhibition centre in Carrickfergus Castle and for Tullaghoge Fort as part of the wider projects at these sites. We have also developed new interpretation for Tully Castle, Carrickfergus Town Walls, Grey Point Fort, Nendrum, Inch Abbey and Greencastle. We have installed 8 new interpretive panels at State Care sites in 2014/15 (single panels at Raholp Church, Loughinisland Churches, Kilfeaghan Dolmen, Millin Bay Cairn, Derry Churches, Narrow Water Castle and two panels at Beaghmore Stone Circle). There are currently four additional panels which have been produced to be installed in Spring 2015 – two panels at Movilla Abbey and two at Bonamargy Friary.
- 6.11 NIEA has continued to work with stakeholders bilaterally and through the Northern Ireland Water Framework Directive Stakeholder Forum and nine Catchment Stakeholder Groups to develop focused Local Management Area (LMA) action plans. A total of 26 action plans, covering all of Northern Ireland, are operational and details of these are available on the NIEA website.
- 6.12 The Monuments and Buildings Record (MBR) managed by Historic Environment Division (HED) is the central repository of information on monuments and buildings of Northern Ireland. Included is information on monuments, historic buildings, places of industrial heritage, parks and gardens, battlefields, sites of defence heritage and maritime features and their associated drawn, photographic and cartographic records. The professional staff of HED use the information to provide advice to other government agencies and the public in implementing policy on the protection or recording of monuments and buildings. The MBR is also used to select places for statutory protection through discussion with the Historic Monuments Council and the Historic Buildings Council. This year 1,143 members of the public visited the MBR for research or public lectures. A further 36 designs from the Clokey Stained Glass Studios were accessed making a total of 275 designs in the collection.

### **NIEA Properties**

- 6.13 NIEA manages 190 historic monuments in State Care, 60 sites as nature reserves, 7 country parks, and 15 visitor centres. Most are open to the public throughout the year. NIEA continues to maintain its properties; ensuring visitors are fully informed whilst enjoying the facilities available.
- 6.14 In the 2014 calendar year, the number of visits to the 20 main NIEA properties was estimated at 2,261,390 based on ticket sales and automated visitor counters, up on the

previous year by 4.9%. Visits to historic monuments at 296,786 were, however, down overall by 2.3% on the 2013 record, though numbers at Carrickfergus Castle rose to 70,905, up 6.5% and numbers at Dunluce Castle also rose to 61,395, up by 11.5%. A fine summer contributed to a 7.4% rise in visits to country parks, totalling 1,823,604. The temporary closure at the Seabird Centre at Kebble Nature Reserve saw a fall of 11.1% in visits to nature reserves, though numbers at Quoile Pondage remained steady at 140,000.

- 6.15 In terms of events, several were run at NIEA properties in 2014. International Bog Day and Apple Day at Peatlands Park and Armed Forces Day at Carrickfergus Castle attracted the most visitors.
- 6.16 At Roe Valley Country Park, further progress was made towards reinstating the generation of hydro-electricity. The penstock pipe for connecting the lade (mill race) to the historic Dog Leap Power House was laid and the turbine purchased. The capacity of the electricity network must be upgraded before the turbine is installed and power generation can commence.
- 6.17 In delivery of the Heritage-Led Development works at key State Care Monuments, augmenting their social and economic contributions to Northern Ireland, feasibility assessments were completed for works at Dundrum Castle, County Down, to help map future visitor facilities at the site. A temporary exhibition centre was erected within the grounds of Carrickfergus Castle, to provide interpretation and exhibits for visitors to the castle, while conservation works progress on the Great Tower. A plan for the development of lands acquired in 2013 leading to Tullaghoge Fort was completed and granted planning permission, and the first stage of development works has commenced. Archaeological investigation showed that development of lands at the bottom of the hill for parking and events will not adversely impact upon Tullaghoge's archaeology, and the development will both enhance public access to the monument and enable fuller interpretation of the site.
- 6.18 The cost to NIEA of maintaining its own livestock for the grazing of Department grasslands proved unsustainable. Consequently, most animals were sold at the Rare Breed Survival Trust sale at Gosford. The tendering of grazing to farm businesses for the coming year commenced in March 2015.
- 6.19 A particularly poignant set of commemorations of the First World War were held, in partnership with local volunteer groups, at Grey Point Fort, County Down. These included the firing, on two occasions, of one of the coastal battery guns at the site. These events, which attracted national and international interest, were also accompanied by archaeological trial excavations which uncovered trench networks and associated remains which dated to the time of the First World War.

### **Evidence Provision**

- 6.20 Evidence is essential for informed and open decision making. NIEA gather evidence in a variety of forms including data, monitoring, research and survey. It is essential information to underpin the wide range of activities undertaken; from environmental regulation to reporting on the condition of our habitats, monuments, buildings, water and land. However, the data isn't just used by NIEA but is 'served' out to a range of other customers via partner organisations such as CEDaR - the **C**entre for **E**nvironmental **D**ata and **R**ecording, Spatial NI or via Business Units directly thus further increasing the value and usefulness of the information.
- 6.21 The Agency's scientific staff develop and deliver evidence-based projects internally, and also collaborate closely with other environmental organisations across the UK and

Ireland to identify needs, share knowledge and ensure cost effective joint working. Scientific staff created new spatial datasets, including surveyed NI priority habitats and species. All of the scientific data and evidence collection underpins the designation of special sites of regional, national and worldwide significance it also helps set the baselines for priority habitats and species across Northern Ireland as part of European Commission statutory Reporting Articles. The Agency's regulatory staff gather data from many different inspection and monitoring regimes. This provides the management information required to assess compliance and respond to key risks. to assist the new local councils meet their biodiversity and Planning responsibilities.

- 6.22 NIEA's long standing partnership with National Museums Northern Ireland and CEDaR celebrated its 20<sup>th</sup> birthday in March 2015. A specially organised conference which highlighted the importance of environmental recording, the involvement of citizens in science and the relevance of such data to societal decision making was held to mark the anniversary. CEDaR also organised a successful Bioblitz at Glenarm, County Antrim. The Glenarm Estate won the event as a result of volunteer experts finding over 1,000 different species in a 24 hour period in May 2014.
- 6.23 NIEA is now more than half way through a 10 year research partnership with Queens University – the Natural Heritage Research Partnership (NHRP). This year, several important lines of research were completed, including the results of a PhD study into causes of decline in diving duck populations in Lough Neagh. The research showed that combinations of the improved water quality in the Lough with effects of climate change has led to dramatic changes in numbers of migratory and overwintering water birds; a feature for which the lake is designated as a Special Protection Area (SPA). The NHRP also initiated research to undertake experimental investigations of new and established artificial reefs for Horse mussel, *Modiolus modiolus*, as a conservation strategy and recommend methodology for long-term monitoring of the condition of modiolus communities.
- 6.24 NIEA has continued its support for the Queen's University Environmental Science and Technology Research Centre (QUESTOR), a cooperative research partnership based at the university and linked to the US National Science Foundation. This arrangement brings together academic partners and industrial member companies from Europe, North America and China to produce innovative applied research. NIEA staff were actively involved in the development and prioritisation of a number of research projects that will inform industrial partners and support delivery of positive environmental outcomes.

### **Protection of Habitats and Species**

- 6.25 A further 10 Areas of Special Scientific Interest (ASSIs) were declared in 2014/15, bringing to 385 the number of sites across Northern Ireland. Significant progress was made in the survey of terrestrial and freshwater habitats and species and earth science features to continue the designation programme. NIEA scientific staff continue to monitor the quality of ASSI selection features on a six-yearly cycle, to help ensure that appropriate management is in place. The selection of national sites (ASSIs) for designation, using a risk based approach to protect special sites and features, is agreed by the Council for Nature Conservation and Countryside (CNCC), international sites for designation (Special Protected Areas and Special Areas of Conservation) are agreed by Joint Nature Conservation Committee (JNCC).
- 6.26 NIEA continues to provide advice to the Department of Agriculture & Rural Development (DARD) on the management of designated sites on farmland which is subject to the Northern Ireland Countryside Management Scheme. This is an important route through which NIEA can influence land management to benefit the conservation of biodiversity. In addition, the Agency advised and assisted DARD in the preliminary stages of forward

planning for the new round of Common Agricultural Policy (CAP) reform, specifically relating to the appropriate management of NATURA 2000 sites and priority species and habitats.

- 6.27 In anticipation of the CAP reforms, NIEA established an internal working group to coordinate responses and advice to DARD. This Group has met on several occasions and has provided responses to DARD on behalf of the Agency in respect of Pillar 1 - Good Agriculture and Environmental Condition, and advised the DOE and DARD Ministers in relation to data management, capture and sharing.
- 6.28 The woodland disease Chalara dieback of ash or ash dieback, caused by the fungus *Hymenoscyphus fraxineus*, was first detected in both jurisdictions in Ireland in autumn 2012 in young planted ash. There have been 93 detections in Northern Ireland to date including a plantation in Crawfordsburn Country Park. The current management strategy in both jurisdictions is disease eradication. Plants at infected sites have been immediately removed and disposed of by deep burial or burning. Despite extensive surveys in and around positive sites and further afield, the disease has not been found in mature ash trees in the wider environment in NI. It has, however, been detected in hedgerows in two locations in the Republic of Ireland. There may be a risk of aerial spread from Great Britain to Ireland via aerial spores. NIEA is working closely with DARD in disease surveys, disease control and policy development. The Agency has also financed a project with Queen's University of Belfast to investigate the genetic diversity of NI ash populations to aid decisions regarding mitigation and adaptation.

### **Countryside & Coast**

- 6.29 NIEA continued to support Outdoor Recreation Northern Ireland, the Mourne Access Group and other strategic outdoor and recreational providers and groups. The Agency supported the development of the Outdoor Recreation Action Plan for Northern Ireland in partnership with Sport NI.
- 6.30 NIEA continued to enable co-ordinated management of Areas of Outstanding Natural Beauty (AONBs) by supporting a variety of partnerships with advice, assistance and substantial funding through the Natural Heritage Grants Programme and the Challenge Fund. The Agency's funding has helped these and other partners to draw down additional funding to deliver practical management and public engagement in their areas, for example, through the Heritage Lottery Fund's Landscape Partnership Scheme.
- 6.31 Work continues on an inter-agency basis to develop better ways of managing the risk of wildfire in sensitive upland areas and in training landowners to better plan and manage burns for heath management.
- 6.32 NIEA continues to chair the World Heritage Site Steering Group and to fund the better management of the World Heritage Site through a project officer funded under the Natural Heritage Grants Programme.
- 6.33 In the area of planning, the Agency continues to provide specific comments on planning consultations that have the potential to have a significant impact on the natural heritage and has also provided evidence to various planning appeals, public inquiries and judicial reviews.
- 6.34 The Natural Environment Directorate overseen the allocation of grant programmes that support projects and initiatives that contribute to the conservation of biodiversity and special landscapes and to the enjoyment of the countryside. NIEA provided £2.3 million in grant aid, supporting the work of many of the key environmental non-Government



Organisations in Northern Ireland and councils who help to achieve our objectives. The Agency supported a total of 50 projects delivered by 30 organisations.

### **Landscape Management**

- 6.35 A contract was awarded in November 2014 for the Northern Ireland Regional Landscape Character Assessment (NIRLCA). This builds on the more detailed Northern Ireland Landscape Character Assessment 1999 (NILCA) and will provide the new councils with a regional scale landscape framework which should assist with their Local Development Plans. It is intended that the assessment will be published on 1st June 2015.

### **Industrial Pollution and Radiochemical Inspectorate (IPRI)**

- 6.36 NIEA currently regulates 499 installations under the Pollution Prevention and Control (Industrial Emissions) Regulations (Northern Ireland) 2013. These include 354 Part A installations where a single permit covers releases to all environmental media as well as energy efficiency, waste minimisation/recycling, noise and site protection issues. Part A installations include intensive farms, food and drink processors, cement factories, glass manufacturing, waste incineration, non-ferrous metal processing and power stations. There are 145 regulated Part B installations whose permits cover releases to air only. Part B installations include quarries, road stone coating plants and surface treatment of metals. The Industrial Emissions Directive brings a number of new activities into integrated control for the first time for example wood preservation and additional animal feed mills. A wider range of waste activities will also be controlled including activities such as the pre-treatment of waste for incineration.
- 6.37 Monitoring of releases to the environment was carried out at a broad cross section of both Part A and Part B installations. Audits were also carried out on the continuous emissions monitoring systems at the majority of large Part A installations, (e.g. power stations, incinerators and co-incinerators). The suitability of emission testing facilities and site specific protocols produced by testing laboratories were assessed for numerous Part A and Part B installations. NIEA maintained its accreditation under the Monitoring Certification Scheme (MCERTS) and the United Kingdom Accreditation Service (UKAS) for manual stack emission monitoring for a range of key pollutants including odour. The Unit participated in two independent external proficiency schemes associated with its monitoring work and obtained excellent results in both. An environmental monitoring survey for PM<sub>2.5</sub> particulate matter was also carried out at an intensive farming installation.
- 6.38 Over 500 inspections of Part A and Part B Pollution Prevention and Control (PPC) installations were carried out either to assess compliance or in response to complaints or other incidents. A total of 30 enforcement notices were issued and 1 case was submitted to the Public Prosecution Service and is awaiting trial.
- 6.39 Data on releases from PPC installations and some other specified activities were collected and will form part of the UK Pollutant Release and Transfer Register.
- 6.40 In relation to the European Union Emissions Trading Scheme (EUETS), NIEA currently regulates 23 installations under the Greenhouse Gas Emissions Trading Scheme Regulations 2012. EUETS installations include power stations, food and drink processors, cement factories, glass manufacturing, paper production and non-hazardous waste incineration. 5 of the 23 installations held an 'excluded emissions permit' which included an annual emissions limit for 2013. As a result of failures to comply with these emission limits, IPRI issued four civil penalties totalling circa £28,500, and payment was received by the Department in 2014. The remainder of sites were compliant with their 2013 emissions reporting and allowances surrender requirements.

- 6.41 The Carbon Reduction Commitment Energy Efficiency Scheme Order 2013 (CRC) is a UK wide scheme with 50 Northern Ireland based registered participants in phase I of the scheme, including the 13 mandated government departments. The deadline for 2013/14 allowance surrender was 31 October 2014 following submission of the annual reports in July 2014. The Chief Inspector issued five enforcement notices to participants for failure to surrender by the deadline, and these were subsequently complied with. The fourth Annual Reporting Information (ARI) was published in December 2014. NIEA audited 18 participants during the compliance year. Registration for phase 2 closed on 31 January 2014 and 48 Northern Ireland participants have registered for phase 2 which commenced on 1 April 2014, with the first year reporting due at the end of July 2015.
- 6.42 Under the Radioactive Substances Act 1993 (RSA), NIEA currently regulates 88 premises registered for keeping or using radioactive materials, 24 of which are also authorised to accumulate and dispose of radioactive waste. There are 8 premises registered under the High-activity Sealed Radioactive Sources and Orphan Sources Regulations 2005. In addition, there are a number of premises in Northern Ireland which hold small quantities of radioactive material in accordance with the terms and conditions of The Radioactive Substances Exemption (Northern Ireland) Order 2011. Approximately 140 visits to regulated sites were carried out to assess compliance with legislation or to investigate incidents.
- 6.43 NIEA also regulates the transport of radioactive substances by road. Compliance visits carried out identified that a number of companies were transporting radioactive packages believing they were exempt from the requirements of the legislation. A campaign to raise awareness including issuing of guidance was therefore initiated.
- 6.44 NIEA also continued to monitor the impact of radioactive discharges from Sellafield on our coastline through sampling of local sediments, fish, shellfish, seawater and seaweed. The results continue to indicate that levels of contamination are negligible in terms of radiological impacts upon the Northern Ireland population.

### **Waste Management**

- 6.45 NIEA continues to promote a more sustainable approach in managing both waste and land resources in Northern Ireland to protect our environment and promote resource efficiency and economic growth.
- 6.46 The NIEA Waste Licensing Team continued to monitor, audit and regulate licensed and exempt waste facilities and activities in order to protect and minimise impacts to the environment and human health. This work covers a wide range of facilities, for example, waste transfer stations and recycling plants, Authorised Treatment Facilities for end-of-life vehicles and Material Recovery Facilities. The Agency has processed over 110 applications for exemption renewals. All of these were determined within the statutory deadline. 35 waste management licence applications were also processed within the statutory timescale.
- 6.47 NIEA has responsibility for the registration of waste carriers to ensure the legitimate transportation of controlled wastes. This year over 500 applications were processed.
- 6.48 NIEA submitted five cases to the Public Prosecution Service and there are a number of other investigations ongoing. In September 2014, an operator was fined £7,500, and in a separate case a fine of £5,000 was imposed. In another case an operator was sentenced to three months in prison suspended for twelve months for each of three waste offences. Five Fixed Penalty Notices were issued resulting in £1,500 being received in fines. Several formerly unauthorised sites visited have now obtained waste management

authorisations resulting in greater control of the activities and additional revenue in fees. This demonstrates the success of the enforcement section's approach.

- 6.49 NIEA monitors and regulates 86 permitted waste facilities to ensure protection of the environment and human health. This work covers operational landfills, anaerobic digesters, waste water treatment works and large hazardous waste installations. NIEA processed a number of new applications and also dealt with significant variations to existing permits. The waste permitting team also monitors the closure and aftercare of closed landfills to ensure compliance with the Landfill Directive. The team conducted over 350 site inspections to check compliance at permitted sites and closed landfills. NIEA also commenced implementation of the Industrial Emissions Directive (IED) through the permitting regulations 2013, which brings new types of waste facilities into the permitting regime such as large materials recovery facilities producing refuse derived fuel and large metal recycling facilities. Operators were advised on the legislative changes and a number of applications have been received. These are currently being determined and new permits will be issued in 2015.
- 6.50 NIEA is the Monitoring Authority for the Northern Ireland Landfill Allowance Scheme and other Waste Management Strategy key performance indicators such as recycling rates. It collects, validates and audits data from landfill operators and from district councils using the on-line '*WasteDataFlow*' portal. NIEA also collect and validate quarterly data from licensed and permitted waste site operators which is necessary to record Northern Ireland's contribution to the UK's Waste Statistics return to the European Commission.
- 6.51 NIEA has continued to deliver advice as a consultee to planning development and control within the Department in line with the Service Level Agreement. There has been approximately 900 consultations supporting a wide range of developments including the redevelopment of Brownfield and contaminated sites, development of new waste infrastructure and facilities in support of the Northern Ireland Waste Strategy and Infrastructure programmes. NIEA continues to support the implementation of more sustainable remediation technologies as effective alternatives to excavation and disposal to landfill resulting with the waste licensing and deployment of more sustainable treatments at Northern Ireland sites.
- 6.52 NIEA staff assessed and recorded details of all hazardous waste movements under the Hazardous Waste Regulations (Northern Ireland) 2005. Each movement of hazardous waste must be accompanied by a uniquely coded document, known as a consignment note, which tracks the movement of the waste from start to finish. In addition, the Agency complements this with advice on dealing with hazardous waste and compliance with the regulations and carries out assessments on classifying waste. Over 28,800 consignment notes were processed and 224 site visits, audits and road and port checks were conducted. Four warning letters were issued and one file of evidence has been prepared and submitted to the Public Prosecution Service with a recommendation for prosecution.
- 6.53 NIEA also administers and enforces the Transfrontier Shipment of Waste Regulations 2007 in Northern Ireland. NIEA is the Competent Authority for all shipments of waste from and to Northern Ireland, to and from countries outside the UK. The regulations implement the requirements of the EU Regulation 1013/2006 on shipments of waste, which in turn implement the Basel Convention. The procedures to be followed depend on the waste stream involved, the recovery/disposal operation proposed and the country to which it is destined. NIEA processed 65 notifications and assessed over 9,400 Annex VII forms for green listed waste exports. 160 site visits, audits and port checks were conducted to ensure compliance with the regulations. Three Fixed Penalty Notices were issued resulting in £900 being received in fines and one successful prosecution against a major waste operator was taken. NIEA also had to call upon a Financial Guarantee under

a General Notification leading to the successful removal of approximately 3,000 tonnes of abandoned waste at Lisahally port, with no cost being attributed to the Department.

- 6.54 To ensure compliance with the Northern Ireland Packaging Waste Regulations, NIEA carried out 94 regulatory visits to obligated businesses to check that the amount of packaging they handle was reported accurately and their obligations were correct. In addition, 59 businesses that are currently not registered were visited to determine if they were above the thresholds specified in the regulations and needed to register.
- 6.55 The number of producers fell to 405 and these businesses were responsible for recycling 152,110 tonnes of packaging waste, an increase of approximately 2,000 tonnes from the previous year. Eleven local businesses were accredited by NIEA to issue evidence of waste packaging reprocessing or export for recovery. Sale of evidence generated an income of over £2.44m which was re-invested back into the local recycling sector. Seven national Compliance Schemes were visited in a joint audit programme with the Environment Agency (England & Wales) and the Scottish Environmental Protection Agency (SEPA).
- 6.56 NIEA continued to monitor compliance with the Waste Electrical and Electronic Equipment (WEEE) and Batteries regulations. Two WEEE producer compliance schemes were audited this year, 30 audits and spot checks on licensed waste operators dealing with WEEE and Batteries were completed and 32 unregistered businesses were also visited to assess their obligations. In addition, 69 businesses that are currently not registered were identified and will be followed up in the next twelve months. The number of producers registered as WEEE producers was 25. Sixteen local waste operators were approved to issue evidence of WEEE treatment or export for recovery. The online regulatory system for batteries continues to operate with a total of 18 registrations for batteries and one treatment processor approved to issue evidence of battery export for treatment.
- 6.57 NIEA processed five End of Waste (EOW) submissions. The EOW webpage with information, guidance and a submission form were launched at a business workshop in May 2014. This was well attended by a wide range of industry representatives. Six Regulatory Position Statements dealing with issues relating to food, construction and agriculture have been developed and published to assist business and NIEA staff. A statement was published in September 2014 setting out the risks and responsibilities placed on those who collect, deposit, store, re-use or treat waste/used tyres.
- 6.58 A pilot study to develop operational arrangements on fly tipping commenced in June 2012, and had 21 of the former local councils signed up. Under the pilot agreement, NIEA is responsible for the removal of certain types and volumes of fly tipped waste. NIEA organised the collection and disposal of fly tipped waste for 143 incidents amounting to over 1,010 tonnes of waste.
- 6.59 NIEA continued with the repatriation of waste programme. Approximately 9,000 tonnes of waste was removed from a site near Silverbridge in County Armagh in 2014. In addition, preparatory work was completed to plan for the removal of waste from two sites in County Armagh in 2015. NIEA continues to work in close co-operation with colleagues in the Republic of Ireland on this important project.

### **Environmental Crime**

- 6.60 NIEA's Environmental Crime Unit (ECU) was established following recommendations made by the Criminal Justice Inspectorate. Its aim is to deter and disrupt the serious and organised criminality which can be associated with both the legitimate and illegitimate waste management industry in Northern Ireland. These environmental offenders, often

driven by the considerable financial benefit that can be made from the avoidance of landfill (and other associated) taxes, can operate under a veneer of legitimacy using some form of authorisation.

- 6.61 The Unit uses an intelligence-led approach in dealing with waste crime. Intelligence staff processed and handled 961 incident and intelligence reports with associated outcomes used to direct and focus the Unit's resources on the more serious and organised offenders.
- 6.62 Its complex and intensive investigations are conducted in two parts, criminal and financial. The former, to ascertain the level and nature of offending regarding environmental legislation and the latter, to both remove assets acquired through the criminal activity and to deprive convicted environmental criminals of the means for offending in future. This also serves to deter others from similar offending.
- 6.63 NIEA's investigations secured 23 convictions for waste offending, from illegal landfill through to the unauthorised treatment of end of life vehicles. These cases generated £41,745 in fines.
- 6.64 NIEA's financial investigators secured four confiscation orders amounting to £543,940 in Crown Court cases under the Proceeds of Crime Act (POCA). NIEA is granted a proportion of funds recovered under POCA, money which must in turn be used for the purpose of tackling criminality. These monies were used to provide investigative training and to fund the services of a forensic accountant on a short-term basis, using the interchange programme.
- 6.65 NIEA has continued to develop tools to further disrupt and deter criminal activity and began utilising new legislative powers under the Controlled Waste (Seizure of Property) Regulations (NI) 2013 to help tackle waste crime. These powers enabled ECU to seize and retain plant and equipment used in the commissioning of environmental crimes, thereby depriving the criminal of the means to continue offending. The legislation also provides the means for forfeiture of seized plant and equipment (upon conviction).
- 6.66 Criminality within the waste sector has become more organised and sophisticated. Therefore effectively dealing with this criminality will require closer working with other Agencies and Departments. In this regard, NIEA has continued to build on its Strategic Partnership with the PSNI, sharing intelligence and resources to facilitate site surveys and searches, vehicle checkpoints and the arrest of suspects. Furthermore, the Unit's membership of the Organised Crime Task Force sub-groups for dealing with criminal finances and cross-border fuel fraud remains active. Increased co-operation with HMRC has developed, primarily in tackling the scourge of illegally dumped fuel waste.

### **Water Management**

- 6.67 In progressing delivery of the Water Framework Directive (WFD), Draft Second Cycle River Basin Management Plans for the North Eastern, Neagh Bann and North Western River Basin Districts were published in December 2014. The plans set out the latest assessment of the status on the water environment and using this new baseline, sets out proposed objectives for 2021. The plans also set out the proposed measures required to meet these objectives. Finally, stakeholders are invited to provide comments and to get involved through working in partnerships to address local issues. The plans will be available for consultation on 22 June 2015.
- 6.68 NIEA continued to work towards improving water quality to ensure compliance with national targets and EU legislation. A total of 1,871 water pollution reports were

investigated and evidence of pollution was found in 1,073 of these investigations. Where appropriate, clean up and enforcement measures were taken.

- 6.69 A total of 45 files of evidence relating to water pollution incidents were prepared and submitted to the Public Prosecution Service (PPS) with a recommendation for prosecution. In addition, a total of 38 water pollution prosecution cases were heard in court, of which 36 (95%) resulted in a successful conviction. Of the remaining two cases one was resolved by way of a caution and the other was found not guilty. Of the water pollution incidents, 13 cases are being worked on for submission to the PPS with a recommendation for prosecution.
- 6.70 NIEA visited industrial, agricultural, construction, demolition, wind farm and other sites providing pollution prevention advice and carrying out risk assessments with the aim of minimizing the impact of activities on the environment. The Agency works in partnership with the other UK Environment Agencies and has produced Pollution Prevention Guidelines that ensure that advice given is current best practice. NIEA staff have been involved in a range of projects, providing advice relevant to the scoping, design, planning and construction phases.
- 6.71 NIEA continues to work closely with industry, establishing a number of liaison groups and involving the stakeholders in major projects thereby providing a forum to discuss issues and ensure that pollution prevention measures are duly considered and applied. The Agency also provides a reactive function in response to major pollution incidents and carried out a number of site specific risk assessments on business premises.
- 6.72 The number of active trade discharge consents under the Water (Northern Ireland) Order 1999 increased during the year to 3,649 from 3,358 in 2013. The Agency has 862 trade discharges sites which are monitored in its monitoring programme. 89% of the discharges, which were sampled under the 2014 monitoring programme, complied with the conditions of their Water Order Consent.
- 6.73 NIEA has actively worked with colleagues in the Department's Environmental Policy Division (EPD), DARD and stakeholders to amend time-bound elements of the Nitrates Action Programme Regulations including the derogation, together with associated guidance. NIEA also worked with the same bodies in providing guidance to farmers facing potential difficulties over the slurry spreading 'closed period' of winter.
- 6.74 NIEA staff also attended a number of regional agriculture shows, events and meetings throughout the year to provide information to farmers on the Agency's role and existing or proposed environmental regulations, including the derogation, which affect the agricultural industry.
- 6.75 NIEA carried out 321 cross-compliance farm inspections throughout Northern Ireland under the four environmental Statutory Management Requirements and one Good Agricultural and Environmental Condition relating to the Habitats, Birds, Groundwater, Sewage Sludge and Nitrates Directives. 107 further farm premises were visited to investigate alleged pollution incidents and breaches of the Nitrates Action Programme Regulations. In addition, NIEA processed 245 notifications from farmers in relation to new or improved slurry stores, 205 qualifying nitrates derogation applications for 2015 and 168 nitrates derogation fertilisation accounts relating to those farmers who had derogation in 2014.
- 6.76 Northern Ireland Water (NIW) was given responsibility for the delivery of water and sewerage services on 1 April 2007, and 2008 was its first full year of operation. NIW does not have crown immunity and is subject to enforcement action under the Water Order in the same way as any other discharger. From 2008 to the end of March 2015,

Northern Ireland Water has been convicted in the Magistrate's Court on 52 occasions for water pollution offences under the Water (NI) Order 1999. The fines applied upon conviction, totalled £93,150 with a conditional discharge being applied in respect of one conviction. It should be noted that a significant number of water pollution incidents attributed to NIW each year relate to blockages within the sewerage system, the majority caused by inappropriate materials such as baby wipes and sanitary items that people flush down their toilet rather than put in the bin. NIW spends in the region of £1.7m annually clearing blocked sewers and, to minimise the number of incidents, runs a variety of education and awareness raising campaigns. All discharge standards for NIW Waste Water Treatment Works (WWTW) have been reviewed for future population growth and are now being reviewed against the requirements of the Water Framework Directive.

- 6.77 NIEA has worked closely with NIW and the Northern Ireland Authority for Utility Regulation to identify priorities for investment to deliver environmental improvements. This has involved, through the Price Control Process, the establishment of environmental investment priorities for NIW for the period 2015-21 (PC15). A priority list has been agreed to include the upgrade of 19 large and 45 small WWTW and 56 unsatisfactory intermittent discharges during the PC15 process.
- 6.78 NIEA laboratories in Lisburn were reassessed by the United Kingdom Accreditation Service (UKAS) over four days during March 2015. UKAS were satisfied that the laboratories' quality system continued to meet the requirements of accreditation to the international standard ISO17025. They recognised the laboratories had maintained the required quality oversight within a challenging financial context. This outcome was important in the continued provision of a quality assured evidence base for regulatory and policy teams while ensuring continued compliance with the Chemical Analysis of Water Status (Technical Specifications) Regulations.
- 6.79 Earlier in the year additional chemistry determinands were recommended for inclusion in the UKAS scope of accreditation relating to industrial and trade effluents monitoring used in the audit of permitted industrial sites. This work also culminated in allowing the Industrial Pollution and Radiochemical Inspectorate to reduce their regulatory costs.
- 6.80 NIEA set up an interdepartmental group which will assess chemicals impact on Northern Ireland's water bodies. The Forum has been constituted as part of the programme of measures schedule for the second cycle of river basin plans and includes cross-departmental representation and local Government. The remit includes identifying pollutants which may be a priority in the management of Northern Ireland's water bodies and promoting actions which will improve environmental management solutions. The outcome of this work will also be used to update stakeholders in national fora such as the UK Chemistry Task Team on which NIEA is represented.
- 6.81 The NIEA laboratories developed IT based solutions allowing river inspectors across Northern Ireland to transfer their field measurements such as dissolved oxygen directly to the Lisburn based Laboratory Information Management System (LIMS) from their remote work stations. With over 45,000 field measurements and observations captured annually, the process was developed at no capital cost and will save over 10% in staff resource time.
- 6.82 NIEA's Chemistry staff has worked closely with the Irish Environmental Protection Agency (EPA) in the Republic of Ireland (ROI) in the development of novel monitoring techniques, including the use of in-situ passive devices to monitor organic pollutants in the aquatic environment. NIEA also sits on a steering group with the EPA, the Environment Agency and Dublin City University which is examining the ongoing development of these approaches. A practical outcome of the work involved NIEA providing Cypermethrin (insecticide) analysis, which is an EU priority pollutant, for ROI

colleagues. This is enabling them to assess risks associated with this chemical in Donegal water bodies. The partnership is of great value to NIEA as the Agency gains access to the wider EU funded programme which helps inform monitoring strategies in Northern Ireland.

- 6.83 Biological surveying in rivers and lakes is implicit in the Habitats and Water Framework Directives monitoring requirements. Using data to the end of 2013, 23% of river water bodies classified under the Water Framework Directive (WFD) were classified as good ecological status or better. This includes cross-border water bodies not wholly within Northern Ireland.
- 6.84 NIEA set up an inter-agency River Restoration and Continuity group in 2013. The group continues to co-ordinate and consolidate activities in this developing work area. A method to assess river continuity (i.e. accessibility for migratory fish) has been developed and piloted across NI. The group is co-ordinating field studies in particular areas with the aim of developing long-term work plans for practical improvements.
- 6.85 NIEA's scientists have continued to work closely with colleagues in the Republic of Ireland on a range of water related issues driven by EU Directives for Nitrates Control and Water Quality. Scientifically robust monitoring programmes for cross border water bodies have been developed, whereby the work is divided between the two jurisdictions for cost effective delivery.
- 6.86 NIEA continues to supplement its knowledge in the use of hydraulic fracturing (Fracking) through reviewing and engaging with emerging research, studying case studies from other parts of the world and liaising with counterparts in other Environment Agencies in Britain and Ireland, and other countries where fracking is currently proposed or taking place. NIEA is also co-funding an extensive research programme on this issue along with the authorities in the Republic of Ireland. The research programme is expected to last for 24 months and will report in late 2016.

### **Drinking Water Inspectorate**

- 6.87 NIEA's Drinking Water Inspectorate (DWI) continued to work towards improving drinking water quality for both public and private water supplies. This work is carried out on behalf of the Department for Regional Development (DRD) in respect of public supplies and on behalf of DOE in relation to private water supplies. NIEA published 'Drinking Water Quality in Northern Ireland, 2013': the 18th report in a series published by this Unit, in which it gives an independent assessment of the quality of drinking water in Northern Ireland.
- 6.88 The Private Water Supplies Regulations (Northern Ireland) 2009 provide for the ongoing protection for consumers and users of private supplies. Contraventions of the regulatory standards continue to be investigated by DWI in conjunction with the Environmental Health Department of the relevant council in order to improve drinking water quality. Along with the requirement to monitor the drinking water quality there is also a requirement that risk assessments are carried out at private water supplies; this is in line with the drinking water safety plan approach detailed by the World Health Organization (WHO).
- 6.89 NIEA continues to work closely with district councils in implementing the Private Water Supplies Regulations through the provision of training and guidance. To support a competency framework, DWI issue warrant cards to environmental health staff carrying out sampling and risk assessments on its behalf. The Unit currently holds a register of commercial and domestic private supplies which it monitors under the Regulations (the Regulations do not apply to domestic supplies at single private dwellings). It also



continues to provide advice and guidance on private water supplies to owners and users of all private supplies, including those to single private dwellings, and commenced publication of a new biannual Private Water Supplies Bulletin.

- 6.90 NIEA's operational work involved carrying out a radon survey of all registered private water supply sites to gather baseline levels in drinking water. This survey will provide useful information in implementing the Euratom Directive in Northern Ireland, which is planned to come into force in 2015. The Unit has been trialling a new methodology for undertaking risk assessments at private supplies which should improve the effectiveness of the assessments, and introduces an easier system for recording the information.
- 6.91 NIEA continued to work closely with stakeholders, and engage at a UK and international level. It published the 'Private Water Supplies Enforcement and Prosecution Policy' which sets out a set of high level principles by which it would take forward enforcement at these supplies. As part of a benchmarking project, the Unit participated in a study visit of small water supplies in Republic of Ireland along with representatives from Ireland, Scotland and Spain.

### **Historic Environment Division (HED) - Conservation**

- 6.92 NIEA continues to seek to create prosperity and well-being in the Historic Environment through environment and heritage excellence. There are four main areas of its work:
- Recording the Historic Environment i.e. understanding clearly what heritage we have;
  - Protecting the Historic Environment i.e. designating what is important;
  - Conserving the Historic Environment i.e. encouraging a high standard of care; and
  - Promoting the Historic Environment i.e. spreading our knowledge.

#### Historic Environment - Recording

- 6.93 The completion of the Second Survey of Northern Ireland by 2020 is a key target of the Agency. In 2014/15 it remained on progress and achieved its annual target to process over 900 full records. This year survey work was carried out in the council areas of Belfast, Derry, Moyle, and Newry and Mourne. Of the 526 electoral wards in Northern Ireland (1974 boundaries apply), 355 have now been surveyed. HED evaluates and consults upon this data and 958 buildings were fully processed and made publicly available on the Historic Buildings Database during the year.
- 6.94 As well as the area based survey, NIEA completed an assessment of a further 14 one off buildings across Northern Ireland which were identified as priorities. This brings the total number of records transferred in this year to 972, resulting in a total of 9,643 building records transferred. This work significantly increases the information available to NIEA and the public (via its website) with regard to historic buildings.
- 6.95 A number of archaeological investigations were carried out which added to our knowledge of this part of the Historic Environment. Much of this work was carried out as part of developer funded works as a condition of planning consent and reports on this work were deposited with NIEA. The Agency also funded specialist investigation work by the Centre for Archaeological Fieldwork at Queens University and the Centre for Maritime Archaeology at the University of Ulster. Projects included detailed site survey and excavations at Tullaghoge Fort, County Tyrone, and at Greypoint Fort, County Down.
- 6.96 NIEA also partnered Fermanagh County Museum in a highly successful exhibition on the Drumclay crannóg. The first stage of the post-excavation work on the Drumclay crannóg project has been completed with the production of a preliminary data structure report on the results from the excavation which will help inform the scope and design of the main

project. Conservation of some of the objects recovered from the excavation is underway with work being carried out in Scotland under an agreement with Historic Scotland. Small parcels of post-excavation work on some of the object types is either underway or has been commissioned. Selected samples from the site are being investigated at both Queens University Belfast and University College Dublin. Preliminary results from the excavation were delivered to a well- attended and successful public information day, which was held in Enniskillen in September 2014.

#### Historic Environment - Protection

- 6.97 As part of its work on the Second Survey, NIEA designated a further 82 listed buildings in 2014/15 and 731 listed buildings were reviewed in detail and maintained on the list. Records for all of these structures explaining why they are considered to be of special architectural and historic interest, was published online on the Northern Ireland Buildings Database.
- 6.98 As a result of survey work carried out by NIEA archaeological staff and contractors in the Centre for Archaeological fieldwork NIEA designated a further 23 scheduled monuments this year and added 16 features to the Northern Ireland Sites and Monuments Record.

#### Historic Environment - Conservation

- 6.99 Eight conservation projects were completed at State Care monuments during 2014/15. These were works at Old Castle Archdale, Benburb Castle phases 8 and 9, Mount Sandel Fort, Enniskillen Castle magazine, Greencastle barn wall, Newtownards Priory and Carrickfergus Castle Inner Ward wall.
- 6.100 NIEA utilised a Specialist Services and Support contract to obtain specialist advice about specific conservation requirements at identified State Care and scheduled sites. This proved invaluable in both providing management plans and advice for forward work programming and also reacting to unforeseen circumstances requiring conservation intervention. An intensive survey and investigation of Scrabo Tower and its conservation issues was undertaken using this contract and it provided guidance for the future conservation and management of the site.
- 6.101 To follow on from the feasibility study completed last year for Tullaghoge Fort, County Tyrone, NIEA and Cookstown District Council developed plans that were granted planning permission. An initial phase of vegetation enhancement has been conducted, as well as archaeological testing of the site to ensure that the development works do not adversely affect the intrinsic heritage value of the site.
- 6.102 NIEA also erected a temporary building within the outer ward at Carrickfergus Castle. The main purpose of this building is to accommodate visitors while other areas of the castle are closed for conservation in the near future. This is a modern design and will house new interpretation about the castle and town. NIEA are also developing proposals for a new access lane and interpretive centre for Dundrum Castle.
- 6.103 NIEA has, through Heritage-Led Development monies also, funded Fermanagh District Council to undertake large-scale conservation works to the 1881 Building, part of the Enniskillen Castle Barracks complex. This work is integral to the delivery of the Heritage Gateway project for the site, funded by the Heritage Lottery Fund, Tourism NI and Fermanagh District Council. It will provide a heritage hub for the district and signpost visitors to the rich heritage assets in the west of Northern Ireland, many of which are in State Care.

- 6.104 NIEA also funded the removal of a significant amount of political graffiti from the Walls of Derry. NIEA worked with the PSNI and other partners to reach a successful prosecution of those caught painting graffiti onto the Walls. NIEA chairs the Derry's Walls Management Group and worked to develop a new Conservation Plan for the monument during the year which will be the subject of consultation with stakeholders in 2015/16.
- 6.105 Conservation schemes at scheduled historic monuments were successfully completed through agreement with owners including Templecorran Church, County Antrim, and Prehen Bawn and Enagh Church in County Londonderry. Works at Ballywalter's White Church in County Down, and St Aidan's Church, St Breacan's Church and Movanager Bawn in County Londonderry were also commenced.
- 6.106 NIEA continued to conserve archaeology and listed buildings through planning and listed building consent consultations and the issue of Scheduled Monument Consent and archaeological licences. This work often involves significant negotiation and engagement with owners and their agents to ensure that an outcome is achieved which conserves the identified heritage interest in these assets. The Agency employs dedicated architects and archaeologists to ensure this task is completed to the highest standard, and also owners and their agents receive appropriate and timely advice.
- 6.107 NIEA also managed grant schemes for listed buildings to encourage and support owners and communities to undertake appropriate repairs. These schemes were available for the costs of eligible repairs to most types of listed buildings. Over £4m of grant aid was provided, assisting with the repair and maintenance of listed buildings.

Overall funding was provided for 126 schemes such as:

- Mount Stewart & Garden Walls c. £427k
- Killymoon Castle, Cookstown c. £356k
- Derry Cathedral Primary School c. £300k
- Carlisle Memorial c. £300k
- Union Theological College c. £230k
- Northern Counties Club c. £155k
- Apprentice Boys Memorial Hall c. £150k
- Holy Cross Boys School c. £98k

- 6.108 A key target of NIEA is to save 200 historic buildings from loss between 2006 and 2016. In partnership with the Ulster Architectural Heritage Society (UAHS), an online register of Built Heritage at Risk in Northern Ireland (BHARNI) was produced in 2003, and continues to be updated. A further 11 buildings/monuments at risk were saved this year. Ongoing efforts, through increased engagement with owners/Non Governmental Organisations (NGOs)/Building Preservation Trusts/Councils and the Architectural Heritage Fund (AHF), are continuing to seek the achievement of this target. Overall, the total number of listed buildings at risk saved since April 2006 is 183.
- 6.109 NIEA also continued its work to encourage the appropriate conservation of buildings and monuments, working with owners and providing advice. With increasing planning activity and an upward movement in the economy, issues in regard to security at vacant listed buildings declined. No Urgent Works Notices were issued during the year. Agency staff continued to liaise with colleagues in DOE Planning in regard to enforcement for inappropriate change to listed buildings.

Historic Environment - Promotion

- 6.110 NIEA continues to progress the traditional building skills agenda in Northern Ireland. One new time-served stone mason was recruited to its Direct Labour Organisation. It also

facilitated five heritage skills bursary placements in stonemasonry and conservation joinery. These posts were paid for by the Heritage Lottery Fund (HLF) and managed by Construction Industry Training Board (CITB)/Construction Skills. Four of these placements are in conjunction with Historic Scotland.

- 6.111 NIEA and CITB continue to work in partnership to promote traditional skills and represent Northern Ireland in various UK and Ireland-wide fora, including the National Heritage Training Group and the Northern Ireland Traditional Building Skills Working Group. NIEA continues to showcase its specialist craft skills through public Open Days at its main works depot at Moira and at events such as the annual '*SkillBuild*' competition.
- 6.112 The vulnerability of thatch buildings was highlighted at an NIEA seminar held on 20th January 2015 in Waterman House. Dr Fidelma Mullane, President of the Vernacular Committee of The International Council on Monuments and Sites (ICOMOS) Ireland, was invited by NIEA conservation architects to give a talk on the future of vernacular. The owners of the listed thatch buildings were invited to the seminar and it proved a useful event to raise awareness of the owners' concerns about the issues of maintenance, materials, insurance and the spiralling costs of thatch. A wider training seminar for archaeological staff, architects, historians, NGO representatives and Planners was also undertaken in conjunction with Dr Mullane.
- 6.113 The Agency supported partner organisation the Ulster Architectural Heritage Society to publish a revised and updated Directory of Traditional Skills in June 2014, providing an on line resource for owners to source appropriately skilled professionals to assist with conservation works.
- 6.114 Following the launch of the '*Value of the Historic Environment*' report in 2012, Dr James Moir, Director of UK Association of Preservation Trusts was commissioned by the Agency to undertake research in Northern Ireland on Building Preservation Trust (BPT) activity in Northern Ireland. The report will provide a synopsis of BPT activity in Northern Ireland over the past 43 years; looking at the current context in which they operate, defining the current and future capacity of BPTs to undertake projects in line with NIEA targets, and finally examining the options for BPTs working in partnership with a range of bodies and organisations that have an interest in, or relationship to Northern Ireland's heritage assets.
- 6.115 NIEA also seeks to promote Northern Ireland's historic buildings to ensure that they are valued and cherished for the future. The key route to this is by the continued development and promotion of European Heritage Open Days (EHOD) that are normally organised each year on the second weekend in September. A record 75,610 people participated in 2014, visiting over 400 properties and events. The EHOD website is hosted by the Tourism NI, and regularly features events and updates during the year through links to EHOD Social Media pages. Press releases for the 'Thank-you' event in November 2014, and key events linked to EHOD partners were released during the year and linked to protected sites and properties which feature in the EHOD weekend, raising the profile of the historic environment in the media.
- 6.116 The 'Northern Ireland Tourism Statistics 2013' report estimates that the average public spend on a tourism day trip within Northern Ireland is £28 per person. This figure would suggest that EHOD 2014 contributed £2,117,080 to the Northern Ireland economy. This is an increase of 24% on the previous year's figures. The 2014 spend by DOE on EHOD (excluding staff costs), was approximately £47,000, which suggests that we have achieved a figure of £45 return on investment per £1 spent for EHOD 2014. This appears to show that the event could help to grow a sustainable economy in Northern Ireland.

- 6.117 In regard to historic monuments and archaeological sites, NIEA is committed to working in partnership with others to make key historic environmental assets, such as historic monuments and historic landscapes accessible to the public. For example, in County Down, we have provided continued support for outreach and participation focusing on Christian Heritage based in the St Patrick's Centre, Downpatrick. Funding was also supplied towards the relocation of the Downpatrick Cross within a purpose-built Christian Heritage gallery in Down County Museum. NIEA also worked closely with volunteers in promoting and presenting Grey Point Fort and facilitated structural surveys by Civil Engineering students from Queen's University Belfast. The volunteers were active in practical tasks to enhance the Fort and associated artefacts, and also in promoting it as a visitor attraction through running events.
- 6.118 NIEA continued to engage the public with its ongoing programme of archaeological work across Northern Ireland. All age groups from primary school children through to retired adults visited and took an active part in archaeological excavations and surveys throughout the year. At Tullaghoge Fort, County Tyrone, over 400 school children visited the site and took part in the excavations and a further 300 visitors came along to visit. Excavations were also conducted at Grey Point Fort and Struell Wells, County Down, and Dunluce Castle, County Antrim.
- 6.119 The Monuments and Buildings Record (MBR) managed by Historic Environment Division (HED) is the central repository of information on monuments and buildings of Northern Ireland. Included is information on monuments, historic buildings, places of industrial heritage, parks and gardens, battlefields, sites of defence heritage and maritime features and their associated drawn, photographic and cartographic records. Much of this information is available on line and was also accessible during the year at its location in Hill Street, Belfast.

### **Heritage Innovation**

- 6.120 Plans for developing new visitor facilities at Dunluce Castle, as part of an exciting proposal to excavate and conserve the 17<sup>th</sup>-century "Lost Town of Dunluce", have been well progressed. Public consultation days held at the castle in May 2014 generated significant local interest and feedback.
- 6.121 A study of the economic value of Northern Ireland's historic environment published in 2012 concluded that there was significant potential to further develop the heritage sector. Following engagement with key government, NGO and private sector stakeholders during 2013, a strategy and plan for realising this potential has been developed to take forward the recommendations of the study. Implementation of a number of initiatives and partnerships initiated in 2013/14 has continued, including:
- Further progress on developing a world class visitor experience at Dunluce Castle in partnership with the Heritage Lottery Fund; and
  - An investment programme by DOE to enhance visitor facilities, access and infrastructure at Carrickfergus Castle, Dundrum Castle and Tullaghogue Fort.
- 6.122 The innovation trial programme closed in October 2014. The Carrickfergus Innovation Trial achieved a number of successes in its 16 months of operation. A range of community and commercial events were held at the castle in addition to those normally run by NIEA. These events facilitated greater use of the castle by the local community as well as promoting the town to a wider market.
- 6.123 The establishment and running of the trial brought about enhanced communications between Carrickfergus Borough Council and NIEA and encouraged a collective pooling of ideas for use of the castle and promotion of the town by both groups. Whilst the trial is

no longer in operation, it will serve as a good building block for future partnership arrangements with the new Super Councils.

### **Carrier Bag Levy**

6.124 The carrier bag levy scheme was introduced on 8 April 2013. The scheme is managed, administered and reported on by the DOE Regulatory and Natural Resources Policy Division. The purchase of carrier bags during 2014-15 generated proceeds totalling some £3.5m and these were allocated to NIEA. The Minister was committed to ensuring that these proceeds were returned to local community environmental projects. Most of the proceeds were therefore channelled through the Challenge Fund and the Natural Heritage Fund. £405k was expended from the carrier bag levy on conservation schemes to assist with the costs of eligible repairs to 17 community-led listed buildings. From 19 January 2015, the levy was extended to include multi-use carrier bags retailing for less than 20 pence.

### **Planning Consultations**

6.125 NIEA is an important consultee on planning matters and considers this one of our most important roles. The Agency replied to 83.1% of the 5,852 'routine' planning consultation requests received (until February 2015) during the year within 15 working days of receipt.

### **Strategic Environmental Assessment (SEA)**

6.126 As the Consultation Body for the Environmental Assessment of Plans and Programmes Directive (Strategic Environmental Assessment), NIEA seeks to influence plans and programmes to ensure that they take potential environmental impacts and preventative measures into consideration during their preparation and prior to adoption.

6.127 NIEA was consulted and provided advice on 28 plans and programmes developed by Government Departments and public bodies from a wide variety of sectors such as waste management, rural, energy, marine, and spatial planning. Formal requests were received at a number of different stages of these plans including screening, scoping and environmental reporting. The Agency has maintained a 100% target for response times on statutory consultations.

6.128 NIEA has continued to be involved in a number of informal meetings to advise on SEA requirements. The Agency has also engaged with informal trans-boundary consultations to help ensure that plans and programmes from other Member States do not have a significant effect on our environment.



**Wesley Shannon**  
(Acting) Chief Executive  
24 June 2015

# Director's Report

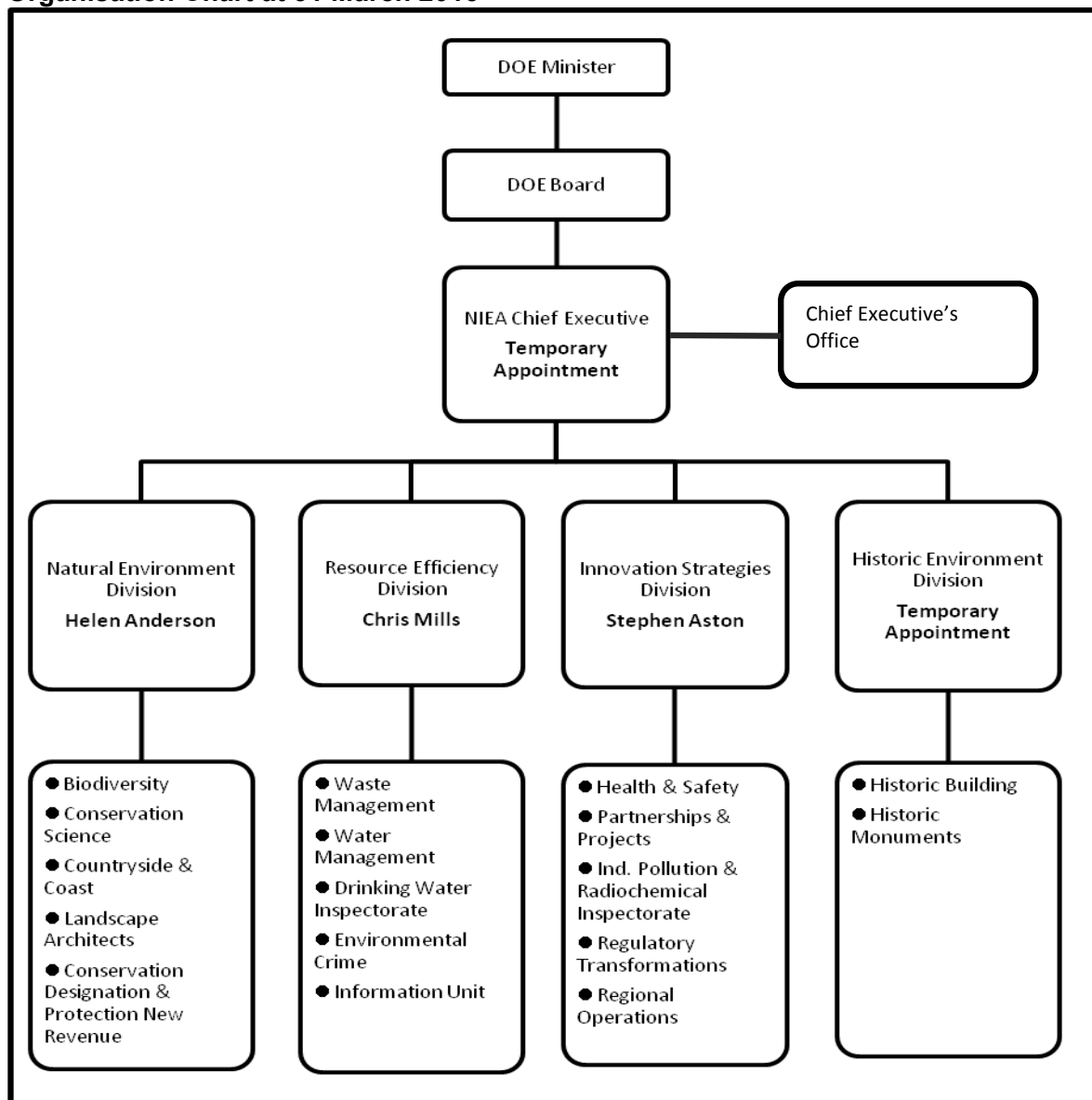
## Management Board

NIEA's Management Board during the year ended 31 March 2015 comprised:

Terry A'Hearn	-	Chief Executive (to 11 March 2015)
Vacant	-	Director of Historic Environment Division (filled on a 3 month rotating basis by the three Assistant Directors of HED)
Helen Anderson	-	Director of Natural Environment Division
Dave Foster	-	Director of Resource Efficiency Division (from 1 April to 6 June 2014)
Christopher Mills	-	Director of Resource Efficiency Division (from 21 July 2014)
Stephen Aston	-	Director of Innovation Strategies Division

Note – From 12 March 2015, Agency Accounting Officer responsibilities were discharged by the Principal Accounting Officer until the appointment of Wesley Shannon as Acting Agency Chief Executive and Accounting Officer on 1 April 2015.

## Organisation Chart at 31 March 2015



## **Independent Board Members**

There were no Independent Board Members during the 2014/15 financial year.

## **Company Directorships**

There are no company directorships or other significant interests held by Management Board members which conflict with their management responsibilities. All Members of the Agency's Board have made a Declaration of Interests. Any interests declared have been recorded and will be managed if there is believed to be a conflict of interest.

## **Auditor**

Our financial statements are audited by the Comptroller & Auditor General for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Agency and the Department. He reports his findings to the Northern Ireland Assembly.

The audit of the financial statements for 2014/15 resulted in a notional audit fee of £21K which is included in the administration costs in the Statement of Comprehensive Net Expenditure. As far as I am aware, there is no relevant audit information of which the entity's auditor is unaware. I have taken all the steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the Agency's auditor is also aware of that information.

The Accounting Officer is content that there is no relevant audit information which the Department's auditor should be aware of. The Accounting Officer has taken all reasonable steps to ensure that both he and the Department's auditor is aware of all relevant audit information.

## **Pension Liabilities**

The Agency is covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) and bears the cost of pension provision for its staff by payment of an Accruing Superannuation Liability Charge (ASLC). The scheme is essentially non-contributory and unfunded. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS (NI). The Agency meets the cost of pension cover provided for staff by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS (NI) as a whole.

Further information on Pensions is provided in the Remuneration Report (page 40) and Note 2 of the Accounts (page 71).

## **Supplier Payment Policy**

The Agency is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is made within 30 days of the receipt of the goods and services, or presentation of a valid invoice or similar demand, whichever is later. In November 2008, the Executive sought payments to be made within 10 days to help local businesses in the current economic climate. In 2014/15, 96.0% of invoices for goods or services were paid within 30 days (97.7% in 2013/14) and 87.2% were paid within 10 days (91.1% in 2013/14).

## **Charitable Donations**

The Agency made no charitable donations within the financial year (2013/14: £nil).



## **Disabled Persons**

It is the Agency's policy to give equality of opportunity when considering applications from disabled persons. The Agency complies with all existing legislation in regard to its disabled employees.

## **Equality of Opportunity**

The Agency follows the Northern Ireland Civil Service policy that all eligible persons shall have equal opportunity for employment and advancement on the basis of their ability, qualification and aptitude for the work.

## **Freedom of Information**

The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 give everyone the right to access government information and place a statutory duty on government to make certain information publicly available as a matter of course. A total of 127 (2013/14: 137) 'Requests for Information', falling within the terms of this legislation, were received within the period of this report.

## **Health & Safety**

The Agency is committed to ensuring the health, safety and welfare of staff, and others who may be affected by its undertakings. In 2011, the Board approved the NIEA Health & Safety Strategy (2011-15). Health & Safety performance is formally reviewed on an annual basis and an associated Annual Programme of Work produced to ensure that the high standards achieved are continually improved through policy development, staff consultation, risk assessment, monitoring and review procedures.

## **Sick Absence**

Sick absence figures from April 2014 to March 2015 for non-industrial staff is 8.2 days (3.7%) (2013/14: 8.4 days, 3.8%) working days lost and for industrial staff, 7.3 days (3.3%) (2013/14: 7.1 days, 3.2%) working days lost. The overall NIEA absence rate for 2014/15 is 8.2 (3.7%) (2013/14: 8.3 (3.7%) working days lost. The target for 2014/15 is 7.5 days (2013/14: 8.0 days).

## **Employee Involvement**

The maintenance of a highly skilled and effective workforce is key to the future of our business. We support them in updating their skills through the Agency's training and development opportunities. We also encourage staff to remain well-informed on new developments and to network with, for example, Great Britain departments and agencies and European bodies. Development opportunities focus not only on professional and technical knowledge, but also on ensuring staff have the skills and attributes to provide a high level of customer service when working with the public and other outside bodies.

Our commitment to, and recognition of staff, is integral to our business performance. Having achieved the Investors in People (IIP) standard in the Spring of 2009, the Agency was involved in (IIP) reassessment in 2012/13 as part of the wider departmental review. In April 2014, DOE achieved formal recognition as an 'Investor in People'.

The Agency recognises the benefits of keeping employees informed of the progress of the business and of involving them in the Agency's performance. During the year employees were regularly provided with information regarding the performance of NIEA and on other matters of concern to them, as employees, through meetings and notices. The Chief Executive also issued weekly e-mail updates to staff to keep them informed of Agency news and developments such

as change initiatives, senior management moves and significant achievements across the NIEA. The Agency's Whitley Council also provides for regular consultation with employees' representatives.

## **Sustainability Report**

NIEA recognises the importance of having sustainability at the core of its business not just because of the more positive environmental outcomes that result but also because of the direct cost savings that can be achieved and as evidence of leading by example. NIEA has contributed to the Executive's Sustainable Development Strategy Implementation Plan 2011-2014 which led to the development of a Sustainability statement. NIEA continues to engage in a variety of ways with many organisations, bodies and individuals across all sectors of Northern Ireland society and with those in other administrations and internationally in order to develop and implement policy and legislation which support the delivery of sustainable development priorities. Examples include:

- Work with other Government Departments, key stakeholders and the three Statutory Advisory Councils (Council for Nature Conservation and the Countryside, Historic Buildings Council and the Historic Monuments Council) on issues of importance in relation to the protection of biodiversity and the conservation and sustainable reuse of the built heritage, including the establishment of a prosperity agreement with a Building Preservation Trust in Derry;
- Partnerships for Strangford Lough, Mourne and the Causeway Coast and Glens to ensure effective stakeholder engagement in the sustainable management of these strategically important areas; and
- Development of NI specific guidance on the importance of good management of its historic estate.

Prosperity Agreements are voluntary agreements between NIEA and a third party organisation which are designed to assist businesses in finding opportunities for sustainable growth which enhance both their business and their environmental performance. The Minister chaired the first meeting of the Prosperity Panel, which was held in Derry on the 14<sup>th</sup> March 2015. This group of influential local and International leaders with a wide range of interests were gathered to provide strategic advice to the Minister on critical issues. The first meeting was focussed on Climate Change.

NIEA continues to use a formalised Environmental Management System (EMS) specified to the International Standard ISO 14001 to deliver improvements in the environmental stewardship of key sites. The NIEA Environmental Management System is built around the six key themes of Energy, Waste, Water, Travel, Procurement and Estate Management arising from the Departmental Sustainable Development Action Plan. By managing our environmental footprint, NIEA drives business efficiency, ensures compliance with applicable legislation and delivers procurement ethically and sustainably. Specific actions arising from implementation of the NIEA environmental management programmes have resulted in progress in the following areas:

- The Agency has commissioned contractors to complete restoration of the historic hydroelectric power scheme at Roe Valley Country Park. This is in support of the Northern Ireland Executive Programme for Government 2011-2015 commitments to increase electricity consumption from renewable sources and to work towards a reduction in carbon emissions. The restoration has the potential to offset 50% of NIEA's electricity consumption, reduce carbon emissions, conserve industrial heritage and in time deliver a revenue stream which may fund other worthy environmental projects. Phase 2 of this project commenced on site in January 2014 and was scheduled to be complete by November 2014. However, the completion

date has been delayed due to the fact that NIE have identified a need to upgrade 1.4km of overhead lines before the hydro scheme can be connected to the National Grid. There is a significant cost associated with this upgrade work and approval for additional funding for completion of the project is being sought;

- NIEA continues to procure 95% of its electricity needs from renewable sources. The Agency has invested in voltage optimisation and implemented energy efficiency measures across the 4 sites to deliver carbon reductions and financial savings. Electricity usage has decreased by over 10% since 2010/11 despite increased building use outside office hours and increased staff numbers;
- The sites have achieved 60-70% waste recycling. The implementation of a new waste management contract has enabled a more diverse range of waste to be diverted from Landfill. Food waste recycling commenced in Klondyke, Lisburn and Waterman House during 2014; and
- Removal of desk bins is currently being piloted in NIEA sites, with the intention of permanent removal to enhance recycling.

The Agency participated in the 16<sup>th</sup> Northern Ireland Environmental Benchmarking Survey which is managed by Business in the Community NI. This year, nearly 400 organisations from fourteen different sectors took part in the survey, including the top 200 companies. The Agency achieved the top position of 'Platinum', demonstrating continuous improvement and that our environmental performance is up amongst the top performing businesses in Northern Ireland.

## Information Management

Effective information security is a key priority for the Agency through recognising that stringent principles of information security must be applied to all information it holds. The Departmental Information Security Committee (DISC) established under the Information Assurance Framework strengthens the Department's approach to the management and security of information. In relation to data security, the Agency follows departmental guidance to ensure that all information used for operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third parties, or relied on by other parts of government. There were no significant data security breaches reported during the year.



**Wesley Shannon**  
(Acting) Chief Executive  
24 June 2015

# Agency Remuneration Report

## Remuneration and Pension Entitlements

### Remuneration policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Board report which he commissioned in 2010. The commitment to a Pay and Grading Review for SCS was the second phase of the equal pay settlement approved by the Executive.

### Service contracts

Civil Service appointments are made in accordance with the Civil Service Commissioner's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at [www.nicscommissioners.org](http://www.nicscommissioners.org)

### Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior management of the agency.

#### Remuneration (including salary) and pension entitlements (audited)

Officials	2014-15					2013-14				
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits £'000	Total £'000	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits £'000	Total £'000
Mr T A'Hearn Chief Executive** (until 11/3/15)	90-95 (90-95 full year equivalent)	-	Nil	34	125-130	90-95	-	Nil	35	125-130
Mrs H Anderson Director of Natural Environment Division	60-65	-	Nil	17	80-85	60-65	-	Nil	62	125-130
Mrs D Stevenson Acting Director of Natural Environment Division (until 4/4/14)	0-5 (60-65 full year equivalent)	-	Nil	(5)	0-5	25-30 (60-65 full year equivalent)	-	Nil	15	40-45

Officials	2014-15					2013-14				
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits £'000	Total £'000	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits £'000	Total £'000
Mr T Irwin <i>Acting Director of Natural Environment Division (from 7/4/14 to 30/6/14)</i>	10-15 (60-65 full year equivalent)	-	Nil	9	20-25	-	-	-	-	-
Mr D Foster <i>Director of Resource Efficiency (from 1/4/14 to 9/6/14)</i>	10-15 (65-70 full year equivalent)	-	Nil	1	10-15	65-70	-	Nil	13	80-85
Mr C Mills <i>Director of Resource Efficiency (from 21/7/14)</i>	50-55 (75-80 full year equivalent)	-	Nil	20	70-75	-	-	-	-	-
Mr S Aston <i>Director of Innovation Strategies</i>	60-65	-	Nil	(19)	40-45	60-65	-	Nil	-	60-65
Mr B McKervey <i>Acting Director of Historic Environment  (from 7/4/14 to 11/5/14,  from 21/7/14 to 24/8/14,  from 10/11/14 to 14/12/14,  from 23/2/15 to 29/3/15)</i>	5-10  5-10  5-10  5-10  (65-70 full year equivalent)	-  -  -  -	Nil  Nil  Nil  Nil	4  5  6  7	10-15  10-15  10-15  10-15	  -  -	-  -  -	-  -  -	-  -  -	

Officials	2014-15					2013-14				
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits £'000	Total £'000	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits £'000	Total £'000
Mr M Deery <i>Acting Director of Historic Environment</i>										
<i>(from 12/5/14 to 15/6/14,</i>	5-10	-	Nil	4	10-15					
<i>from 25/8/14 to 31/8/14,</i>	0-5	-	Nil	(1)	0-5					
<i>from 6/10/14 to 9/11/14,</i>	5-10	-	Nil	-	5-10	-	-	-	-	-
<i>from 15/12/14 to 18/1/15,</i>	5-10	-	Nil	5	10-15					
<i>from 30/3/15 to 31/3/15)</i>	0-5	-	Nil	-	0-5					
	<i>(65-70 full year equivalent)</i>									
Mr J O'Keeffe <i>Acting Director of Historic Environment</i>										
<i>(from 16/6/14 to 20/7/14,</i>	5-10	-	Nil	6	10-15					
<i>from 1/9/14 to 5/10/14,</i>	5-10	-	Nil	7	10-15	-	-	-	-	-
<i>from 19/1/15 to 22/2/15)</i>	5-10	-	Nil	8	10-15					
	<i>(65-70 full year equivalent)</i>									

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

\*\* From 12 March 2015, Agency Accounting Officer responsibilities were discharged by the Principal Accounting Officer until the appointment of Wesley Shannon as Agency Chief Executive and Accounting Officer on 1 April 2015.

	<b>2014-15</b>	<b>2013-14</b>
Band of Highest Paid Director's Total Remuneration	90-95	90-95
Median Total Remuneration	27,271	27,884
Ratio	3.4	3.3

The Northern Ireland Environment Agency is required to disclose the relationship between the remuneration of the highest paid director in the Agency and the median remuneration of the Agency's workforce.

The banded remuneration of the highest-paid director in the Northern Ireland Environment Agency in the financial year 2014-15 was £90-95K (2013-14: £90-95K). This was 3.4 times (2013-14: 3.3 times) the median remuneration of the workforce, which was £27,271 (2013-14: £27,884).

In 2014-15, nil (2013-14: nil) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15,108 to £94,789 (2013-14: £15,108 to £92,259).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include employer pension contributions, the cash equivalent transfer value of pensions as well as severance payments.

### **Salary**

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

### **Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

### **Bonuses**

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2014-15 relate to performance in 2014-15 and the comparative bonuses reported for 2013-14 relate to performance in 2013-14.

**Pension Entitlements (audited)**

<b>Officials</b>	<b>Accrued pension at pension age as at 31/3/15 and related lump sum £'000</b>	<b>Real increase in pension and related lump sum at pension age £'000</b>	<b>CETV at 31/3/15 £'000</b>	<b>CETV at 31/3/14 £'000</b>	<b>Real increase in CETV £'000</b>	<b>Employer contribution to partnership pension account  Nearest £100</b>
Mr T A'Hearn <i>Chief Executive (until 11/3/15)</i>	5-10 no lump sum	0-2.5 no lump sum	60	34	18	Nil
Mrs H Anderson <i>Director of Natural Environment Division</i>	20-25 plus lump sum of 65-70	0-2.5 plus lump sum of 2.5-5	413	380	12	Nil
Mrs D Stevenson <i>Acting Director of Natural Environment Division (until 4/4/14)</i>	20-25 plus lump sum of 65-70	0-2.5 plus lump sum of 0-2.5	479	478	1	Nil
Mr T Irwin <i>Acting Director of Natural Environment Division (from 7/4/14 to 30/6/14)</i>	20-25 plus lump sum of 60-65	0-2.5 plus lump sum of 0-2.5	397	384	11	Nil
Mr D Foster <i>Director of Resource Efficiency (from 1/4/14 to 9/6/14)</i>	10-15 plus lump sum of 30-35	0-2.5 plus lump sum of 0-2.5	169	165	2	Nil
Mr C Mills <i>Director of Resource Efficiency (from 21/7/14)</i>	0-5 no lump sum	0-2.5 no lump sum	18	-	13	Nil
Mr S Aston <i>Director of Innovation Strategies</i>	25-30 plus lump sum of 150-155	(2.5-5) plus lump sum of 60-62.5	694	673	(12)	Nil



<b>Officials</b>	<b>Accrued pension at pension age as at 31/3/15 and related lump sum</b> <b>£'000</b>	<b>Real increase in pension and related lump sum at pension age</b> <b>£'000</b>	<b>CETV at 31/3/15</b> <b>£'000</b>	<b>CETV at 31/3/14</b> <b>£'000</b>	<b>Real increase in CETV</b> <b>£'000</b>	<b>Employer contribution to partnership pension account</b>  <b>Nearest £100</b>
Mr B McKervey <i>Acting Director of Historic Environment</i>						
<i>(from 7/4/14 to 11/5/14,</i>	10-15 no lump sum	0-2.5 no lump sum	140	132	4	Nil
<i>from 21/7/14 to 24/8/14,</i>	10-15 no lump sum	0-2.5 no lump sum	149	144	4	Nil
<i>from 10/11/14 to 14/12/14,</i>	10-15 no lump sum	0-2.5 no lump sum	158	152	5	Nil
<i>from 23/2/15 to 29/3/15)</i>	10-15 no lump sum	0-2.5 no lump sum	166	161	5	Nil
Mr M Deery <i>Acting Director of Historic Environment</i>						
<i>(from 12/5/14 to 15/6/14,</i>	5-10 plus lump sum of 20-25	0-2.5 plus lump sum of 0-2.5	121	117	4	Nil
<i>from 25/8/14 to 31/8/14,</i>	5-10 plus lump sum of 20-25	0-2.5 plus lump sum of 0-2.5	127	127	-	Nil
<i>from 6/10/14 to 9/11/14,</i>	5-10 plus lump sum of 20-25	0-2.5 plus lump sum of 0-2.5	130	129	1	Nil
<i>from 15/12/14 to 18/1/15,</i>	5-10 plus lump sum of 20-25	0-2.5 plus lump sum of 0-2.5	136	131	4	Nil
<i>from 30/3/15 to 31/3/15)</i>	5-10 plus lump sum of 25-30	0-2.5 plus lump sum of 0-2.5	139	138	-	Nil

Officials	Accrued pension at pension age as at 31/3/15 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/15 £'000	CETV at 31/3/14 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account  Nearest £100
Mr J O'Keeffe <i>Acting Director of Historic Environment</i>						
<i>(from 16/6/14 to 20/7/14,</i>	10-15 plus lump sum of 30-35	0-2.5 plus lump sum of 0-2.5	136	130	5	Nil
<i>from 1/9/14 to 5/10/14,</i>	10-15 plus lump sum of 30-35	0-2.5 plus lump sum of 0-2.5	146	141	5	Nil
<i>from 19/1/15 to 22/2/15)</i>	10-15 plus lump sum of 30-35	0-2.5 plus lump sum of 0-2.5	155	149	5	Nil

### Northern Ireland Civil Service (NICS) Pension Arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI.

A new pension scheme, alpha, will be introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements will move to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is also a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of the scheme membership. The rate will be 2.32%. CARE pension benefits are increased annually in line with increases in the CPI.

For 2015, public service pensions will be increased by 1.2% for pensions which began before 6 April 2014. Pensions which began after 6 April 2014 will be increased proportionately.

Employee contributions rates for all members for the period covering 1 April 2015 to 31 March 2016 are as follows:

### Scheme Year 1 April 2015 to 31 March 2016

Pay band – assessed each pay period		Contribution rates – Classic members	Contribution rates – classic plus, premium, nuvos and alpha
From	To	From 1 April 2015 to 31 March 2016	From 1 April 2015 to 31 March 2016
£0	£15,000.99	3%	4.6%
£15,001.00	£21,000.99	4.6%	4.6%
£21,001.00	£47,000.99	5.45%	5.45%
£47,001.00	£150,000.99	7.35%	7.35%
£150,001.00	and above	8.05%	8.05%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**. The normal pension age in alpha will be linked to the member's State Pension Age but cannot be before age 65. Further details about the CSP arrangements can be found at the website [www.dfpni.gov.uk/civilservicepensions-ni](http://www.dfpni.gov.uk/civilservicepensions-ni)

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values)

(Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **Compensation for loss of office**

No compensation payments were made or are due to any of the senior management in the Northern Ireland Environment Agency under the Civil Service Compensation Scheme (Northern Ireland) (CSCS(NI)) in the year ending 31 March 2015.



**Wesley Shannon**  
(Acting) Chief Executive  
24 June 2015

## STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance and Personnel has directed the Northern Ireland Environment Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Northern Ireland Environment Agency and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the relevant Accounts Direction issued by the Department of Finance and Personnel including the accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual, have been followed and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Principal Accounting Officer for the Department of the Environment for Northern Ireland has appointed the Chief Executive as Accounting Officer of the Northern Ireland Environment Agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and safeguarding the Northern Ireland Environment Agency's assets, are set out in "Managing Public Money Northern Ireland" issued by the Department of Finance and Personnel.



**Wesley Shannon**  
(Acting) Chief Executive  
24 June 2015

# GOVERNANCE STATEMENT

## **Introduction**

This statement explains the governance arrangements of the Northern Ireland Environment Agency (NIEA), describes how risk is managed and outlines the system of internal control. It also evaluates the effectiveness of these arrangements during the 2014-15 financial year.

Our strategic objective is to create prosperity and well being through environment and heritage excellence.

We seek to achieve the strategic objective in a variety of ways, including regulation and enforcement, designation and management of sites, grant-aid schemes, and management of countryside and heritage properties, monitoring programmes, and awareness raising measures.

As part of DOE, the Agency seeks to ensure high standards are maintained by all staff in fulfilling their role of supporting the Minister and delivering good quality services to our customers, many of whom contribute directly to the costs of delivering the services concerned. Our values, developed from the Northern Ireland Civil Service Code of Ethics, identify the behaviours Agency staff will demonstrate to customers, its stakeholders and to each other.

## **Governance Structures**

### **General**

The NIEA is an Executive Agency within the Department of the Environment (DOE) and operates within the context of the Department's overall vision and strategic objectives. The Minister approves the policy framework within which the Agency operates and its business plan including annual performance targets.

As Acting Chief Executive of the Agency, I report directly to the Permanent Secretary of the Department. I am also a member of the Departmental Board and attend the Departmental weekly stock take meetings chaired by the Permanent Secretary to review key current issues. I also attend the Departmental Audit Committee meetings.

As Acting Chief Executive I am also the designated Accounting Officer, in which capacity I am responsible to the Permanent Secretary (as the principal Accounting Officer) and the Minister for maintaining a sound system of internal control that supports the achievement of Agency policies, aims and objectives, as set by the Minister, whilst safeguarding the public funds and Agency assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money Northern Ireland (MPMNI)*.

The key organisational structures which help me support the delivery of Corporate Governance within the Agency are the:

- ◆ Agency Management Board;
- ◆ Agency Audit Committee;
- ◆ Agency Corporate Governance Sub Committee;
- ◆ Finance and Business Planning Division;
- ◆ Human Resources and Organisational Change Division;
- ◆ Internal Audit Service; and
- ◆ Statutory Advisory Councils.

## Management Board

The work of NIEA is co-ordinated and monitored by a Management Board which I Chair and which provides corporate leadership to the organisation as a whole, takes responsibility for the Agency's performance, and provides advice to the Department's Permanent Secretary and the Minister. The Board exists to lead the Agency's strategic planning and assist me as the Acting Chief Executive and Agency Accounting Officer in meeting my corporate governance responsibilities for the Agency. In addition to me as Chair, during the reporting year the Agency Management Board comprised the Agency's 4 Executive Directors (see page 35 of the Annual report for further details).

The Board, which meets on a monthly basis, operates under my leadership, to manage the running of the Agency. While strategic policy is determined by the Minister, the Agency Board will discuss such policy in the context of analysing options, strategic planning and operational management and will act in an advisory and consultative capacity, offering guidance when sought. It does not usually direct any of its members on how their business areas should be run. Although significant, contentious or cross-cutting policy decisions are normally brought to the Board for discussion and endorsement, day-to-day operational matters are the responsibility of the Agency's relevant Executive Director. The Board will seek to take collective decisions on matters referred to it in keeping with the Nolan principles of public life. If a consensus cannot be reached, I, in my role as Acting Chief Executive, will make a final decision.

The Board seeks to operate within its Standing Orders and the guidelines set out in Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013. It is responsible for ensuring that good practice in corporate governance is adhered to including the maintenance of a transparent risk management system and prudent and effective controls. The Board's Standing Orders, which include details of the function, composition and operation of the Board meetings, are provided in its Corporate Governance Framework. I have outlined alternative arrangements operated by the Agency in relation to Board membership as follows:-

- One principle from the 'Good Practice' guide which the Board does not comply with is the inclusion of a professional Finance Director as a member on the Board. However, I am content with the current arrangement whereby both Finance and HR Business Partners attend all Board meetings to provide relevant advice and guidance to help support Board members in their executive decision making role.
- The Agency operates under an Agency Management Board which provides advice and support in the exercise of the functions of the Agency as set out in the Department's Agency Framework document. The exercise of the functions of the Agency is also overseen by the Departmental Board which includes two independent board members. The Department's Principal Accounting Officer has concluded, following consultation with the Minister of the Environment, that existing arrangements for the corporate governance of the Department and agencies within the Department do not require the appointment of further independent board members to the board of the agencies within the Department.

The Board receives standard monthly information in regard to expenditure against budgets, workforce planning, managing attendance and other HR issues, as well as an update on health and safety issues. On a quarterly basis, in addition to these standard monthly papers, updates are provided on progress in achieving the Agency Key Performance and balanced scorecard targets, the risks in the corporate risk register are reviewed and any significant internal control issues that have been raised in the Chief Executive's Assurance Statement are discussed.

In line with the Corporate Governance Central Government Departments Code of Good Practice NI 2013 and the Agency Corporate Governance Framework Document, the NIEA Board undertook a review of the Board's effectiveness during 2014-15. Board members completed a

questionnaire focusing on the three key areas of performance management, control and risk and information/working effectively. A report was tabled at the June 2014 Board meeting which analysed the strengths and weaknesses of each of these three areas and a number of actions were agreed for addressing the perceived weaknesses. The report also concluded that the Board is content with the quality of information in Board papers as they provide reliable and timely information to inform key decisions.

### Stewardship of Resources

In terms of financial performance for 2014-15, the Agency had an overspend on the resource expenditure budget of £234k which represents 0.69% of the overall net resource budget (£33.9m). This overspend was mainly attributable to the utilisation of provision in relation to Employers' Liability Claims. This financial outturn followed an in year reduction (£2.6m – c7%) applied to the Agency's resource budget. Savings were delivered mainly from not filling vacancies and the cessation of all casual contracts. In relation to the overall capital budget the Agency had a marginal underspend of £144k (3.6%) against a budget of £3.95m. The development of actions to deliver these savings was facilitated by extraordinary Board Finance meetings which were held in September and October 2014.

### **Audit Committee**

The role of the Audit Committee is to support me in my responsibilities concerning Corporate Governance and Risk Management, by reviewing the levels of assurances provided to me and the timeliness, reliability and integrity of those assurances. The Audit Committee reviews and monitors updates to audit action plans, updates to the corporate risk register and provides support and guidance on corporate governance issues. During 2014-15, the Committee was comprised of 3 independent members and two meetings were held in June and December 2014. I have acknowledged and have referred to the Committee's concerns about the Agency's performance against the Key Performance targets in the 'Significant Issues' section of this statement.

### Board and Audit Committee attendance

The attendance record of all Board and Audit Committee members during the reporting period is shown in the table below:

	<b>Meetings attended per Board and Audit Committee members out of the meetings eligible to attend</b>	
	<b>Board</b>	<b>Audit Committee</b>
<b>Board Members</b>		
Terry A'Hearn (Chief Executive until 11 March 2015)	9/11	1/2
Helen Anderson (Director of Natural Environment)	12/12	1/2
Tim Irwin (Acting Director of Natural Environment from 1 April to 27 June 2014)	2/2	
Brian Mc Kervey (Acting Director of Historic Environment Division) (1)	3/3	
Dr. John O'Keeffe (Acting Director of Historic Environment Division) (1)	4/4	1/2
Manus Deery (Acting Director of Historic Environment) (1)	5/5	



Dave Foster (Acting Director of Resource Efficiency from 1 April to 27 June 2014 )	2/2	
Chris Mills (Director of Resource Efficiency, from 21 July 2014)	6/8	1/2
Stephen Aston (Director of Innovation Strategies)	9/12	2/2

(1) Acted up to Director of HED on a 3 month rotational basis for all of the 2014-15 financial year.

	<b>Meetings attended per Board and Audit Committee members out of the meetings eligible to attend</b>	
	<b>Board</b>	<b>Audit Committee</b>
<b>Audit Committee Members</b>		
Jim Brooks	n/a	2/2
Jackie Kerr	n/a	1/2
Linda Drysdale	n/a	2/2

#### Corporate Governance Sub Committee

Following discussion at the April 2014 Board meeting the previous Chief Executive (Terry A'Hearn) agreed to set up and chair a new sub-committee of the NIEA Board in 2014-15, to meet monthly. The Committee is also attended by three Directors and the Business Partners from Finance and HR Divisions. The main remit of the Committee is to review the progress in implementing audit recommendations, scorecard targets and the actions to improve controls contained in the Agency risk register. The Committee also discusses and reviews other ad hoc corporate governance issues. This enables the tabling of summary reports at the full NIEA Board meetings. The sub-committee meetings are therefore held before the Board meetings at which quarterly updates are provided on scorecard targets and risk registers.

I am pleased to note that the effective outworking of the committee has resulted in the Agency Scorecard and Risk Register being comprehensively reviewed as 55 (85%) out of 65 outstanding Internal Audit recommendations were achieved during the period on report. The Committee also ensured that I issued, to my Leadership Management Team, fresh guidance on hospitality, gifts and fraud and sought assurances from my Divisional Managers that they were fully compliant. The committee has ensured that Corporate Governance matters have continued to improve.

Finally I have noted the key issues raised by the Audit Committee members at the Agency's last meeting relating to 2014-15.

#### Conflicts of Interest

During the year, the DOE Board agreed new guidance for staff on the subject of Conflicts of Interest. It is now a mandatory requirement for all senior staff down to Grade 7 to complete an annual declaration of interests.

At every Agency Board meeting a standing agenda item on declarations of interest is included and brought to the attention of Board Members by the Chair. Board Members with a conflict of interest on specific agenda discussions will leave the Board meetings for that item. No conflicts were declared during the year although the previous Chief Executive (Terry A'Hearn) advised

Board Members that he is a Board member of the Institute of Environmental Management and Assessment (IEMA) and the DEFRA 'Critical Friends Group'.

### Agency Divisional Governance

In my overall assessment of the adequacy of control systems, I am supported by the Agency's Directors. Each Division provides a quarterly update to the Environment Group Business Partner Team (BPT). The BPT in turn provides the Board and Audit Committee (quarterly) with updates on the implementation of audit recommendations (resulting from both internal and external audit and the risk management processes). The main purpose of this reporting process is to drive the implementation of audit recommendations towards improving audit opinions and corporate governance in all areas of the Agency and to assist me in completing the Governance Statement.

I will continue to seek the timely implementation of all audit related recommendations in these reports, reports from previous periods and recommendations made by the Northern Ireland Audit Office as part of their annual audit of the Agency's accounts.

### Internal Audit

The NIEA is audited by internal auditors from the Department for Regional Development who operate to Public Sector Internal Audit standards. They submit regular reports that include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Agency's system of internal control together with recommendations for improvement.

During 2014/15, the following internal audit assignments were completed in respect of the NIEA:

	<b>Internal Audit Report Title</b>	<b>Rating</b>	<b>No. of Recommendations</b>
1	Environmental Crime Unit within NIEA (Follow-up)	Satisfactory	9
2	Corporate Governance within NIEA	Satisfactory	5
3	Regional Operations within NIEA	Limited	25
4	Biodiversity Unit (Follow-up)	Satisfactory	9
5	Statutory Advisory Councils within NIEA	Limited	11
6	Implementation of the Mills Report Action Plan	Satisfactory	1
7	Water Management Unit	Satisfactory	6
8	Planning Consultations	Satisfactory	1
9	Regional Operations (Follow-up) – Draft Report	Satisfactory	0
10	Enforcement – Draft Report	Limited	18

I have noted the limited audit opinions for the audit reports in relation to the Statutory Advisory Councils and Regional Operations. I am pleased however that all the follow-up reports received a satisfactory assurance rating. In relation to the follow-up report for the Biodiversity Unit (BDU), of the nine recommendations, five have been fully implemented, two have been partially implemented and one has been superseded. In addition, one recommendation relating to risk management training for BDU staff, which received Limited Assurance, was delivered by the Finance Division Business Partner Team. I have also noted the Regional Operations Follow-up report Internal Audit opinion is now satisfactory. I am aware of the limited assurance applied to the draft report on Enforcement which is currently being considered by management. I have also acknowledged the content of the Criminal Justice Inspection's (Northern Ireland) (CJI) review of the effectiveness of the Environmental Crime Unit within the NIEA and the wider context of regulation and enforcement and that the report included a number of significant positive findings and some recommended areas for improvement.

I take significant comfort from the satisfactory assurance for the Corporate Governance report and also the overall satisfactory assurance, provided in the Head of Internal Audit's Annual Opinion and Report, for the Agency's system of risk management, control and governance.

## **Corporate Services**

Finance, IT and HR services are provided by the DOE Core Department to NIEA. Responsibility for the governance of these services and line management responsibility falls to the two departmental Directors of Finance and Business Planning Division and Human Resources and Organisational Change Division. Details on the services provided by these two divisions are also set out in Service Statements.

In regard to the delivery of corporate services functions to the whole department, including the NIEA, I have noted the assurance ratings assigned to the following internal audit reports completed during the year:

- Health and Safety (Satisfactory);
- Compliance with DAO 06/12 – Follow-up (Satisfactory – Previously Limited); and
- Use of Government Procurement Cards (Satisfactory).

I have also noted the two draft reports in regard to Whistleblowing and the Management of Small Assets as well as the departmental wide reviews carried forward from 2013-14 in respect of Financial Management and the Administration of FOI/EIR Requests.

In relation to data security the Agency follows the departmental guidance to ensure that all information used for operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third parties, or relied on by other parts of government. There were no significant data security breaches reported during the year.

## **Risk management and control framework**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Agency Board has established appropriate procedures to ensure that risks are adequately managed within the Agency. Risk Registers at the Corporate, Divisional and Business Unit levels are maintained and monitored on a quarterly basis. The Finance & Business Partner Team, which delivers the Agency's Risk co-ordination function, has responsibility for co-ordinating the Agency's various risk management/internal control functions, developing the risk management framework and providing advice and guidance to staff on risk management issues. The system of internal control has been in place in the Agency for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts.

The risk management cycle is a "top-down" and "bottom-up" exercise that ensures that Agency risks that are included in the DOE Corporate Risk Register are also included in the Agency register and risks identified and managed at Divisional levels are escalated to the Agency register, as appropriate. Using this broad approach significant risks have been identified that might impact upon the Agency's objectives and actions to improve the existing controls have been agreed accordingly, and monitored on a quarterly basis. The Agency's top level risk register is reviewed quarterly by the Board. The Board also receives periodic reports on internal control issues from Divisional Managers, including their tri-annual Assurance Statements, and from the Business Partner Team which monitors progress against commitments given by functional units in response to both internal and external audit reports. The functions of strategic planning, risk management, financial planning and accountability, HR (specifically recruitment

issues), procurement, fraud, systems and information management, are addressed in the range of control issues covered by Divisional Managers' tri-annual assurance statements. In particular, the completion of these statements provides assurance to me that information used for operational purposes and reporting purposes is handled appropriately, particularly where it is used by third parties or other parts of government, and that information risks are being managed effectively within the Agency.

In summary, as Accounting Officer, I have overall responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter for the annual accounts and other VFM reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and I am confident in the plan to address weaknesses and ensure continuous improvement of the control system.

### Significant Issues

I acknowledge that only four out of the thirteen key performance targets, as agreed by the Minister, have been validated as achieved by Internal Audit (Section 5 of my Strategic Report refers). However I have also noted the mitigating circumstances associated with the non achievement of some of the targets and that although not fully achieved, significant progress has been made towards full achievement. I therefore intend to apply more scrutiny to the progress in achieving the 2015-16 targets, specifically through the new Corporate Governance Sub-Committee. This forum will also be used to monitor and ensure the timely implementation of all Audit recommendations.

I am content with the arrangements associated with the absence of Independent Board Members (IBMs) from the Agency Board highlighted in the "*Management Board*" section of this statement.

I am re-assured by the revised delegations arrangements implemented in March 2015 in respect of the payment of grants associated with the listing building grant scheme including the additional independent approvals prior to payment.



**Wesley Shannon**  
(Acting) Chief Executive  
24 June 2015

## **Northern Ireland Environment Agency**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

I certify that I have audited the financial statements of the Northern Ireland Environment Agency for the year ended 31 March 2015 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Environment Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Environment Agency; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Northern Ireland Environment Agency's affairs as at 31 March 2015 and of the net operating cost, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.

## **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Chief Executive's Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

## **Report**

I have no observations to make on these financial statements.



*KJ Donnelly*  
*Comptroller and Auditor General*  
*Northern Ireland Audit Office*  
*106 University Street*  
*Belfast*  
*BT7 1EU*

25 June 2015

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2015

Programme Costs	2014-15 £000			Re-stated 2013-14 £000
	Note	Staff Costs	Other Costs	Income
Staff costs	2	27,644		27,227
Other operating costs	3		28,980	34,178
Income	7			(13,073)
<b>Totals</b>		<b>27,644</b>	<b>28,980</b>	<b>(13,073)</b>
<b>Net operating cost</b>				<b>43,551</b>

## Other Comprehensive Net Expenditure

	2014-15 £000	2013-14 £000
<b>Items that will not be reclassified to net operating costs:</b>		
Net (gain)/loss on revaluation of Property, Plant and Equipment	(154)	(317)
Net (gain)/loss on revaluation of Intangibles	(6)	(13)
<b>Total Comprehensive Net Expenditure for the year ended 31 March 2015</b>	<b>43,391</b>	<b>47,099</b>

The notes on pages 63 to 94 form part of these accounts.

## Statement of Financial Position as at 31 March 2015

		2014-15 £000	2013-14 £000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment	8(i)	26,063	25,448
Heritage assets	8(iii)	2,167	2,167
Intangible assets	8(v)	446	495
<b>Total non-current assets</b>		<b>28,676</b>	<b>28,110</b>
<b>Current assets</b>			
Inventories	11	163	195
Trade and other receivables	12	1,911	4,225
Cash and cash equivalents	13	3	3
<b>Total current assets</b>		<b>2,077</b>	<b>4,423</b>
<b>Total assets</b>		<b>30,753</b>	<b>32,533</b>
<b>Current liabilities</b>			
Trade and other payables	14	(8,035)	(7,953)
Provisions	15	(411)	(511)
<b>Total current liabilities</b>		<b>(8,446)</b>	<b>(8,464)</b>
<b>Non-current assets less net current liabilities</b>		<b>22,307</b>	<b>24,069</b>
<b>Non-current liabilities</b>			
Provisions	15	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total assets less liabilities</b>		<b>22,307</b>	<b>24,069</b>
<b>Taxpayers' equity:</b>			
General fund		13,167	14,653
Revaluation reserve		9,140	9,416
<b>Total taxpayers' equity</b>		<b>22,307</b>	<b>24,069</b>



**Wesley Shannon**  
(Acting) Chief Executive  
24 June 2015

The notes on pages 63 to 94 form part of these accounts.



## Statement of Cash Flows for the year ended 31 March 2015

		2014-15 £000	2013-14 £000
	Note		
<b>Cash flows from operating activities</b>			
Net operating cost		(43,551)	(47,429)
Adjustments for non-cash transactions:	3	9,520	10,390
Decrease/(Increase) in trade and other receivables	12	2,314	(2,178)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		18	(25)
Decrease/(Increase) in inventories	11	32	(7)
(Decrease)/Increase in trade payables	14	82	823
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		71	(339)
Use of provisions	15	(270)	(145)
<b>Net cash outflow from operating activities</b>		<b>(31,784)</b>	<b>(38,910)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment and heritage assets		(2,051)	(1,675)
Purchase of intangible assets		(63)	(27)
Proceeds of disposal of property, plant & equipment		24	6
<b>Net cash outflow from investing activities</b>		<b>(2,090)</b>	<b>(1,696)</b>
<b>Cash flows from financing activities</b>			
Funding from Parent Department DOE		33,876	40,606
Payments to Consolidated Fund		(2)	-
<b>Net financing</b>		<b>33,874</b>	<b>40,606</b>
<b>Net Increase/(Decrease) in cash and cash equivalents in the period</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3</b>	<b>3</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>3</b>	<b>3</b>

The notes on pages 63 to 94 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the year ended 31 March 2015

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
	Note		
<b>Balance at 31 March 2013</b>	<b>12,712</b>	<b>9,758</b>	<b>22,470</b>
Funding From DOE	40,606	-	40,606
Net operating cost	(47,429)	-	(47,429)
Non-cash charges – notional costs	6 8,092	-	8,092
Recognised in Statement of Comprehensive Net Expenditure	-	330	330
Transfers between reserves	672	(672)	-
<b>Balance at 31 March 2014</b>	<b>14,653</b>	<b>9,416</b>	<b>24,069</b>
Funding From DOE	33,876	-	33,876
CFERs payable to Consolidated Fund	(12)	-	(12)
Net operating cost	(43,551)	-	(43,551)
Non-cash charges – notional costs	6 7,766	-	7,766
Recognised in Statement of Comprehensive Net Expenditure	-	159	159
Transfers between reserves	435	(435)	-
<b>Balance at 31 March 2015</b>	<b>13,167</b>	<b>9,140</b>	<b>22,307</b>

The General Fund serves as the main operating fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

The Revaluation Reserve records the unrealised gain or loss on the revaluation of assets. Included within the Revaluation Reserve is £6K relating to intangible assets, the opening balance at 1 April 2014 was £39K.

The notes on pages 63 to 94 form part of these accounts.

Notes to the Agency Accounts

## **1. Statement of accounting policies**

These financial statements have been prepared in accordance with the 2014-15 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance and Personnel. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Northern Ireland Environment Agency (NIEA, the Agency) for the purpose of giving a true and fair view has been selected. The particular policies adopted by NIEA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### **1.1 Accounting convention**

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, heritage assets and intangible assets.

### **1.2 Prior Period Adjustments**

#### **Administration and Programme Expenditure**

The classification of expenditure between administration and programme has been aligned in 2014-15 to better reflect the underlying nature of the transactions. The overall effect is to treat all expenditure as programme expenditure. The prior year comparatives being restated to reflect this with expenditure amounting to £11,442k previously classified as administration expenditure now classified as programme expenditure, and staff costs amounting to £19,123k previously classified as administration expenditure now classified as programme expenditure. As part of this reclassification Other Current Expenditure of £688k included in Other Current Expenditure within Programme Costs has been reclassified to Accommodation Running Costs (£604k), Travel and Subsistence (£77k) and Computer Expenses (£7k).

#### **Non Current Assets**

An exercise was carried out to identify assets that were no-longer in use within the Agency. As a consequence, 149 assets (expiry dates covering 29 March 2013 to 28 February 2014) with a nil Net Current Replacement Cost (NCRC) value were retired from the asset register. The retirement of assets had no effect on the position as at 31 March 2012. The effect on the position as at 1 April 2013 is a reduction to Cost and Depreciation amounting to £3.4m, representing the Gross Current Replacement (GCRC) values of the assets retired. A further adjustment was made to the position as at 1 April 2014 amounting to £0.5m, representing the Gross Current Replacement (GCRC) values of the assets retired.

#### **Impact of the Prior Period Adjustments**

No balances were required to be restated in the Statement of Financial Position, Statement of Cash Flows and the Statement of Changes in Taxpayer's Equity in the prior period. As a result, an opening Statement of Financial Position has not been presented. There was no effect on the Net Operating Cost in the prior year as a result of reclassifying the income and expenditure and re-stating non-current assets.

Notes to the Agency Accounts

### 1.3 Property, Plant and Equipment

Expenditure on property, plant and equipment of over **£1,000** is capitalised, with the exception of computer hardware, which is capitalised if expenditure is over **£500**. On initial recognition property, plant and equipment is measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition.

Items classified as 'under construction' are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

All property, plant and equipment is carried at fair value.

Land and buildings are carried at the last professional valuation, in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of land and buildings are undertaken every five years, with the last full valuation of land and buildings undertaken by Land and Property Services (LPS) as at 1 April 2011 with the next full valuation due to take place as at 1 April 2016. Properties are valued on the basis of open market value existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

With the exception of items under construction, fair value is estimated by restating the value annually, between professional valuations, by reference to indices compiled by the Office of National Statistics (ONS). Upward revaluations of property, plant and equipment are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of property, plant and equipment are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other programme costs.

### 1.4 Intangible Assets

Expenditure on intangible assets over **£500** is capitalised. On initial recognition intangible assets are measured at cost including any expenditure such as installation, directly attributed to bringing them to working condition. Intangible assets are carried at fair value. Fair value is estimated by restating the value annually, by reference to indices compiled by the Office of National Statistics (ONS). Upward revaluations of intangible assets are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of intangible assets are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other administrative costs.

Notes to the Agency Accounts

## 1.5 Depreciation and Amortisation

Property, plant and equipment and intangible assets are depreciated and amortised at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. Depreciation and amortisation is charged in the month of acquisition. No depreciation is provided on freehold lands as they have unlimited or very long established useful lives. Items under construction are not depreciated or amortised until they are commissioned.

The depreciation and amortisation periods for the principal categories of assets are:

Land	Not depreciated
Buildings	On an individual basis not exceeding 60 years
Transport Equipment (including Railway Stock & Boats)	5 - 30 years
Plant and Machinery (including Laboratory Equipment)	5 - 30 years
Computer Hardware / Software	3 - 5 years
Furniture and Fittings (including Exhibitions)	5 - 30 years

Asset lives are reviewed regularly and where necessary revised. The estimated useful life of each asset of significant individual value is separately assessed and, if appropriate, revised.

## 1.6 Heritage Assets

The Northern Ireland Environment Agency holds certain heritage assets that have been purchased. The assets relate to various land located throughout Northern Ireland and are regarded as non-operational heritage assets. These are either declared as National Nature Reserves, Nature Reserves or Areas of Special Scientific Interest. On initial recognition the assets are recognised at cost. They are revalued annually, using indices provided by the Office for National Statistics. No depreciation is provided on any heritage assets. Heritage Lands are subject to professional valuations and annual revaluations in accordance with the Appraisal and Valuation Manual produced jointly by the Royal Institute of Chartered Surveyors (RICS), the Incorporated Society of Valuers and Auctioneers (ISVA) and the Institute of Revenues Rating and Valuation (IRRV). Professional revaluations of heritage land are undertaken every five years, with the last full valuation undertaken by Land and Property Services (LPS) at 1 April 2011 with the next full valuation due to take place as at 1 April 2016.

Non-operational heritage assets which have not been purchased have no valuation placed on them as it is neither practical nor appropriate to do so, due to the special characteristics of these assets. We receive adequate information on the condition and maintenance of the properties to enable us to fulfil our stewardship role. It is not the intention of the NIEA to dispose of these assets in the foreseeable future, given their importance to the natural heritage of Northern Ireland. In accordance with DFP guidelines we consider that obtaining a valuation of these assets is not warranted in terms of benefits which the valuation would deliver. This policy will be kept under review for future years.

Details relating to policy for acquisition, preservation, management and disposal of heritage assets can be found in the Management Commentary section of this report under headings 'NIEA Properties' on page 17 and 'Historic Environment' on page 29. This section also contains details of visitor numbers and future developments. Detailed records are maintained for each heritage asset and site management plans are maintained and regularly updated. Many heritage assets, including state care monuments and nature reserves, are open to the public and access is encouraged, where practical. Heritage assets are purchased for their long term protection by the state.

## Notes to the Agency Accounts

A sample list of the non-operational heritage assets which have not been valued or capitalised in the accounts is included in below. These assets can be categorised into 2 broad categories - State Care Monuments and Heritage Lands. These assets are not valued, as it is neither practicable nor appropriate to do so.

The following is a sample of State Care Monuments owned by the NIEA as at 31 March 2015:

Jordan's Castle – 15th century tower-house  
Ballycopeland Windmill – late 18<sup>th</sup> century windmill  
Navan Fort – Iron Age earthwork  
Dunluce Castle – 14/17<sup>th</sup> century manor house and castle  
Carrickfergus Castle – 12<sup>th</sup> century and later castle  
Greypoint Fort – World War I/II coastal defence installation  
Nendrum Monastic Site – Early Christian Monastic enclosure  
Scrabo Tower – 1857 Memorial Tower  
Tully Castle – early 17<sup>th</sup> century plantation castle  
Enniskillen Castle – 16<sup>th</sup> century and later castle and barracks  
Grey Abbey – late 12<sup>th</sup> century Cistercian Abbey

Various State Care Monuments throughout Northern Ireland are also the property of the NIEA. These monuments have been acquired by the NIEA by a variety of means, including being inherited under the National Monuments Order 1880, properties previously vested in the County Councils which were transferred to the Department by virtue of the Historic Monuments (Transfer) Order (NI) 1973, and others are held in guardianship by the Department. The monuments are protected by the NIEA under the Historic Monument and Archaeological Objects (NI) Order 1995. Upward revaluations of heritage assets are credited to the revaluation reserve unless they reverse previously recognised downward revaluations in which case they are credited to the Statement of Comprehensive Net Expenditure to the extent the downward revaluation has been recognised with the remainder credited to the revaluation reserve. Downward revaluations of heritage assets are debited to the revaluation reserve to the extent that they reverse previously recognised upward revaluations with any remaining downward revaluation recognised in the Statement of Comprehensive Net Expenditure.

### **1.7 Operating Income**

Operating income is income which relates directly to the operating activities of the Agency. It principally comprises fees and charges for licences and services provided on a full cost basis to external customers. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with the *FReM*, is treated as operating income. All operating income is classified as programme and is stated net of VAT.

### **1.8 Classification of Expenditure**

The classification of expenditure as programme follows the definition of programme costs set out in the *FReM*, issued by the Department of Finance and Personnel. Costs incurred by the Agency reflect non-administration costs, including payments of grants and other disbursements by the Agency and therefore are classified as programme costs.

Notes to the Agency Accounts

## 1.9 Employee Benefits including Pensions

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been calculated using employees daily rate costs applied to any untaken leave balance at 31 March 2015.

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) which are described in Note 2. The defined benefit schemes are unfunded and non-contributory except in respect of dependants' benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over

the period during which it benefits from employees' services by payment to the PCSPS(NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS(NI).

In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

## 1.10 Grants Payable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Grants related to activity occurring over a specific time period, usually a financial year, are recorded as expenditure for that period.

## 1.11 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. VAT is recoverable on a Departmental basis.

## 1.12 Inventories

Finished goods and goods for resale are valued at cost. Inventories are valued at net realisable value only when they either cannot or will not be used.

## 1.13 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Agency discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of *Managing Public Money Northern Ireland*.

These comprise:

- a. items over £250,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to the Assembly by departmental minute prior to the Agency entering into the arrangement; and
- b. all items (whether or not they arise in the normal course of business) over £250,000 (or lower, where required by specific statute or where material in the context of the Agency accounts) which are required by the *FReM* to be noted in the Agency accounts.

## Notes to the Agency Accounts

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

### **1.14 Leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the Agency, the asset is recorded as a non-current asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest implicit to the lease. The interest element of the finance lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding.

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

### **1.15 Critical Accounting Estimates and Key Judgements**

As a result of the uncertainties inherent in all business activities, many items in financial statements, such as provisions and depreciation, cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with FReM, management have used judgements based on the latest available, reliable information.

Management continually review estimates to take account of any changes in the circumstances on which the estimate was based or as a result of new information or more experience.

### **1.16 Government Grant Receivable**

Government grants received for revenue purposes are recognised as income in the Statement of Comprehensive Net Expenditure so as to match them with expenditure towards which they are intended to contribute.

Grants received as a contribution towards non-current assets are recognised as income in the Statement of Comprehensive Net Expenditure, unless the funder imposes a condition requiring that future economic benefits embodied in the grant are consumed as specified by the grantor or must be returned to them. Assets funded by government grant are revalued, depreciated and subject to impairment review in the same way as any other non-current asset.

### **1.17 Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for derecognition. A financial liability is derecognised when, and only when, it is extinguished. The Agency has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

In accordance with IAS 39 *Financial Instruments: Recognition and Measurement* trade receivables, cash and other receivables are classified as 'loans and receivables'. Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost



## Notes to the Agency Accounts

using the effective interest method less any impairment. The Agency assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. Based on historic experience receivables that are past due beyond 361 days are generally not recoverable.

The Agency measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition. Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the Statement of Comprehensive Net Expenditure to the extent that a provision was not previously recognised.

Financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### **1.18 Provisions**

The Agency provides for legal or constructive obligations, which are of uncertain timing or amount at the reporting date on the best estimate of the expenditure required to settle the obligation where this can be determined. This relates to providing for public liability claims, equal pay settlement and judicial reviews. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

### **1.19 Application of newly issued accounting standards**

The IASB have issued the following new and amended standards that are effective for the first time in 2014-15:

- IFRS 10 – Consolidated Financial Statements;
- IFRS 11 – Joint Arrangements;
- IFRS 12 – Disclosure of Interests in Other Entities;
- IAS 27 – Separate Financial Statements; and
- IAS 28 – Investments in Associates and Joint Ventures.

Their adoption has not had any significant impact on the amounts reported in these financial statements. Management has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Management consider that these are

Notes to the Agency Accounts

unlikely to have a significant impact on the accounts in the period of initial application. These standards include:

- IAS 1 – Disclosure Initiative (amendment);
- IAS 36 – Impairment of assets on recoverable amount disclosures (amendment);
- IFRS 9 – Financial Instruments (new);
- IFRS 13 – Fair Value Measurement (new);
- IFRS 14 – Regulatory Deferral Accounts (new);
- IFRS 15 – Revenue from Contracts with Customers (replacement);
- IAS 17 – Leases (replacement);
- IAS 27 – Equity Method in Separate Financial Statements (amendment);
- IAS 16 and IAS 41 – Bearer Plants (amendment);
- IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortisation (amendment);
- IFRS 11 – Accounting for acquisitions of interests in joint operations (amendment);
- IFRS 10 and IAS 28 – Sale or contribution of Assets between an Investor and its Associates or Joint Ventures (amendment); and
- IFRS 10, IFRS 12 and IAS 28 – Investment Entities: applying the Consolidation Exception (amendment)

## **1.20 Management Agreements**

The Agency enters into management agreements with landowners in order to “preserve” lands/buildings identified as being Areas of Special Scientific Interest (ASSIs) or of architectural/historical interest. These agreements either involve one-off payments with the agreements being in perpetuity or annual payments covering a set period. The vast majority of these management agreements are in perpetuity and cover designated ASSIs and Nature Reserve lands. Management agreements covering Nature Reserves and ASSIs involve compensation payments to the landowners. The management agreements do not confer title of ownership to the Agency. The full costs of these agreements are expensed in the year in which they are issued.

Notes to the Agency Accounts

## 2. Staff numbers and related costs

Staff costs comprise:

			2014-15 £000	2013-14 £000
	Permanently employed staff	Others	Total	Total
Wages and salaries	19,781	2,595	22,376	22,248
Social security costs	1,427	-	1,427	1,369
Other pension costs	3,841	-	3,841	3,610
<b>Total</b>	<b>25,049</b>	<b>2,595</b>	<b>27,644</b>	<b>27,227</b>

In previous years, staff costs were classified as administration or programme expenditure. Staff costs are now classified as programme expenditure (see note 1.2). Staff costs of £19,123K classified as administration expenditure in 2013/14 have been restated and classified as programme expenditure by prior period adjustment.

### 2(i) Pension Arrangements

The Northern Ireland Civil Service pension arrangements are unfunded multi-employer defined benefit schemes but the Northern Ireland Environment Agency, through its parent Department, the Department of the Environment, is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2015.

For 2014-15, employers' contributions of £3,832,500 were payable to the NICS pension arrangements (2013-14: £3,603,768) at one of four rates in the range 18% to 25% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2015-16, the new rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2014-15 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £7,862 (2013-14: £5,783) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% (2013-14: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £418, 0.8% (2013-14: £203, 0.8%) of pensionable pay, were payable to the PCSPS(NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Notes to the Agency Accounts

Contributions due to the partnership pension providers at the reporting period were £Nil (2013-14: £Nil). Contributions prepaid at that date were £Nil (2013-14: £Nil).

2 individuals (2013-14: 2 individuals) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £3,420.30 (2013-14: £4,565.25).

## 2(ii) Average Number of Persons Employed

The average number of whole-time equivalent persons employed during the year was as follows:

<i>Number</i>			2014-15	2013-14
	Permanent staff	Others	Total	Total
Directly Employed	667	-	667	631
Other	-	82	82	131
<b>Total</b>	<b>667</b>	<b>82</b>	<b>749</b>	<b>762</b>

## 2(iii) Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band			2014-15	2013-14
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
<£10,000	-	-	-	-
£10,000 - £25,000	-	-	-	-
£25,000 - £50,000	-	1	1	-
£50,000 - £100,000	-	1	1	-
Total number of exit packages	-	2	2	-
<b>Total resource cost £'000</b>	-	<b>89</b>	<b>89</b>	-

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of departure. Where the Agency has agreed early retirements, the additional costs are met by the Agency and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Notes to the Agency Accounts

### 3. Programme Costs

		2014-15 £000	Restated 2013-14 £000
	Note		
Current Grants	4	10,321	13,605
Other current expenditure	5	7,491	8,581
Accommodation Running Costs		1,249	1,600
Travel & Subsistence Costs		353	448
Training Costs		1	5
Computer Expenses		10	13
Non-cash items			
Provisions – provided/(reduced) in year	15	170	81
Bad Debt provision		(18)	25
<i>Notional charges:</i>			
Department of Finance and Personnel	6	3,858	3,731
Intra-departmental Notionals	6	3,720	4,180
Central Services (provided by DRD)	6	161	155
NIAO Auditor's Remuneration	6	21	21
Other Departments	6	6	5
<i>Non current assets:</i>			
Depreciation	8(i)	1,521	1,522
Amortisation	8(v)	184	235
Net Revaluation Charge to the Statement of Comprehensive Net Expenditure		(53)	(29)
Loss/(Profit) on disposal of property, plant and equipment		(15)	-
<b>Total</b>		<b>28,980</b>	<b>34,178</b>

In previous years the Agency Accounts reported its costs as administrative or programme expenditure. In the current year operating expenditure is now classified as programme costs to better reflect the underlying nature of the transactions (see note 1.2). Prior period comparatives have been restated to reflect expenditure amounting to £11,442k in 2013/14, previously classified as administration now classified as programme expenditure. As part of this reclassification Other Current Expenditure of £688k included in Other Current Expenditure within Programme Costs has been reclassified to Accommodation Running Costs (£604k), Travel and Subsistence (£77k) and Computer Expenses (£7k).

Notes to the Agency Accounts

#### 4. Grants

	2014-15 £000	2013-14 £000
Natural Environment	2,301	2,500
Historic Environment	4,608	4,680
Resource Efficiency	1,605	2,935
Innovation Strategy	1,807	3,490
<b>Total</b>	<b>10,321</b>	<b>13,605</b>
<i>Natural Environment Grants comprise :</i>		
Conservation Grant	958	1,769
Natural Heritage Fund Grant	1,252	586
Heritage Led Development - Capital	91	145
<b>Total</b>	<b>2,301</b>	<b>2,500</b>
<i>Historic Environment Grants comprise :</i>		
Listed Buildings Grants	2,877	3,851
Heritage Led Development Grants - Capital	1,695	780
Ulster Architectural Heritage Society Grant	36	49
<b>Total</b>	<b>4,608</b>	<b>4,680</b>
<i>Resource Efficiency Grants comprise :</i>		
Tidy Northern Ireland Grant	-	97
Challenge Fund Grant	1,236	2,310
Strategic Partnership Grant	-	214
Water Quality Improvement Grant	-	115
Sustainability Innovation Fund Grant	369	199
<b>Total</b>	<b>1,605</b>	<b>2,935</b>
<i>Innovation Strategy Grants comprise :</i>		
EU Grant (Interreg IVA)	1,807	3,490

## 5. Other Programme Expenditure

	2014-15 £000	Restated 2013-14 £000
<b>Divisional costs comprise:</b>		
Natural Environment	2,020	2,143
Historic Environment	1,876	2,042
Resource Efficiency	2,827	3,576
Innovation Strategy	768	820
<b>Total</b>	<b>7,491</b>	<b>8,581</b>
<b>Natural Environment costs comprise:</b>		
Maintenance and Monitoring of Country Parks	1,953	2,047
Management Agreements	66	96
Better Regulation - Non Salaries	1	-
<b>Total</b>	<b>2,020</b>	<b>2,143</b>
<b>Historic Environment Operating costs comprise:</b>		
Publicity, Marketing	1,159	920
Management Agreements	15	69
Archaeology and Maintenance of Monuments	702	1,053
<b>Total</b>	<b>1,876</b>	<b>2,042</b>
<b>Resource Efficiency Operating costs comprise:</b>		
Pollution Control	2,450	3,087
Better Regulation – Non Salaries	377	489
<b>Total</b>	<b>2,827</b>	<b>3,576</b>
<b>Innovation Strategy Costs comprise:</b>		
Other Current Expenditure	768	820

Notes to the Agency Accounts

## 6. Notional Charges

	2014-15 £000	2013-14 £000
<b>Intra - Departmental:</b>		
Personnel and Management	2,189	2,706
Finance	891	863
HR Connect	360	335
Centre of Applied Learning	179	179
NI Statistics and Research Agency	101	97
<b>Total</b>	<b>3,720</b>	<b>4,180</b>
<b>Services provided by other Departments</b>		
Department of Finance and Personnel:		
Accommodation	1,481	1,450
IT Assist	1,341	1,331
Account NI	815	823
Departmental Solicitor's Office	52	48
Information Strategy and Innovation	125	67
Land and Property Services	44	12
	<b>3,858</b>	<b>3,731</b>
Department for Regional Development	161	155
Other Departments	6	5
	<b>167</b>	<b>160</b>
NIAO Audit Fees	21	21
<b>Total Notional Charges</b>	<b>7,766</b>	<b>8,092</b>



Notes to the Agency Accounts

**7. Income**

	2014-15 £000	2013-14 £000
EU Grant Income	1,355	2,618
Carrier Bag Levy	3,515	3,656
Operating Income from - Country Parks	147	157
- Historic Monuments	286	322
Resource Efficiency Charges:		
Resource Efficiency Pollution Costs Recovered	7,521	7,160
Resource Efficiency Criminal Assets Seizures	124	34
Funding from Heritage Lottery fund	122	29
Other Income	3	-
<b>Total</b>	<b>13,073</b>	<b>13,976</b>

**Trading Income**

Operating income includes trading income generated from 2 broad areas of activity within the Agency, i.e. Resource Efficiency Legislation and admissions and events at historic monuments and country parks.

Notes to the Agency Accounts

**7(i) Resource Efficiency Legislation**

	2014-15 £000	2013-14 £000
<b>Fees and Charges</b>	7,521	7,160
<b>Operating Costs:</b>		
Staff Costs	4,964	5,078
Administration & Accommodation	1,299	1,243
Notional Charges	1,220	781
<b>Total Costs</b>	<b>7,483</b>	<b>7,102</b>
<b>Operating Surplus/(Deficit)</b>	<b>38</b>	<b>58</b>

**7(ii) Admissions & Events at Historic Monuments**

	2014-15 £000	2013-14 £000
<b>Income</b>		
Admission Income & Retail Sales	286	322
<b>Operating Costs</b>		
Staff Costs	355	359
Other Costs	240	259
<b>Total Costs</b>	<b>595</b>	<b>618</b>
<b>Operating Deficit</b>	<b>(309)</b>	<b>(296)</b>

This information is provided for fees and charges purposes and not for the purpose of segmental reporting under IFRS 8.

In relation to Resource Efficiency Legislation the financial objective is full cost recovery. Due to the non-commercial nature of admission and events at State Care Monuments, the financial objective is less than full cost recovery.

Notes to the Agency Accounts

## 8(i) Property, Plant and Equipment

	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixtures & Fittings £000	Assets under Construction £000	Total £000
<b>Cost or valuation</b>								
At 1 April 2014 (restated) see note 1.2	5,749	15,709	3,159	4,451	197	3,440	2,749	35,454
Additions	5	-	15	79	108	7	1,725	1,939
Disposals	-	-	(131)	(238)	-	-	-	(369)
Revaluations	53	164	10	42	-	3	-	272
Reclassifications	-	95	(53)	505	9	(401)	(155)	-
Transfers	-	-	-	-	-	(1)	-	(1)
<b>At 31 March 2015</b>	<b>5,807</b>	<b>15,968</b>	<b>3,000</b>	<b>4,839</b>	<b>314</b>	<b>3,048</b>	<b>4,319</b>	<b>37,295</b>
<b>Accumulated Depreciation</b>								
At 1 April 2014 (restated) see note 1.2	-	1,759	2,161	3,596	113	2,377	-	10,006
Charged in year	-	573	286	364	33	265	-	1,521
Disposals	-	-	(122)	(238)	-	-	-	(360)
Revaluations	-	25	11	29	-	1	-	66
Reclassifications	-	6	(52)	268	9	(231)	-	-
Transfers	-	-	-	-	-	(1)	-	(1)
<b>At 31 March 2015</b>	<b>-</b>	<b>2,363</b>	<b>2,284</b>	<b>4,019</b>	<b>155</b>	<b>2,411</b>	<b>-</b>	<b>11,232</b>
<b>Carrying amount at 31 March 2015</b>	<b>5,807</b>	<b>13,605</b>	<b>716</b>	<b>820</b>	<b>159</b>	<b>637</b>	<b>4,319</b>	<b>26,063</b>
<b>Carrying amount at 31 March 2014</b>	<b>5,749</b>	<b>13,950</b>	<b>998</b>	<b>855</b>	<b>84</b>	<b>1,063</b>	<b>2,749</b>	<b>25,448</b>
<b>Asset financing:</b>								
<b>Owned 2015</b>	<b>5,807</b>	<b>13,605</b>	<b>716</b>	<b>820</b>	<b>159</b>	<b>637</b>	<b>4,319</b>	<b>26,063</b>

An exercise was carried out to identify assets that were no-longer in use within the Agency. The effect on the opening position in relation to Property, Plant and Equipment assets at 1 April 2014 is a reduction to Cost amounting to £1.07m and Depreciation amounting to £1.07m, representing a net adjustment in terms of Net Current Replacement Cost (NCRC) of £nil. Comparative Note 8(ii) has been amended to reflect the value of assets retired from the register relating to prior periods.

Notes to the Agency Accounts

## 8(ii) Property, Plant and Equipment

	Land £000	Buildings excluding Dwellings £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Fixture & Fittings £000	Assets under Construction £000	Total £000
<b>Cost or valuation</b>								
At 31 March 2013	5,724	15,713	3,180	5,934	940	3,530	1,667	36,688
Adjustment At 1 April 2013 (restated) see note 1.2	-	-	-	(710)	(257)	(18)	-	(985)
At 1 April 2013 (restated) see note 1.2	5,724	15,713	3,180	5,224	683	3,512	1,667	35,703
Additions	-	6	452	318	-	80	1,146	2,002
Disposals (restated) see note 1.2	-	-	(120)	(173)	(449)	(33)	-	(775)
Revaluations	25	322	45	27	(1)	35	-	453
Reclassifications	-	14	-	1	-	49	(64)	-
Transfers	-	(346)	(398)	(946)	(36)	(203)	-	(1,929)
<b>At 31 March 2014 (restated)</b>	<b>5,749</b>	<b>15,709</b>	<b>3,159</b>	<b>4,451</b>	<b>197</b>	<b>3,440</b>	<b>2,749</b>	<b>35,454</b>
<b>Accumulated Depreciation</b>								
At 31 March 2013	-	1,193	2,326	4,843	824	2,251	-	11,437
Adjustment At 1 April 2013 (restated) see note 1.2	-	-	-	(710)	(257)	(18)	-	(985)
At 1 April 2013 (restated) see note 1.2	-	1,193	2,326	4,133	567	2,233	-	10,452
Charged in year	-	558	276	365	33	290	-	1,522
Disposals (restated) see note 1.2	-	-	(115)	(173)	(449)	(32)	-	(769)
Revaluations	-	31	34	21	-	21	-	107
Reclassifications	-	(23)	(360)	(750)	(38)	(135)	-	(1,306)
<b>At 31 March 2014 (restated)</b>	<b>-</b>	<b>1,759</b>	<b>2,161</b>	<b>3,596</b>	<b>113</b>	<b>2,377</b>	<b>-</b>	<b>10,006</b>
<b>Carrying amount at 31 March 2014</b>	<b>5,749</b>	<b>13,950</b>	<b>998</b>	<b>855</b>	<b>84</b>	<b>1,063</b>	<b>2,749</b>	<b>25,448</b>
<b>Carrying amount at 31 March 2013</b>	<b>5,724</b>	<b>14,520</b>	<b>854</b>	<b>1,091</b>	<b>116</b>	<b>1,279</b>	<b>1,667</b>	<b>25,251</b>
<b>Asset financing:</b>								
<b>Owned 2014</b>	<b>5,749</b>	<b>13,950</b>	<b>998</b>	<b>855</b>	<b>84</b>	<b>1,063</b>	<b>2,749</b>	<b>25,448</b>

Notes to the Agency Accounts

**8(iii) Heritage Assets**

	Non Operational Heritage Land (Purchased) £000	Non Operational Heritage Buildings (Purchased) £000	Total Non Operational Heritage Assets (Purchased) £000
<b>Cost or valuation</b>			
At 1 April 2014	2,165	2	2,167
Disposals	-	-	-
Revaluations	-	-	-
Reclassifications	-	-	-
Transfers	-	-	-
<b>At 31 March 2015</b>	<b>2,165</b>	<b>2</b>	<b>2,167</b>
<b>Carrying amount at 31 March 2015</b>	<b>2,165</b>	<b>2</b>	<b>2,167</b>
<b>Carrying amount at 31 March 2014</b>	<b>2,165</b>	<b>2</b>	<b>2,167</b>

Professional revaluations of heritage land are undertaken every five years, with the last full valuation undertaken by LPS at 1 April 2011 and the next full valuation due to take place at 1 April 2016.

**8(iv) Heritage Assets**

	Non Operational Heritage Land (Purchased) £000	Non Operational Heritage Buildings (Purchased) £000	Total Non Operational Heritage Assets (Purchased) £000
<b>Cost or valuation</b>			
At 1 April 2013	2,165	2	2,167
Disposals	-	-	-
Revaluations	-	-	-
Reclassifications	-	-	-
Transfers	-	-	-
<b>At 31 March 2014</b>	<b>2,165</b>	<b>2</b>	<b>2,167</b>
<b>Carrying amount at 31 March 2014</b>	<b>2,165</b>	<b>2</b>	<b>2,167</b>
<b>Carrying amount at 31 March 2013</b>	<b>2,065</b>	<b>2</b>	<b>2,067</b>

Notes to the Agency Accounts

### 8(iv) Heritage Assets (continued)

#### Purchased Heritage Assets

Heritage Assets, which are underpinned by an arm's length transaction, are capitalised in the year of acquisition with reference to the purchase price. The existence of the transaction provides a reliable and practical basis of valuation. The following table contains a summary of transactions relating to Purchased Heritage Assets in the current period and the previous 4 accounting periods to 31 March 2015.

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Cost of acquisitions	-	-	-	200	273

There were no disposals of heritage assets during the five year period to 31 March 2015 and no heritage assets acquired by donation during the periods. At the last valuation date at 1 April 2011 none of the assets were impaired.

Notes to the Agency Accounts

**8(v) Intangible Assets**

	<b>Information Technology £000</b>	<b>Software Licenses £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 April 2014 (restated) see note 1.2	887	163	1050
Additions	94	1	95
Revaluations	14	-	14
Transfers	39	-	39
<b>At 31 March 2015</b>	<b>1,034</b>	<b>164</b>	<b>1,198</b>
<b>Amortisation</b>			
At 1 April 2014 (restated) see note 1.2	454	101	555
Charged in year	165	19	184
Revaluations	8	-	8
Transfers	5	-	5
<b>At 31 March 2015</b>	<b>632</b>	<b>120</b>	<b>752</b>
<b>Carrying amount at 31 March 2015</b>	<b>402</b>	<b>44</b>	<b>446</b>
<b>Carrying amount at 31 March 2014</b>	<b>433</b>	<b>62</b>	<b>495</b>
<b>Asset financing:</b>			
<b>Owned 2015</b>	<b>402</b>	<b>44</b>	<b>446</b>

An exercise was carried out to identify assets that were no- longer in use within the Agency. The effect on the opening position in relation to intangible assets at 1 April 2014 is a reduction to cost amounting to £2.85m and amortisation amounting to £2.85m, representing a net adjustment in terms of the Net Current Replacement Cost (NCRC) of £nil (see note 1.2). Comparative Note 8(vi) has been amended to reflect the value of assets retired from the register relating to prior periods.

Notes to the Agency Accounts

**8(vi) Intangible Assets**

	<b>Information Technology £000</b>	<b>Software Licenses £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 31 March 2013	3,376	283	3,659
Adjustment	(2,314)	(145)	(2,459)
At 1 April 2013 (restated) see note 1.2	1,062	138	1,200
Additions	27	12	39
Disposals (restated) see note 1.2	(357)	(33)	(390)
Revaluations	23	3	26
Transfers	132	43	175
<b>At 31 March 2014 (restated)</b>	<b>887</b>	<b>163</b>	<b>1,050</b>
<b>Amortisation</b>			
At 31 March 2013	2,878	262	3,140
Adjustment	(2,314)	(145)	(2,459)
At 1 April 2013 (restated) see note 1.2	564	117	681
Disposals (restated) see note 1.2	(357)	(33)	(390)
Charged in year	219	16	235
Revaluations	11	1	12
Transfers	17	-	17
<b>At 31 March 2014 (restated)</b>	<b>454</b>	<b>101</b>	<b>555</b>
<b>Carrying amount at 31 March 2014</b>	<b>433</b>	<b>62</b>	<b>495</b>
<b>Carrying amount at 31 March 2013</b>	<b>498</b>	<b>21</b>	<b>519</b>
<b>Asset financing:</b>			
<b>Owned 2014</b>	<b>433</b>	<b>62</b>	<b>495</b>



## 9. Statement of Operating Costs by Operating Segment

	Resource Efficiency £000	Natural Environment £000	Historic Environment £000	Innovation Strategy £000	Total £000
Staff costs	16,003	6,595	3,923	1,123	27,644
Other Operating Costs	3,332	2,801	2,086	885	9,104
Grants	1,605	2,301	4,608	1,807	10,321
Non Cash Expenditure	5,181	2,526	1,668	180	9,555
Income	(7,793)	(408)	(4)	(4,868)	(13,073)
<b>Net Operating Cost 2014-15</b>	<b>18,328</b>	<b>13,815</b>	<b>12,281</b>	<b>(873)</b>	<b>43,551</b>

	Resource Efficiency £000	Natural Environment £000	Historic Environment £000	Innovation Strategy £000	Total £000
Staff costs (restated) see note 1.2	16,001	6,545	3,708	973	27,227
Other Operating Costs (restated) See note 1.2	4,228	3,204	2,252	963	10,647
Grants	2,935	2,500	4,680	3,490	13,605
Non Cash Expenditure (restated) See note 1.2	5,481	2,552	1,737	156	9,926
Income	(7,475)	(228)	(2)	(6,271)	(13,976)
<b>Net Operating Cost 2013-14</b>	<b>21,170</b>	<b>14,573</b>	<b>12,375</b>	<b>(689)</b>	<b>47,429</b>

Prior period comparatives have been restated to reflect: staff costs amounting to £19,123k previously classified as administration expenditure now classified as programme expenditure; expenditure amounting to £3,139k previously classified as administration expenditure now classified as programme expenditure; and non cash costs amounting to £8,303k previously classified as administration expenditure now classified as programme expenditure.

Note: An analysis of assets and liabilities by segment is not regularly provided to the chief operating decision maker and therefore the Agency is not reporting this information in accordance with IFRS 8.

During 2014-15 the Agency comprised 4 Divisions; Resource Efficiency Division, Natural Environment Division, Historic Environment Division and Innovation Strategies Division, each Directorate fulfilling a role in achieving the overall Agency objective to protect, conserve and promote the natural environment and build heritage of Northern Ireland for the benefit of present and future generations. The management board review financial information at Divisional level for decision making purposes and this information is analysed into Administration and Programme costs. Reportable segments have been identified on this basis. There have been no changes to the methods used to identify reportable segments since the prior year.

The work performed by each Division is varied. Among other expenses Historic Monuments Division incurs spend on Archaeology and the protection of scheduled monuments, Natural Environment Division on the maintenance of Country Parks and the protection of ASSIs and the prevention of pollution incidents and the regulation of potential polluters is performed by our Resource Efficiency Division.

Notes to the Agency Accounts

All Divisions issue grants to Non Government Organisations (NGOs) including District Councils and Churches and to private individuals. Full details of the roles performed by each Division are disclosed in the Annual Report.

## 10. Financial Instruments

As the cash requirements of the Agency are met by the Department, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little credit, liquidity or market risk.

## 11. Inventories

	2014-15 £000	2013-14 £000
Retail	32	50
Operational	131	145
<b>Total</b>	<b>163</b>	<b>195</b>

## 12. Trade receivables and other current assets

	2014-15 £000	2013-14 £000
<b>Amounts falling due within one year:</b>		
Trade Receivables	296	586
Other Receivables	497	632
Amounts due from EU	491	2,381
Prepayments & Accrued Income	627	626
<b>Total</b>	<b>1,911</b>	<b>4,225</b>

## 12. Trade receivables and other current assets (continued)

The following table shows the impairment of trade receivables at the balance sheet date:

	2014-15 £000	2013-14 £000
Balance at start of year	(188)	(163)
Impairment losses recognised/ derecognised on receivables	18	(25)
<b>Balance at end of year</b>	<b>(170)</b>	<b>(188)</b>

In determining the recoverability of a trade receivable, the Agency considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

No interest is charged on the trade receivables. The Agency has provided fully for all receivables over 361 days, because historical experience is such that receivables that are past due beyond 361 days are generally not recoverable, unless there is evidence to suggest the debt is still recoverable.

The following table shows the aging of debts past due but not impaired; no provision has been made where there has not been a significant change in credit quality and the Agency believes that the amounts are still fully recoverable:

	2014-15 £000	2013-14 £000
Neither past due nor impaired trade receivables	62	383
1 – 30 days	11	38
31 – 60 days	6	6
61 – 90 days	110	26
91 – 180 days	32	71
181 – 361 days	75	62
361 days plus	-	-
<b>Gross carrying value</b>	<b>296</b>	<b>586</b>

## 12.1 Intra-Government Balances

### Receivables: Amounts falling due within one year

	2014-15 £000	2013-14 £000
Balances with other central government bodies	1,052	2,846
Balances with local authorities	37	24
Balances with public corporations and trading funds	362	552
Balances with NHS trusts	3	2
Subtotal: Intra-government balances	1,454	3,424
Balances with bodies external to government	457	801
<b>Total receivables at 31 March</b>	<b>1,911</b>	<b>4,225</b>

## 13. Cash and cash equivalents

	2014-15 £000	2013-14 £000
Balance at 1 April	3	3
Net change in cash and cash equivalent balances	-	-
Balance at 31 December	<b>3</b>	<b>3</b>
The following balances at 31 December were held:		
Cash in hand	<b>3</b>	<b>3</b>

## 14. Trade Payables and other current liabilities

	2014-15 £000	2013-14 £000
<b>Amounts falling due within one year:</b>		
Trade Payables	175	84
Accruals & Deferred Income	7,860	7,869
	<hr/>	<hr/>
<b>Total</b>	<b>8,035</b>	<b>7,953</b>

### 14.1 Intra-Government Balances

#### Payables: Amounts falling due within one year

	2014-15 £000	2013-14 £000
Balances with other central government bodies	665	724
Balances with local authorities	810	304
Balances with public corporations and trading funds	9	3
Balances with NHS trusts	-	1
	<hr/>	<hr/>
Subtotal: Intra-government balances	1,484	1,032
Balances with bodies external to government	6,551	6,921
	<hr/>	<hr/>
<b>Total payables at 31 March</b>	<b>8,035</b>	<b>7,953</b>

Notes to the Agency Accounts

## 15. Provisions for liabilities and charges

	Public/ Employer's Liability £000	Equal Pay Settlement £000	Judicial Reviews £000	Total £000
Balance at 1 April 2014	463	3	45	511
Provisions not required written back	(54)	-	-	(54)
Provided in the year	202	2	20	224
Provisions utilised in the year	(263)	-	(7)	(270)
<b>Balance at 31 March 2015</b>	<b>348</b>	<b>5</b>	<b>58</b>	<b>411</b>

### Analysed as follows:

Current provision	348	5	58	411
Non- current provision	-	-	-	-

### Analysis of expected timing of discounted flows:

	Public/ Employer's Liability £000	Equal Pay Settlement £000	Judicial Reviews £000	Total £000
Not later than 1 year	348	5	58	411
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
<b>Balance at 31 March 2015</b>	<b>348</b>	<b>5</b>	<b>58</b>	<b>411</b>

	Public/ Employer's Liability £000	Early Retirement £000	Equal Pay Settlement £000	Judicial Reviews £000	Total £000
Balance at 1 April 2013	570	1	4	-	575
Provisions not required written back	(298)	-	-	-	(298)
Provided in the year	334	-	-	45	379
Provisions utilised in the year	(143)	(1)	(1)	-	(145)
<b>Balance at 31 March 2014</b>	<b>463</b>	<b>-</b>	<b>3</b>	<b>45</b>	<b>511</b>

### Analysed as follows:

Current provision	463	-	3	45	511
Non- current provision	-	-	-	-	-

## 15. Provisions for liabilities and charges (continued)

Analysis of expected timing of discounted flows:

	Public/ Employer's Liability £000	Early Retirement £000	Equal Pay Settlement £000	Judicial Reviews £000	Total £000
Not later than 1 year	463	-	3	45	511
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than 5 years	-	-	-	-	-
<b>Balance at 31 March 2014</b>	<b>463</b>	<b>-</b>	<b>3</b>	<b>45</b>	<b>511</b>

Provisions for liabilities and charges relate to public and employer's liability claims. The Equal Pay Settlement relates to obligations on the part of the Agency to comply with equal pay legislation and the requirement to address anomalies which may have existed. Provisions for Judicial Reviews relates to expected claims for compensation under the Waste Management Regulations 2013 for refusal of an Exemption Authorisation.

The Agency is required to meet the cost of paying the pensions of employees who retire early, from the date of retirement until normal retirement age is reached. The Agency provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes announced by the Department.

## 16. Contingent liabilities disclosed under IAS 37

The Agency has the following contingent liabilities:

	Public Liability (Number of cases)	Employer's Liability (Number of cases)	Total cases
Natural Environment	1	-	1
Historic Environment	1	-	1
<b>Total</b>	<b>2</b>	<b>-</b>	<b>2</b>

Public liability claims relate to claims against the Agency by members of the public in respect of alleged injuries sustained at the Agency's visitor sites. Employers' liability claims relate to claims against the Agency by employees allegedly injured at work.

## Voluntary Exit Scheme (VES)

The Northern Ireland Civil Service launched a Voluntary Exit Scheme (VES) across all departments on 2 March 2015. The closing date for applications was 27 March 2015. At the balance sheet date, there is a possible obligation on the Agency which may give rise to a liability should any of the agency's employees apply and be successful. It is not possible, at the balance sheet date, to quantify what this potential liability may be and so no provision has been recognised at 31 March 2015.

## 17. Commitments

The Agency has commitments to pay grants in respect of historic buildings, environmental protection and natural heritage. The payments to which the Agency is committed during 2014-15, analysed by the period during which the commitment expires, are as follows:

	2014-15 £000	2013-14 £000
Not later than one year	1,296	5,605
Later than one year and not later than five years	-	9,825
Later than five years	-	-
<b>Balance at 31 March</b>	<b>1,296</b>	<b>15,430</b>

## 18. Commitments under leases

### *Operating leases*

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2014-15 £000	2013-14 £000
<b>Obligations under operating leases for the following periods comprise:</b>		
Land and Buildings		
Not later than one year	35	35
Later than one year and not later than five years	82	117
Later than five years	-	-
	<b>117</b>	<b>152</b>
Information Technology		
Not later than one year	1	5
Later than one year and not later than five years	1	-
Later than five years	-	-
	<b>2</b>	<b>5</b>
<b>Total</b>	<b>119</b>	<b>157</b>



## 19. Losses and Special Payments

### 19(i) Losses Statement

	Number of cases	2014-15 £000	Number of cases	2013-14 £000
Other losses	11	12	18	14
Administrative write offs	31	12	18	40
<b>Total losses</b>	<b>42</b>	<b>24</b>	<b>36</b>	<b>54</b>

The cases include accidental damage to property, loss of Agency property, bad debts written off and other losses.

### 19(ii) Special Payments

	Number of cases	2014-15 £000	Number of cases	2013-14 £000
Employer liability	1	4	8	133
Public liability	-	-	-	-
<b>Total special payments</b>	<b>1</b>	<b>4</b>	<b>8</b>	<b>133</b>

## 20. Financial Targets

The Department of the Environment does not consider it appropriate to set financial targets for the Agency.

## 21. Related Party Transactions

The Department of the Environment is regarded as a related party as it is the Agency's parent department. During the year NIEA has had various material transactions with the Department, and with other entities to which the Department is regarded the parent department such as, DVAL and DVAT.

In addition, NIEA has had various material transactions with other Government Departments and other central government bodies. Most of these transactions have been with:

- Department of Agriculture and Rural Development
- Department of Education and Learning
- Department for Regional Development
- Department of Finance and Personnel
- Department of Health, Social Services and Public Services

## **21. Related Party Transactions (continued)**

During the year, neither the Chief Executive, members of the Management Board, nor other related parties have undertaken any material transactions with NIEA.

The Agency is charged with managing nature lands to maintain their scientific interest in favorable condition. This conservation management often requires grazing at low stocking levels and grazing at times of year unattractive to the farming community. The Agency levies an annual charge for grazing rights on these lands which is set by Land and Property Services. A number of employees have entered into agreements with the Agency.

## **22. Events after the Reporting Period**

As part of an internal restructuring of functions in the Department, the Historic Environment Division of the NIEA was transferred into the Core Department on 1 April 2015. In the 2015-16 year the Historic Environment Division costs and net assets will be reported in the Department's Resource Accounts. In 2014-15 the Net Operation Cost of the Historic Environment Division amounted to £12,281K, and net assets are estimated to be £453K.

The Stormont House Agreement contains a commitment to reduce the number of NICS Departments from 12 to 9 following the Assembly election in May 2016, which will involve functions transferring from some departments to others. The number, names and high level functions of the new departments are currently being considered by Ministers. It is anticipated that staff working in the affected areas will move with the function. The proposed 9-departmental model outlines a machinery of government change where the functions of NIEA will transfer to other departments in May 2016.

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