Kieran,

Response below to the two queries you raised on the TAMS scheme. Please don’t hesitate to come back if anything is unclear.

In the PAC meeting on 20 June 2019, the Committee was informed that TAMS recorded an underspend in 2017. However, the Committee also heard that the TAMS was oversubscribed. Can you clarify this apparent inconsistency?

As set out below there was an underspend on TAMS II during 2017 but this is different from commitments. Under the scheme, which was launched in 2015, there is a period from the issue of approval to the completion of works and submission of a payment claim of three years for building works and one year in the case of mobile equipment. This period was subsequently reduced to one year and six months respectively to provide tighter control on the annual budgetary provisions required to honour all payment claims. The longer period initially provided for contributed to the lower level of expenditure in the early part of the Rural Development Programme (2014 – 2020) period.

In other words, if I got approval for my building works investment in January 2016 then I had until January 2019 to complete the work and submit the payment claim.

TAMS II is a demand led scheme, in that the timing of the completion of works and submission of payment claim within the provisions of the scheme are a matter for the applicants themselves. The scheme is open in rolling three month tranches. We manage it on a commitment basis i.e. we issue commitments up to a certain value which do not exceed the budget for the scheme and also allow for future tranches to be opened in the interests of fairness to all current and future applicants. We fully expect the indicative budget for TAMS under the RDP of €395m to be fully spent.

TAMS II is now well understood and working well which is evident in the level of applications that continue to be submitted under the scheme and the payments issuing of €1.5m per week. This has led to the need to use ranking and selection with a cut off point in recent tranches. Unsuccessful applications which score a mark below the cut off point are rolled over into the subsequent tranche for further consideration. The need for a ranking and selection process with a cut off point was anticipated and included under the provisions of both the Rural Development Programme (2014 – 2020) and in the Terms and Conditions of each of the suite of seven measures available under TAMS II. Details of the marking system are available on the Department’s website.

Could you also confirm by how much the underspend was?

The Original Allocation for TAMS II in 2017 was €49.832m, while total expenditure was €31.256m, resulting in an underspend of €18.576m.

Regards

Colm Hayes
From: Public Accounts Committee [mailto:PAC@oireachtas.ie]
Sent: 13 November 2019 12:39
To: Hayes, Colm
Cc: 'secgen@agriculture.ie'; Public Accounts Committee
Subject: query re TAMS

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Colm, further to our telephone conversation this morning, please arrange to provide a note in relation to the following matters:

- In the PAC meeting on 20 June 2019, the Committee was informed that TAMS recorded an underspend in 2017. However, the Committee also heard that the TAMS was oversubscribed. Can you clarify this apparent inconsistency?
- Could you also confirm by how much the underspend was?

It would be appreciated if you could respond by noon tomorrow.

Please revert if you require further information.

With regards,

Kieran

Kieran Lenihan
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An Roinn Talmhaíochta, Bia agus Mara

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