

EXPLANATORY MEMORANDUM TO
THE HILL FARM ALLOWANCE REGULATIONS 2005
2005 No.154

1. This explanatory memorandum has been prepared by the Department for Environment, Food and Rural Affairs and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 These Regulations specify the rates of Hill Farm Allowance (HFA), to be paid to claimants in the scheme year 2004/2005. They also lay down the rules as to payment and entitlement.

3. Matters of Special Interest to the Joint Committee on Statutory Instruments

3.1 The interpretation provisions, at regulation 2, define “less favoured area” as any area shown coloured blue or pink on the England LFA Maps. Those maps are defined as the three volumes of maps marked “Volume of maps of less-favoured farming areas in England” dated 20th May 1991 signed and sealed by the Minister of Agriculture, Fisheries and Food and deposited at the offices of the Department of Environment, Food and Rural Affairs at Nobel House, 17 Smith Square, London SW1P 3JR. The Department provides a copy of a map, printed at a considerably smaller scale than the maps referred to in regulation 2, showing all the Less Favoured Areas in the UK. The official maps of the English Less Favoured Areas are in three volumes containing 235 pages of coloured A3 maps at a scale of 1:50,000. This material is kept in the Department’s Information Resource Centre, (telephone 020 7238 6712).

3.2 The location of Less Favoured Areas in England can also be found using the interactive map at the website of Multi-Agency Geographic Information of the Countryside. The interactive map can display the less favoured area status of any land in England with the co-ordinate accuracy of 1 metre at a scale of 1:25,000. This service (available at no cost) can be found at www.magic.gov.uk

4. Legislative background:

4.1 These Regulations implement Council Regulation 1257/1999 (“the Rural Development Regulation”) on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF). Commission Regulation 817/2004 lays down detailed rules for the application of the Rural Development Regulation. These Regulations also implement Chapter 9 of the England Rural Development Programme (ERDP) approved by the European Commission (Commission Decision No. C(2000) 3003) under Article 44 of the Rural Development Regulation.

4.2 In particular, the Regulations implement Articles 13, 14 and 15 of the Rural Development Regulation which allow Member States to provide support for farmers in less favoured areas (LFAs). The Rural Development Regulation also permits Member States to define the conditions of eligibility for Hill Farm Allowance and the rates at which it is to be paid.

5. Extent

5.1 The Instrument applies to England only.

6. European Convention on Human Rights

6.1 Not Applicable

7. Policy background

7.1 HFA is a scheme, under the ERDP, which provides support to beef and sheep producers who farm the English Less Favoured Areas. In the current scheme year so far, 9,780 claimants have been paid. Its broad objectives are social, economic and environmental. It recognises the difficulties that farmers face in the LFA and the vital role that farmers play in maintaining the landscape and rural communities of the hills.

7.2 HFA was first paid in 2001, replacing the Hill Livestock Compensatory Allowance. Two reviews of HFA were carried out in 2003. The mid-term review of HFA attracted 40 responses among whom were organisations representing farmers, landowners and environmentalists. HFA was also reviewed as part of the mid-term review of the ERDP. The conclusion of the HFA review was that the scheme should continue, with minor modifications, until the expiry of the current ERDP period, at the end of 2006. Negotiations are currently underway in connection with the next Rural Development Regulation and consideration is being given by the Department to the nature of a successor scheme, if any, which could be put in place.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it provides a compensatory allowance for hill farm businesses and does not impose a cost on business.

9. Contact

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