

# EXPLANATORY MEMORANDUM TO THE HILL FARM ALLOWANCE REGULATIONS 2009

2009 No. 138

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.

This memorandum contains information for the Joint Committee on Statutory Instruments.

## 2. Purpose of the instrument

2.1 These Regulations specify the rates of Hill Farm Allowance (HFA) to be paid to claimants in the scheme year 2008/09. 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 Regulation 2 defines the England Less Favoured Area (LFA) maps. These maps are not annexed to the Regulations but are available to the public using the interactive map at the website of Multi-Agency Geographic Information for the Countryside (MAGIC). The interactive map can display the LFA 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:

<http://www.magic.gov.uk/website/magic/opener.htm?startTopic=magicall&chosenLayers=lfaindex&xygridref=350000,350000&startScale=6484471>.

3.2 The official maps of the English LFAs are in three volumes containing 235 pages of coloured A3 maps at a scale of 1:50,000. This archive material is kept in the Department's Information Resource Centre on the Lower Ground Floor of Ergon House, Horseferry Road, London, SW1P 2AL (Telephone 020 7238 6575).

## 4. Legislative Context

4.1 These Regulations implement Council Regulation (EC) No. 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development ("the Rural Development Regulation") (OJ No L277, 21.10.2005, p. 1) and Council Regulation (EC) No. 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) ("the original Rural Development Regulation") (OJ No L 160, 26.6.1999, p. 80), (together, "the Rural Development Regulations") in so far as they relate to less favoured areas.

4.2 In particular, these Regulations implement Article 36(a) (ii) of the Rural Development Regulation and Articles 13, 14 and 15 of the original Rural Development Regulation, by defining the conditions of eligibility for hill farm allowance and giving the rates at which it is to be paid.

## 5. Territorial Extent and Application

5.1 This instrument applies to holdings wholly or partly in England.

## **6. European Convention on Human Rights**

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

## **7. Policy background**

7.1 HFA 2009 is one of the schemes that operate as part of the Rural Development Programme for England (RDPE). It provides dedicated support to beef and sheep producers who farm land in Severely Disadvantaged Areas within the English LFAs. It recognises the difficulties that farmers face in these regions and the vital role that they play in maintaining the landscape and rural communities of the hills. The scheme is administered by the Rural Payments Agency (RPA) on behalf of Defra.

7.2 Regulations are made each year to provide for payment of the HFA. The RDPE for 2007-2013 was approved by the European Commission on 07 December 2007. These Regulations are necessary to ensure implementation of the EC Rural Development regime. This provides for support for less favoured areas to be paid and appropriate procedures must be in place to ensure that eligibility can be properly assessed before payments are made under the RDPE

7.3 As explained in the 2009 scheme booklet, from 2010, uplands support will be fully integrated into Environmental Stewardship. Details of Uplands ELS, a new uplands strand of Entry Level Stewardship, were announced in December 2008, along with the extension of the HFA for a further year into 2010 to help smooth the transition to Uplands ELS. Uplands ELS agreements can be started from 1 July 2010.

7.4 The main changes this instrument makes from the 2007-08 scheme are outlined below.

7.5 Re-drafting of the milk quota calculation (Regulation 7 schedule 3) to reflect procedural changes made by the RPA previously and incorporated as an amendment in the 2008 Explanatory booklet. The stocking density calculation will therefore be on the same basis as in 2008.

7.6 The payment rates have been revised with marginal increase on 2007-08 rates and, as with the 2006-7 and 2007-08 schemes, a provision has been included for the Secretary of State to increase or decrease payments by up to 10% in specific circumstances as set out in paragraphs 6 and 7 of regulation 5. The new payment rates can be found in Schedule 2 of the instrument.

## **8. Consultation outcome**

8.1 None, this is because no specific consultation has been undertaken for the 2009 Regulations. The amendment to these Regulations involves an update of the payment rate which occurs on a yearly basis.

8.2 Previous consultation has, however, taken place on the operation and effectiveness of the Hill Farm Allowance and direction of Government incentives for

the uplands, including the Mid-term Review of the HFA in England consultation (2003) and consultation on the new uplands reward structure (RDPE 2007-13) (2006).

## **9. Guidance**

9.1 An Explanatory booklet providing guidance for scheme 2009 has been prepared and is available on the RPA website at:

<http://www.rpa.gov.uk/rpa/index.nsf/UIMenu/F90D334E05F54141802574270050E5F6?Opendocument>

## **10. Impact**

10.1 The impact on business, charities or voluntary bodies is negligible.

10.2 The impact on the public sector is negligible.

10.3 An Impact Assessment has therefore not been prepared for this instrument.

## **11. Regulating small business**

11.1 The legislation applies to small business, however there are no changes to the 2008-09 scheme that will increase impact on firms employing up to 20 people, compared to previous years.

## **12. Monitoring & review**

12.1 The Regulations are prepared on an annual basis

## **13. Contact**

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