

EXPLANATORY MEMORANDUM TO
THE COMMON AGRICULTURAL POLICY SINGLE PAYMENT AND SUPPORT
SCHEMES REGULATIONS 2010

2010 No. 540

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. Purpose of the instrument

2.1 These Regulations enable the Secretary of State to continue to apply provisions for the Common Agricultural Policy's (CAP) Single Payment Scheme (SPS) and other direct payment schemes for farmers. They contain updated references to new Commission Regulations introduced following the recent EU review of the CAP (the 'CAP Health Check'). They also update the definition to one of the English SPS regions (moorland) to reflect some minor amendments to the Moorland and Less Favoured Area maps and introduce a new provision in relation to the eligibility of short rotation coppice under the scheme.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative context

4.1 The SPS is provided for in Council Regulation (EC) No 73/2009 and Commission Regulations (EC) No 1120/2009 and 1122/2009 (which recently replaced Commission Regulation (EC) Nos. 795/2004 and 796/2004 respectively).

4.2 The Common Agricultural Policy Single Payment and Support Schemes Regulations 2009 (S.I. 2009/3102) set out the decisions taken in England in relation to the areas of discretion available to Member States. These Regulations are available on the OPSI website, together with the accompanying Explanatory Memorandum (at www.opsi.gov.uk/si/si2009/uksi_20093102_en_1).

4.3 The 2010 Regulations repeal and replace the 2009 Regulations to reflect the new Commission Regulations (EC) Nos. 1120/2009 and 1122/2009 and make some other minor amendments.

5. Territorial Extent and Application

5.1 This instrument applies to 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

- *What is being done and why*

7.1 During 2008 there was a scheduled review of the Common Agricultural Policy (CAP), known as the CAP Health Check. The 2009 Regulations (S.I. 2009/3102) reflected the new EC Council Regulation which was introduced following the Health Check but the updated Commission Regulations had not yet been published. The 2010 Regulations, which repeal and replace the 2009 Regulations, now update the references to the Commission Regulations.

7.2 In addition, these Regulations update the definition of the moorland region (see paragraph 7.3) and include a new provision in relation to short rotation coppice (see paragraph 7.4).

Regions

7.3 In 2004 the Government announced that there would be three English regions for the purpose of SPS, including 'moorland within the Severely Disadvantaged Area'. Different flat-rate payments apply in each English SPS region. These Regulations update the definition of moorland area in England to reflect recent minor amendments to the moorland and Less Favoured Area maps. These maps have been updated to reflect technical adjustments made by Ordnance Survey which improves their accuracy. The moorland map has also been revised slightly to reflect past successful appeals from farmers against the moorland status given to their land.

Short rotation coppice

7.4 Land used to grow short rotation coppice used to be eligible under the scheme only under specific circumstances. Following changes to the EC Regulations the previous restrictions on short rotation coppice have been removed. Instead the EC Regulations require Member States to list the species which are eligible and their maximum harvest cycle. These are specified in the 2010 Regulations.

- *Consolidation*

7.5 As this instrument does not amend another instrument, no consolidation of legislation is necessary.

8. Consultation outcome

8.1 Most of the provisions in these Regulations continue the existing arrangements, so no further consultation has been carried out on these aspects.

8.2 As the revisions to the definition of moorland only reflect improvements in mapping techniques and some successful appeals from farmers, no consultation on this has been necessary.

8.3 Informal consultation on the short rotation coppice species and maximum harvest cycle has been carried out with key stakeholders (farming industry bodies, short rotation coppice organisations, the Department for Energy and Climate Change, the Forestry Commission and Natural England). There was widespread support for our proposals, although one extra species was added to our list to reflect the wishes of stakeholders.

9. Guidance

9.1 Guidance on the Single Payment Scheme is sent annually to farmers. The eligible short rotation coppice species and maximum harvest cycle are listed in the 2010 scheme guidance, being sent to farmers in Spring 2010, and will also be listed on the website of the Rural Payment Agency (www.rpa.gov.uk), an Executive Agency of the Department for Environment Food and Rural Affairs.

10. Impact

10.1 The impact on businesses (farmers) is that they will be able to more widely use land used for growing short rotation coppice to claim under the Single Payment Scheme than was the case before the EC removed the restrictions.

10.2 There is no impact on charities or voluntary bodies (unless they are farmers in which case these Regulations apply to them in the same way as to other farmers).

10.3 There is no new impact on the public sector.

11. Regulating small businesses

11.1 The legislation applies to small businesses.

11.2 There will be no additional burden to small businesses as the Regulations do not introduce any new burdens for business.

12. Monitoring and Review

12.1 The SPS will be subject to the wider review of the Common Agricultural Policy at the end of 2012.

13. Contact

13.1 Claire Williams at the Department for Environment, Food and Rural Affairs Tel: 0207 238 3157 or e-mail: claire.williams@defra.gsi.gov.uk can answer any queries regarding the instrument.