

EXPLANATORY MEMORANDUM TO

THE HILL FARM ALLOWANCE 2010

2010 No. 167

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 and the House of Lords Select Committee on the Merits of 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 2009/10. 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. Updated maps (2009) have been produced following improvements in Ordnance Survey mapping techniques (see paragraph 7.9 below on eligibility). These maps are not annexed to the Regulations but are to be available to the public using the interactive map at the website of Multi-Agency Geographic Information for the Countryside (MAGIC).

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

3.2 The 1991 and 2009 official maps of the English LFAs are in several volumes and retained 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. These Regulations are enforced by the Rural Development (Enforcement) (England) Regulations 2007.

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 2010 is a scheme operating under the Rural Development Programme for England (RDPE). HFA provides dedicated support to beef and sheep producers who farm land in Severely Disadvantaged Areas (SDA) within the English LFA. 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. HFA also seeks to preserve the farmed upland environment by ensuring that land in SDA is managed in a sustainable way.

The scheme is administered by the Rural Payments Agency (RPA) on behalf of Defra.

7.2 Regulations are made annually 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 HFA is in its final year of payments. From July 2010, uplands support will be fully integrated into Environmental Stewardship as Uplands Entry Level Stewardship (Uplands ELS). HFA was extended 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 2008-09 scheme are outlined below.

7.5 The definition of forage area has been revised to align with EC Regulation 1120/2009.

7.6 Regulation 796/2004 has been repealed. The definition of single payment scheme application has been revised to align with EC Regulation 1122/2009.

7.7 Reference to land set aside under 1251/1999 in the “permanent pasture” definition is removed as land is no longer set aside in England under this regulation.

7.8 EC Regulation 1782/2003 has been repealed. All references to that regulation have been changed to align with EC Regulation 73/2009.

7.9 The accuracy of the information recorded in the “Volume of maps of less-favoured farming areas in England” and the “Moorland Map of England 2007” has

been improved and recorded respectively in the “Less Favoured Area Map of England 2009” and the “Moorland Map of England 2009”. Claimants who took part in a Rural Land Register (RLR) Map Update and agreed with the Secretary of State before 28 February 2009 that the new maps would apply to their claim will have their eligibility and payments determined according to the relevant information in the new maps (Regulations 3 and 4). Otherwise, claimants will have their eligibility and payments determined according to the relevant information in the old maps (definitions of “the England LFA maps” and “moorland” in Regulation 2, and Regulations 3 and 4).

7.10 EC Regulation 1973/2004 has been repealed. The reference to “individual reference quantity of milk” has been updated to “individual quota” as defined in Article 65(i) of Council Regulation 1234/2007 (Regulation 8 and Schedules 4 and 5(7)). The reference to “meat breed” in Schedule 2 paragraph 1(3)(b) has been updated to refer to Annex IV to Commission Regulation 1121/2009)

7.11 The word “proportionally” has been added in Regulation 7(8) to clarify the way payments may be adjusted.

8. Consultation outcome

8.1 No consultation was necessary.

9. Guidance

9.1 An Explanatory booklet providing guidance for scheme 2010 is available on the RPA website at:

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

10. Impact

10.1 Since the amendments have negligible impact on business, charities, voluntary bodies or the private sector, no Impact Assessment has been prepared.

11. Regulating small business

11.1 Although the legislation applies to small business, no changes to the regulations will increase impact on these firms.

12. Monitoring & review

12.1 The scheme expires in 2010.

13. Contact

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