

**EXPLANATORY MEMORANDUM TO
THE HILL FARM ALLOWANCE REGULATIONS 2007**

2007 No. 619

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

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

2. **Description**

- 2.1 These Regulations specify the rates of Hill Farm Allowance (HFA) to be paid to claimants in the scheme year 2006/7. 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 Background**

- 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. Extent

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

7.1 HFA 2007 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 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. Although the RDPE for 2007-2013 has not yet been approved by the European Commission, these Regulations are necessary to ensure implementation of the Rural Development Regulations. The Rural Development Regulations provide 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 following approval of the RDPE.

7.3 The main changes to the 2007 scheme are outlined below.

7.4 The payment rates have been revised upwards and 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 3 and 4 of regulation 6. The new payment rates can be found in Schedule 2 of the SI.

7.5 Secondly, like last year, payments will be increased for farmers who can meet certain environmental criteria to ensure that HFA contributes to good environmental practice. These are known as enhancements. This year the number of enhancements has been reduced from three to two and the percentage increase available for each has reduced.

7.6 Thirdly, the requirement to comply with Good Farming Practice has been replaced with an obligation on HFA 2007 claimants to adhere to the same cross compliance conditions as required by the Single Payment Scheme (SPS).

7.7 Fourthly, the application process has changed.

7.8 Following a review of the future of the HFA and uplands support, Defra announced in December 2006 that the HFA will continue for a further three years through to 2009 under the new Rural Development Programme for England. Uplands support will be fully integrated into Environmental Stewardship from 2010.

8. Impact

8.1 An RIA has not been prepared because the changes to the existing hill farm allowance scheme introduced by these Regulations will have a negligible impact on business and the voluntary sector.

9. Contact

9.1 Paul Dorling, Uplands and Commons Policy, Environmental Land Management Division, Defra, Area 5A, Ergon House, Horseferry Road, London SW1P 2AL (telephone 020 7238 6340) can answer any queries regarding the instrument.