

**EXPLANATORY MEMORANDUM TO
THE HILL FARM ALLOWANCE REGULATIONS 2008**

2008 No. 51

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 2007/8. 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 2008 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 The main changes this instrument makes from the 2006-7 scheme are outlined below.

7.4 Defra announced in December 2006 that the HFA would continue for a further three years through to 2009 under the new Rural Development Programme for England, and that uplands support would be fully integrated into Environmental Stewardship from 2010. It was also announced that Defra proposed to remove "Disadvantaged Areas" from the HFA scheme from 2008. This instrument implements that proposal by removing Disadvantaged Areas from eligibility for payment of HFA.

7.5 The payment rates have been revised upwards and, as with the 2006-7 scheme, 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.

7.6 As with the last two years' schemes, 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. As with last year's scheme, the number of enhancements remains at two with the same criteria and the percentage increase available for each is unchanged.

7.7 The application process has changed slightly. In the previous year a separate declaration form was issued. However, this year the claimant is required to submit an eligible Single Payment claim form.

8. Impact

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

9. Contact

9.1 Nadeem Raja, Uplands and Commons Policy, Environmental Land Management Division, Defra, Area 3C, Nobel House, Smith Square, London SW1P 3JR (telephone 020 7238 6804) can answer any queries regarding the instrument.