EXPLANATORY MEMORANDUM

The Less Favoured Area Compensatory Allowances (Amendment) Regulations (Northern Ireland) 2015

2015 No 248

1. Introduction

1.1. The Explanatory Memorandum has been prepared by the Department of Agriculture and Rural Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under section 2(2) of the European Communities Act 1972 and is subject to the negative resolution procedure.

2. Purpose

2.1. These Regulations amend the Less Favoured Area Compensatory Allowances Regulations (Northern Ireland) 2015 (SR No 16).

3. Background

3.1. The Less Favoured Area Compensatory Allowances (LFACA) Scheme forms part of the Northern Ireland Rural Development Programme and is a compensation measure to support farmers in Northern Ireland's less favoured area.

3.2. The Less Favoured Area Compensatory Allowances Regulations (Northern Ireland) 2015 came into operation on 3 February 2015 to give the Department the power to make payments under this Scheme to beneficiaries.

3.3. This Statutory Rule also stipulated the Departments powers of recovery in relation to monies paid to those who have breached Scheme rules.

3.4. Regulation 11 (3) of the LFACA 2015 SR stated that "*no interest shall be charged for the first 60 days after the payment deadline as recorded in the recovery notice issued by the Department*".

3.5. We now consider that the interpretation of the provision of powers of recovery is at odds with the intention of the European legislation that provides the overarching rules for powers of recovery. Article 27 (1) of Regulation (EU) No 908/2014 states that *"....interest on undue payments to be recovered...shall be calculated for the period elapsing between the expiry of the payment deadline...and the date of payment or deduction. The payment deadline shall not be set at more than 60 days after the recovery order*".

3.6. In order to regularise this minor technical issue, the Less Favoured Area Compensatory Allowances (Amendment) Regulations (Northern Ireland) 2015 clarifies the Departments position with regard to the interest free period and ensures that it is consistent with the provisions of the European legislation.

4. Consultation

4.1. There has been no consultation specific to these Regulations. This is due to the fact that the Regulations provide a technical amendment to previous Regulations only. They do not affect the current architecture of the LFACA Scheme.

5. Equality Impact

5.1. An Equality Impact Assessment was completed on the Agri-environment programme and the LFACA Scheme contained within Axis 2 of the NIRDP in late 2010. No specific issues or comments relating to the equality aspects of either scheme were raised during the consultation. A final report on the assessment has been published.

6. Regulatory Impact

6.1. A Regulatory Impact Assessment has not been prepared for these Regulations as they have no impact in terms of costs on business, charities or voluntary bodies.

7. Financial Implications

7.1. None arising from these Regulations. The Regulations are a technical amendment only.

8. Section 24 of the Northern Ireland Act 1998

8.1. The Regulations deal with an amendment to the provision for powers of recovery and do not have any human rights implications, nor are they incompatible with EU law. The Regulations are therefore deemed to comply with the requirements of section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. The Regulations now ensure correct interpretation of Regulation (EU) No 908/2014.

10. Parity or Replicatory Measure

10.1. Not applicable

11. Additional information

11.1. Not applicable

12. 21 Day Rule

12.1. The Department proposes that the Regulations will be made on 12 May 2015 and come in to operation in 4 June 2015. They will not break the 21 day Rule.

Rosemary Agnew at the Department of Agriculture and Rural Development, Tel: 028 9052 4074 or email: rosemary.agnew@dardni.gov.uk , can answer any queries regarding the Scheme.