The Ornamental Horticulture Industry (Coronavirus, Financial Assistance) Scheme Regulations (Northern Ireland) 2020

S.R 2020 No. 219

1. Introduction

1.**1** This Explanatory Memorandum has been prepared by the Department of Agriculture, Environment and Rural Affairs (the Department) to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2 The Statutory Rule is made under section 1(1) of the Financial Assistance Act (Northern Ireland) 2009 and is subject to the negative resolution procedure.

2. Purpose

2.1. The First Minister and deputy First Minister acting jointly have made a determination under the Financial Assistance Act (NI) 2009 that exceptional circumstances exist for the Ornamental Horticulture Industry due to the collapse of markets as a result of the of COVID-19 pandemic lockdown resulting in financial hardship for the sector.

2.2. These Regulations are made to mitigate the effect of these exceptional circumstances. The purpose of this Statutory Rule is to provide a financial assistance scheme following market disturbance to ornamental horticulture producers who have suffered a financial loss as a consequence of the Covid-19 coronavirus pandemic.

2.3. The Scheme further provides that the Department shall invite applications for funding under the scheme, the details of conditions of eligibility for grants, the eligibility criteria and administration of payments, and the terms and conditions under which any payments shall be made including provision for the recovery of grant where applicable.

2.3 The Statutory Rule also includes an appeal mechanism.

3. Background

3.1. The COVID-19 pandemic caused significant and long-lasting impacts on the domestic ornamental horticulture production sector in Northern Ireland. Following the introduction of social distancing measures growers suffered financial losses due to the closure of garden centres, this being the key route to markets.

3.2 In order to respond to the COVID-19 situation, on 30 June 2020 the Minister of Agriculture, Environment and Rural Affairs, Edwin Poots MLA announced a £25M support package for the agriculture and ornamental horticulture industry. Up to £1.6M of this fund is for this scheme.

4. Consultation

4.1. The global COVID-19 pandemic had an immediate and significant financial impact on the ornamental horticulture sector as a result of the collapsing markets and restrictions on movements for public health reasons. DAERA officials consulted with industry representatives to discuss the possible options for financial support.

4.2. DAERA officials had regular telephone contact with Horticulture Trade Association and Growers NI representatives throughout the period. A video conference

consultation took place on the 25th September 2020 on the scheme details with key industry representatives.

4.3 The consultation with industry representatives also considered the implications of the support for businesses and self-employed persons announced by the UK Government as part of its wider response to the COVID-19 pandemic.

5. Equality Impact

5.1 The Department considers that the proposed Statutory Rule complies with section 75 of the NI Act 1998 and has screened this out of a full equality impact assessment.

6. Regulatory Impact

6.1 A regulatory impact assessment is not required because the policy proposals do not have an impact (positive or negative) on the wider business community.

7. Financial Implications

7.1 It is estimated that this scheme will cost up to £1.6 million and funding for this has been agreed with the Minister of Finance and the Northern Ireland Executive as part of the response to the COVID-19 pandemic.

8. Section 24 of the Northern Ireland Act

8.1 This Statutory Rule complies with the provisions set out in Section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1 Commission Communication 2020/C91 I/01 on the Temporary Framework for the provision of de-minimis aid is in relation to addressing the impacts of COVID-19 in the agricultural sector. The Temporary Framework provides for an additional De-minimis threshold of Euro 100,000 per undertaking active in the primary production of agricultural products. The Statutory Rule requires that grant awards are compliant with the Temporary Framework, including that no undertaking may receive grants totalling in excess of Euro 120,000.

10. Parity or Replicatory Measures

10.1 The measure does not replicate, nor is it required to maintain parity with, legislation in other administrations. The Government Departments with responsible for ornamental horticulture in each of the devolved administrations have taken separate approaches. DEFRA have not provided a financial support scheme to provide assistance to the sector. Discussions are continuing between the Horticulture Traders Association and the Scottish government.

11. 21 Day Rule

11.1 The Department intends to bring the Regulations into operation in contravention of the "21 day rule". The Department apologises for doing this but feels that this is justified given the urgent need to provide financial assistance as per the wishes of the Minister of Agriculture, Environment and Rural Affairs and the determination of the First Minister and deputy First Minister, as well as the commitments made to industry by Ministers to deliver assistance as soon as possible.

12. Additional Information

12.1 For further information contact Brenda Cunning (Tel. (028) 9052 4009) or Noreen Donnelly (Tel. (028) 90378556) at the Department of Agriculture, Environment and Rural Affairs or e-mail noreen.donnelly@daera-ni.gov.uk or Covid19.Support@daera-ni.gov.uk