

Appendix I - Rural Needs Impact Assessment (RNIA) Template

SECTION 1 - Defining the activity subject to Section 1(1) of the Rural Needs Act (NI) 2016

1A. Name of Public Authority.

Department of Agriculture, Environment and Rural Affairs (DAERA)

1B. Please provide a short title which describes the activity being undertaken by the Public Authority that is subject to Section 1(1) of the Rural Needs Act (NI) 2016.

Options for Basic Payment Scheme Entitlement Unit Values Post 2019.

1C. Please indicate which category the activity specified in Section 1B above relates to.

Developing a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Adopting a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Implementing a	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Revising a	Policy <input checked="" type="checkbox"/>	Strategy <input type="checkbox"/>	Plan <input type="checkbox"/>
Designing a Public Service	<input type="checkbox"/>		
Delivering a Public Service	<input type="checkbox"/>		

1D. Please provide the official title (if any) of the Policy, Strategy, Plan or Public Service document or initiative relating to the category indicated in Section 1C above.

Options for Basic Payment Scheme Entitlement Unit Values Post 2019

1E. Please provide details of the aims and/or objectives of the Policy, Strategy, Plan or Public Service.

The objective is to seek views on the following potential options for Basic Payment Scheme (BPS) entitlement unit values:

Option 1 Continue the transition towards a flat rate payment by 2021; or

Option 2 Freeze the unit value of the entitlements at the end of 2019.

1F. What definition of 'rural' is the Public Authority using in respect of the Policy, Strategy, Plan or Public Service?

Population Settlements of less than 5,000 (Default definition).

Other Definition (Provide details and the rationale below).

A definition of 'rural' is not applicable.

Details of alternative definition of 'rural' used.

Rationale for using alternative definition of 'rural'.

Reasons why a definition of 'rural' is not applicable.

SECTION 2 - Understanding the impact of the Policy, Strategy, Plan or Public Service

2A. Is the Policy, Strategy, Plan or Public Service likely to impact on people in rural areas?

Yes No If the response is **NO** GO TO Section **2E**.

2B. Please explain how the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas.

Basic Payment Scheme (BPS) is an agricultural land-based scheme funded under Pillar 1 of the Common Agricultural Policy (CAP). The scheme is accessible to all farm businesses which hold BPS entitlements, are involved in agricultural activity and can demonstrate compliance with the scheme rules as laid down in Council Regulation (EU) No. 1307/2013. Every entitlement has a monetary value, and as the unit values are based on historic payments, there is a wide variation in unit values. To generate payment, farmers must “activate” their entitlements by declaring one hectare of eligible agricultural land per entitlement. Rural by definition (settlements of less than 5,000) encompasses much of NI. Therefore, it is a fair assessment that almost all farm businesses and agricultural activity in NI are within rural areas.

No rural needs have been identified. The scheme does not create a differential impact between rural and urban areas and, as the beneficiaries of the scheme are exclusively farm businesses, there is no differential impact between different rural communities.

The project will not affect the overall budget for the BPS during scheme years 2020 and 2021. The option to continue the transition towards a flat rate payment by 2021 will result in very minor redistribution of the available direct support between farming enterprises.

2C. If the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas differently from people in urban areas, please explain how it is likely to impact on people in rural areas differently.

N/A.

As indicated at Section 2B, beneficiaries of CAP Pillar 1 direct support payments are predominantly resident in rural areas.

2D. Please indicate which of the following rural policy areas the Policy, Strategy, Plan or Public Service is likely to primarily impact on.

Rural Businesses	<input checked="" type="checkbox"/>
Rural Tourism	<input type="checkbox"/>
Rural Housing	<input type="checkbox"/>
Jobs or Employment in Rural Areas	<input type="checkbox"/>
Education or Training in Rural Areas	<input type="checkbox"/>
Broadband or Mobile Communications in Rural Areas	<input type="checkbox"/>
Transport Services or Infrastructure in Rural Areas	<input type="checkbox"/>
Health or Social Care Services in Rural Areas	<input type="checkbox"/>
Poverty in Rural Areas	<input type="checkbox"/>
Deprivation in Rural Areas	<input type="checkbox"/>
Rural Crime or Community Safety	<input type="checkbox"/>
Rural Development	<input type="checkbox"/>
Agri-Environment	<input type="checkbox"/>
Other (Please state)	<input type="text"/>

If the response to Section 2A was YES GO TO Section 3A.

2E. Please explain why the Policy, Strategy, Plan or Public Service is NOT likely to impact on people in rural areas.

SECTION 3 - Identifying the Social and Economic Needs of Persons in Rural Areas

3A. Has the Public Authority taken steps to identify the social and economic needs of people in rural areas that are relevant to the Policy, Strategy, Plan or Public Service?

Yes No If the response is **NO** GO TO Section **3E**.

3B. Please indicate which of the following methods or information sources were used by the Public Authority to identify the social and economic needs of people in rural areas.

Consultation with Rural Stakeholders	<input type="checkbox"/>	Published Statistics	<input type="checkbox"/>
Consultation with Other Organisations	<input type="checkbox"/>	Research Papers	<input type="checkbox"/>
Surveys or Questionnaires	<input type="checkbox"/>	Other Publications	<input type="checkbox"/>
Other Methods or Information Sources (include details in Question 3C below).			<input type="checkbox"/>

3C. Please provide details of the methods and information sources used to identify the social and economic needs of people in rural areas including relevant dates, names of organisations, titles of publications, website references, details of surveys or consultations undertaken etc.

3D. Please provide details of the social and economic needs of people in rural areas which have been identified by the Public Authority?

If the response to Section 3A was **YES** GO TO Section 4A.

3E. Please explain why no steps were taken by the Public Authority to identify the social and economic needs of people in rural areas?

Consultation and extensive data analysis was previously carried out in 2013. This was driven by EU Council Regulation (EU) No. 1307/2013, which required Member States to move from a differentiated unit value of entitlements to a flat rate. The Regulation offered a range of options for the rate of transition to a flat rate. These were immediate movement to a flat rate payment per hectare in 2015; transition to a flat rate by 2019; or partial transition to a flat rate by 2019. All of the legal options available resulted in redistribution of support within the applicant population.

In order to soften the impact on farm businesses and to enable them to plan for the inevitable change to the payment regime, the model implemented by DAERA was to move gradually 71.4% of the way towards a flat rate over the period 2015-2019. These arrangements were to be reviewed after 2019 as part of CAP reform, and farmers were advised accordingly.

DAERA has now undertaken further analysis to inform stakeholder consideration of the two potential options presented in section 1E of this template. The next step will be to undertake a formal stakeholder engagement exercise (as DAERA committed to so doing in its NI Future Agricultural Policy Framework document (August 2018)) to seek views on these potential options to help inform the decisions of a future Minister.

SECTION 4 - Considering the Social and Economic Needs of Persons in Rural Areas

4A. Please provide details of the issues considered in relation to the social and economic needs of people in rural areas.

SECTION 5 - Influencing the Policy, Strategy, Plan or Public Service

5A. Has the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, been influenced by the rural needs identified?

Yes No If the response is **NO** GO TO Section **5C**.

5B. Please explain how the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, has been influenced by the rural needs identified.

If the response to Section **5A** was **YES** GO TO Section **6A**.

5C. Please explain why the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or the delivery of the Public Service, has NOT been influenced by the rural needs identified.

No rural need was identified.

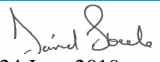

Under Council Regulation (EU) No. 1307/2013, NI had to move the unit value of BPS payment entitlements towards a flat rate. After consulting with stakeholders and analysing data derived from 2013 Single Farm Payment (SFP) claims, the 2012 Agricultural Census and using the 2013 SFP budget, the Minister, with agreement from the Executive, decided on a gradual transition towards a flat rate over a period of seven years. The option of moving immediately to a flat rate was rejected because it would have created an abrupt and damaging redistribution of payments, leaving farm businesses very little time to prepare and adjust.

Five years of that seven-year transition period are almost complete and the amount of redistribution has been greatly reduced, hence the finding that no rural need has been identified.

SECTION 6 - Documenting and Recording

6A. Please tick below to confirm that the RNIA Template will be retained by the Public Authority and relevant information on the Section 1 activity compiled in accordance with paragraph 6.7 of the guidance.

I confirm that the RNIA Template will be retained and relevant information compiled.

Rural Needs Impact Assessment undertaken by:	David Steele
Position/Grade:	Project Manager/Acting G7
Division/Branch	Brexit Division
Signature:	
Date:	24 June 2019
Rural Needs Impact Assessment approved by:	Norman Fulton
Position/Grade:	Deputy Secretary
Division/Branch:	Food and Farming Group
Signature:	
Date:	24 June 2019