



Northern Ireland
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Committee for Agriculture, Environment and
Rural Affairs

OFFICIAL REPORT (Hansard)

Direct Payments to Farmers (Amendment) Regulations (Northern
Ireland) 2021/Direct Payments to Farmers (Simplifications)
Regulations (Northern Ireland) 2021: Department of Agriculture,
Environment and Rural Affairs

4 February 2021

NORTHERN IRELAND ASSEMBLY

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Direct Payments to Farmers (Amendment) Regulations (Northern Ireland)
2021/Direct Payments to Farmers (Simplifications) Regulations (Northern Ireland)
2021: Department of Agriculture, Environment and Rural Affairs

4 February 2021

Members present for all or part of the proceedings:

Mr Declan McAleer (Chairperson)
Mr Philip McGuigan (Deputy Chairperson)
Ms Clare Bailey
Mrs Rosemary Barton
Mr John Blair
Mr Maurice Bradley
Mr Harry Harvey
Mr William Irwin
Mr Patsy McGlone

Witnesses:

Dr Rosemary Agnew
Mr Mark McLean

Department of Agriculture, Environment and Rural Affairs
Department of Agriculture, Environment and Rural Affairs

The Chairperson (Mr McAleer): We will now have one briefing from the Department to cover the next two agenda items, which are the SL1s. The Committee will then consider each SL1 separately. I welcome, via StarLeaf, Rosemary Agnew, director of the Brexit food and farming group; and Mark McLean, the group's principal agricultural economist. I invite the officials to begin the briefing on both SL1s.

Dr Rosemary Agnew (Department of Agriculture, Environment and Rural Affairs): Good morning, Chair. Can you hear me?

The Chairperson (Mr McAleer): Yes, Rosemary, loud and clear.

Dr Agnew: Thank you. Mark is just joining us. If you are content, I will begin. Good morning, everyone, and thank you very much for the opportunity to present the Direct Payments to Farmers (Amendment) Regulations (Northern Ireland) 2021 and the Direct Payments to Farmers (Simplifications) Regulations (Northern Ireland) 2021 for your scrutiny.

The Department intends to make both regulations under the powers conferred by schedule 6 to and section 50(3)(d) of the Agriculture Act 2020. Both regulations will be laid before the Assembly under the draft affirmative resolution procedure, and a debate in the Assembly is currently scheduled for 22 February. We anticipate, subject to the outcome of that debate, that the regulations will come into

operation on or before 1 March 2021, which is the opening date for the application period for those schemes in the incoming year.

By way of background, as you are aware, the United Kingdom leaving the EU and the common agricultural policy is one of the most significant changes in policy affecting the agri-food sector in more than 40 to 50 years. It means that our policies no longer have to be constrained by the existing CAP pillar 1 and pillar 2 construct, giving us the opportunity to develop new approaches and support systems that better address the needs of Northern Ireland agriculture, the environment and rural communities.

In Northern Ireland, direct payments are currently worth over £293 million annually. As you will be aware from recent briefings, the Department continues to look at what future payments can do to support farming and rural communities while supporting the sustainability and profitability of farming and the environment. All will take time to develop. While they are being developed, it is important that we are able to continue to make payments under the existing schemes, as well as reviewing our approach with the aim of implementing, wherever possible, simplifications that are in keeping with the longer-term direction of travel that was announced by Minister Poots in the Assembly on 17 November.

The first SR is the Direct Payments to Farmers (Amendment) Regulations (Northern Ireland) 2021. Amendments introduced by this SR will maintain the status quo as far as possible and are largely technical in nature. No substantive policy changes are made by this SR. Farmers will see no change on the ground as a result of the regulations. The direct payments regulations contain the financial ceilings that are used to calculate direct payments to farmers across the United Kingdom. However, they include financial ceilings only up to and including the 2020 claim year. The SR specifies the manner by which DAERA will continue to determine the annual financial ceiling to calculate payments beyond 2020 in Northern Ireland. The ceiling for each future year must be equivalent to Northern Ireland's share of the UK national ceiling specified in the direct payments regulations for 2020.

As we move forward, the ceiling will no longer be specified in legislation but will be determined administratively. Setting the ceiling in legislation is no longer necessary, given that the context of allocating funds to EU member states is no longer applicable. This change will not alter the amount paid to farmers, and the Department will remain constrained by the Treasury allocation. We discussed that issue at length at last week's Committee.

The SR makes a few other minor amendments to ensure that the schemes can operate effectively beyond 2020, including replacing some dates specific to the 2020 scheme year with equivalent dates that are not year-specific. It removes from the EU retained law those provisions that are not applicable in Northern Ireland. Similarly, it removes provisions that no longer operate in Northern Ireland, such as the requirement for beneficiaries to meet negative list rules for the active farmer and the ability to make payments in euros. Other amendments remove provisions that are not relevant beyond 2020. For example, the SR removes rules concerning the transfer of funds from the 2020 direct payment budget to that which is used for rural development measures. What used to be the old inter-pillar transfer is no longer relevant because we have one combined budget rather than two.

I will move on to say a little about the Direct Payments to Farmers (Simplifications) Regulations (Northern Ireland) 2021. These regulations give legal effect to the simplifications that Mr Poots announced in the Assembly on 17 November and which Norman Fulton and I presented to the Committee on 19 November. The simplifications are intended to make the direct agricultural support schemes — the basic payment scheme, for example — simpler for applicants and those who administer the schemes. They are intended to provide a simplified base as we move forward to a new Northern Ireland farming policy.

Part 2 of the regulations removes the greening payment, with the money being incorporated into the basic payment scheme. The requirement not to plough environmentally sensitive grassland is retained, as you can see, in article 32A.

Part 3 limits to 90 the number of entitlements that can be allocated or increased in value from the regional reserve for a young farmer new entrant, bringing it into line with the 90-hectare limit for the young farmers' payment. From the 2022 scheme year onwards, it also removes the eligibility of a farm business young farmer for the young farmers' payment after three unsuccessful applications.

Part 4 makes a change to the over-declaration penalty so that those penalties cannot exceed the amount of payment due prior to the penalty being applied.

Part 5 removes the concept of a cross-border holding within the United Kingdom. Farms with land in more than one UK region will make separate applications to each paying agency and will be paid separately.

Part 6 changes the amount at which payments are capped from €150,000 to £190,000 sterling. This is a technical change to reflect the fact that capping did not apply to the greening payment, and these amounts are being incorporated into the basic payment. The aim is to have, as far as possible, a neutral impact as a result of capping, in that the same number of applicants would be affected in the incoming year as in previous years.

Part 7 sets the minimum control rate for inspections at 1% for scheme applications. However, the Department can increase it, should the error rate increase.

Part 8 makes some technical changes to provisions on coupled payments, which allow the AERA Minister, for example, to introduce a coupled protein crop payment in 2021.

Part 9 makes some consequential changes to the direct payments regulation. It removes the 3% limit on the increase of the direct payments ceiling. That gives the Department more flexibility to maximise expenditure of the Treasury allocation for direct payments.

Together, these are two very important statutory rules. They will ensure the continued smooth delivery of direct agricultural support to farmers. We very much welcome the opportunity to present them to you and welcome your scrutiny. Again, I highlight that they are scheduled for debate in the Assembly via the draft affirmative procedure on 22 February. Thank you, Chair.

The Chairperson (Mr McAleer): Thank you, Rosemary, for that detailed presentation. I want to ask about a couple of things. We do not have the two pillars now because we are out of the common agricultural policy, so, effectively, there is now one pillar and one budget. In the former EU rural development programme, pillar 1 of the common agricultural policy was the basic single farm payment, and pillar 2 was the agrienvironment schemes, the areas of natural constraint (ANC) schemes and all the other schemes. With no progress on the UK shared prosperity fund and with money being netted from last year into next year, from where exactly will funding come for all the other farming activities as well as the basic payment? Is there a danger that we could be looking, effectively, at what was previously modulation or inter-pillar transfers because of the diminution of the direct payment? What will pay for all the other schemes, such as the future farm business scheme and a future environmental farming scheme? If we do not have any funding against a new rural development programme, how will those be paid for?

Dr Agnew: Chair, I will recap some of what we discussed last week, because I think that it is relevant in helping to respond to your queries. The £315.6 million allocation from Treasury for the incoming year is resource funding; it is not capital allocation. The funding for capital projects in the future will come from elsewhere, from separate bids. That said, I need to be very clear that any loss of funding — you have referred to that — in the allocation over the next three-year period will not affect the current rural development programme. That is fully funded until its completion in 2023.

You have heard Minister Poots discuss his vision for future agricultural policy: the outcomes that will deliver increased productivity, environmental sustainability, improved resilience and an efficient, transparent and competitive supply chain. It is about looking at farming policy collectively. The allocation that we have received must support farmers, land managers and the rural economy. Future presentations to the Committee will include proposals in all those areas. All that I can say to you at this stage is that we are in a new environment. We do not have separate budgets in what used to be pillars 1 and 2. We have one budget, and difficult decisions will have to be made as we move forward about where that money goes.

You will be aware that the Conservative manifesto has guaranteed the current level of funding to farmers, land managers and the rural economy for the current period of the Parliament. We have no line of sight as to what will happen after that. Having an annual budget is very different from what we were used to when we were part of the EU, when we had a seven-year multi-annual financial framework. Is there anything that you would like to add to that, Mark?

Mr Mark McLean (Department of Agriculture, Environment and Rural Affairs): Thanks, Rosemary. No, there is not really anything further to add to that, other than to say that those particular issues are accommodated by the statutory rules, as has been put forward.

The Chairperson (Mr McAleer): Thank you for that. Just before I move to other members, there are a couple of wee things that I want to pick up on. Annex A states:

"It also limits to 3, the number of times an applicant and the number of times a farm business can submit an application for the young farmers' payment and the regional reserve."

That is one aspect of *[Inaudible]* and that links to it. Also, the unit entitlements for new entrants are limited to 90 hectares. Is there a danger that those changes could negatively impact on young farmers who are attempting to enter the agri-food business?

Dr Agnew: In introducing these simplifications, the Department does not believe so. I will give you some facts and figures, if that is OK, to support that statement. If we look at, for example, how many regional reserve applications over 90 hectares are approved annually, we see that the number is relatively small: about 10 a year. A young person who is coming into farming is challenged and needs to take it in stages. It is with that in mind that the Department and the Minister have decided to reduce the unit size entitlement to 90 hectares and bring it in line with the area that can be applied for under the young farmers' payment. It aligns the two to make them more workable and slightly simpler administratively moving forward. You may recall that the thrust of much of this is to simplify processes and procedures and to minimise much of the administrative burden that was there.

With regard to the three applications to the young farmers' payments, if an applicant has previously been rejected, all previously rejected applicants or businesses will be able to apply in 2021 and have their application assessed against the scheme criteria. However, if a rejection in 2021 is the third or more rejection and the applicant or business subsequently submits another application, it would automatically be rejected without going through the assessment process. How many businesses could be affected? Based on the 2020 applications to the young farmers' payment and the regional reserve, 15 applicants would have submitted their applications after being rejected once before; three would have submitted their application after being rejected twice before; and only one would have been rejected on three occasions. Therefore, a young farmer still has an opportunity on three occasions to be successful. However, if, after three occasions, they cannot be successful, you have to wonder whether the application was valid. Only a very small number of individuals make repeated applications. *[Inaudible]* as areas involved *[Inaudible.]* We have to try to ensure that money goes to genuine, active young farmers in all of this. We do not think that we are putting in place something that will be very difficult or that will reduce anyone's ability to make genuine applications for support.

The Chairperson (Mr McAleer): The rate of inspections is sitting at 5%, Rosemary. Am I right in saying that the proposal is to reduce that to 1%?

Dr Agnew: I will ask Mark to respond to that question.

Mr McLean: Thanks, Rosemary. Previously, there was a minimum rate of 5%. Within that, there were provisions whereby, if there was good control of funds, it could be reduced to 3%, and, if the error rate was below 2%, it could be further reduced to 1%, depending on the quality assurance framework that measured the quality of the land parcel identification system (LPIS). In 2020, because of COVID, inspections reduced to 1% for the basic payment scheme (BPS) and to 3% for greening. As Rosemary outlined, there will not be a greening payment next year; it is to be incorporated into the BPS. So, we are taking the 1% of BPS inspections in 2020 and carrying that forward to 2021 as the minimum control rate. Having assessed the error rate in 2020 that arose from the 1% of inspections and found it to be below the materiality level of 2%, we are satisfied that it gives adequate control.

A number of years ago, the inspection rate was 5% for BPS, but we have been able to reduce that because of the quality of our LPIS, which has improved a lot over the years and received a lot of investment. That now provides the control of funds. It is still supplemented by inspections but at a reduced rate. As you see in the regulations, the minimum rate is 1%, and, should circumstances change or the error rate rise, we can increase the inspection rate accordingly.

The Chairperson (Mr McAleer): Thank you, Mark. That is very helpful.

Mr McGlone: Chair, I will pick up on the very point that you picked up on: three failures and you are out. I do not know whether the Department is trying to strike a balance between saying to people, "If at first you don't succeed, try, try and try again" and, "Doing the same thing over and over again and expecting a different outcome may be the definition of insanity". I do not know where the balance is. Does that take account of the person who has changed circumstances? It is technical, but it was

running through my mind that a person's farming circumstances may change. The acquisition of extra farm lands or changing the activity that is operational under the definition of an active farm might alter their circumstances. I am a wee bit concerned about the area that that may be taking us into when it comes to people who have tried three times and failed but whose circumstances then change.

Last week, we learned about the whole question of the financial ceiling on the payment. I was working out what happens if no account is taken of inflation. I did a quick ready reckoner of inflation over 2017, 2018 and 2019, and it works out at 2.32%. That would mean a loss in real terms of £6.96 million to farmers' income. What substitute financial measures are being taken or considered by the Department to supplement the almost £7 million that could be lost? It is an average projection, but it is based on the average rate of inflation over the prior three years.

Dr Agnew: Patsy, thank you very much for those questions. All that I can reflect to you about the approach of, "Three years and you are out" is that, while it is probably not as direct as that, the Department is seeking to achieve a balance. It is trying to allow those young farmers into the schemes, whereas there are others who continually try but never achieve anything. It is about trying to reduce the nugatory work on their behalf and on the Department's behalf. It is about bringing in genuine new farmers.

You raised the particular issue about someone making three attempts and being out but their circumstances then change. That is a very valid question, and it would have to be looked at on a case-by-case basis. If there is a genuine reason why someone's circumstances change and they should be able to avail themselves of support, the Department would not be out to say, "Just because you have applied in the previous three years, you are now out." It is really the recurring year-on-year applications that we are trying to end, where you applied in the previous three years and have now applied in the fourth. However, if there is a genuine reason, the Department will look at it. Hopefully, that reassures you a little bit about the changed circumstances. It all has to be looked at in the round.

Mr McGlone: I will come back on that. The legislation does not necessarily say that. The legislation that I am looking at says that if you have applied three times, you are gone. How, then, can the legislation and its application be accommodating of a genuine situation where that may happen? I know that it will not apply in a huge number of cases. However, the legislation might be as clear and as black and white in saying, "You have applied three times. Bye-bye, Lollipop, you are gone and do not be coming back near us again", but we all know that, in the real world, that is often not the case.

Dr Agnew: All that I can say to you in response is that we have looked at the applications that the Department has received and there was only one application in 2020 that would have been rejected on three occasions. Overall, it is a very small percentage.

This is a statutory rule for the incoming year. If we perceive difficulties, there are opportunities to make amendments to the legislation as we move forward in each year, because these are annual schemes. If something comes in front of us, we will look at making amendments to the legislation in order to correct any deficiencies that are in it.

I see Mark moving forward, but I want to bring him in in a few minutes to talk about inflation. I will move on to your inflation comment, and then, Mark, you could pick up on any comments that you have on young farmers' applications and on the inflation comment.

Chair, you are right. There is no inflationary uplift on those ceilings or the budgets, but, again, there were no inflationary uplifts on any of the EU funds either when we were part of the EU. You could argue that it is a similar approach to the one that we were used to under the EU.

I know that you just had a presentation on future budgets and are due to have another again next week, but the Department will take every opportunity, where it sees a need or an opportunity, to increase the future funding that is available to farmers, land managers or the rural communities. I note that the Chair mentioned the shared prosperity fund. We still await details of that. There is also the PEACE PLUS fund for future support for rural communities. The Department will take every opportunity to try to maximise the money where a need is identified in order to address it.

Patsy, I will hand over to Mark, because he wanted to make a comment about the three unsuccessful applications, and he may have something to add on inflationary uplifts.

Mr McLean: I will comment on young farmers and the limitation to three unsuccessful applications. We find that people can apply for the young farmer's payment and find that they are rejected, for example, because of their circumstances. They may not meet the head-of-holding requirements, and it is outlined to them why. There is no issue there. They may apply again in the following year or maybe in a future year, when they change their circumstances and become head of holding. Under what is proposed in the regulations, that is perfectly possible. Indeed, if they are rejected for a second time, they can be considered if they apply again. However, when we get to the third time, we need to know whether circumstances will change or whether these are just repeated applications with the same information over and over again in the hope that they might get a different decision. I do not think that we have ever come across applications being repeated with changed circumstances, and, as Rosemary outlined, we are down to very small numbers. If anybody is affected, the number will be very small, and I cannot really see that it will be the case that, after three rejected applications, there will be changed circumstances. As Rosemary said, if that starts to arise as an issue, we can certainly look at the legislation again.

On the inflation point, since direct payments were conceived by the EU in their current form in 1993, there have never been any inflationary increases. Indeed, no inflationary increases are planned for the EU right up until 2027 at the earliest. If the Treasury approach and the budget allocation were to change in the future, the regulations could accommodate that.

Mr McGlone: That is grand. Thanks.

The Chairperson (Mr McAleer): We will move to Rosemary Barton. We are going down to Fermanagh.

Mrs Barton: Can you hear me OK?

The Chairperson (Mr McAleer): Go for it.

Mrs Barton: Thank you. My first question is on inspections. I note that they are down to 1%, and I want to ask about that. You say that the Department can raise that percentage again. What would cause the Department to decide to move from 1% up to 3% again? What circumstances could bring that about?

Dr Agnew: Thanks, Rosemary. I will ask Mark to answer that.

Mr McLean: That would come about when we do our analysis of the inspections each year. If we find that the error rate and over-declarations are increasing, we would have to look at the situation to see whether more inspections were necessary. The trend in the error rate has been downwards, so we do not anticipate that that will happen. We have very good control with the LPIS mapping, because every field in the mapping system has a maximum eligible area. We keep that updated each year, and we are increasingly confident that that area is accurate. We find that farmers claim no more than the maximum eligible area, so we can have confidence, through the mapping system, that the claims are accurate. We supplement that with inspections, which we plan will be at the 1% rate, and we anticipate that the analysis will still reveal a very low and acceptable error rate. Clearly, we keep those under review, because the management and control of public funds are top priorities.

Mrs Barton: OK. The second thing that I want to ask you about is removing the offset penalties by limiting over-declaration penalties to 100% of the amount due based on an area determined prior to penalty. Can you explain that in a wee bit more detail, please?

Dr Agnew: I will ask Mark if he would be happy to take that one as well.

Mr McLean: Yes. Sometimes in the past, we found that somebody maybe claimed £3,000 of payment and we found a very large over-declaration that reduced their payment to, say, £500. There was then a penalty on top of that that maybe amounted to £2,500, for example. They were due £500 and had a penalty of £2,500. We would have netted off the £500, which would have reduced their payment to zero. There would have been £2,000 of a penalty still there, and that would have been netted off any payments due to that business over the following three years. We are now taking the view that, if their payment is reduced to £500, the maximum penalty would be £500, which would reduce their payment to zero and that would be the end of it. Our feeling is that the maximum penalty and reducing

somebody's payment to zero is a sufficient deterrent against large over-declarations rather than creating an additional penalty that is netted off in future years.

Mrs Barton: You had the possibility of farmers maybe two or three years in a row getting no money because of the penalties, so this will reduce it. The debt is paid off after one year, and that is that.

Dr Agnew: Yes.

Mr McLean: Yes.

Mrs Barton: I just wanted that clarification. Thank you.

Ms Bailey: Thank you, Rosemary and Mark. When will the Committee get sight of the agricultural policy framework? Was that supposed to be launched in early 2021?

Dr Agnew: I cannot give you a specific time, Clare. We were discussing the timeline for it with Minister Lyons yesterday. The hope is that it will be launched before not too long. Obviously, EU exit issues have distracted a lot of officials, or, I should say that they have reprioritised a lot of the work that we have had to take forward. Work is progressing, and, in a number of recent presentations, Minister Poots outlined his thoughts on a future direction of travel. Before the end of this session, or at least early in the next session, we hope to come to the Committee with the details of that framework, but I cannot be specific on the date at this time.

Ms Bailey: What do you mean by "session", sorry?

Dr Agnew: I mean before you break for Easter. I think that it will probably be just after Easter, but that is not in your forward work programme because we have not nailed it down. In reality, I think it will be just after you come back after Easter.

Ms Bailey: In mid January — I think it was 11 January — Minister Poots chaired the first green growth inter-ministerial group meeting. That was with the Economy, Infrastructure, Communities and Finance Ministers, I think. Can the Committee be informed of what those discussions were and of any outcomes that were decided at the meeting?

Dr Agnew: Neither Mark nor I have been involved in any of those meetings. Agricultural policy and the future farming policy are foundation programmes of green growth. We can take that question away and certainly get you a response.

Ms Bailey: OK. Is there any indication of when the Committee might get sight of the green growth strategy?

Dr Agnew: Again, we are not involved in the details and development of the green growth strategy, so we would have to take that one away and come back to the Committee with an answer.

Ms Bailey: All right. I want to look at the basic income support payments. You made mention of them last week, Rosemary. In November, Minister Poots stated that he wanted:

"to explore the role for a basic, area-based resilience payment that provides a safety net, but that must not blunt the incentive to become more productive and deliver better environmental outcomes". — [Official Report (Hansard), 17 November 2020, p16, col 2].

The language, for me, is a bit of a signal, or I hope that it is not a bit of a signal. If we are starting to talk about basic payments and income support payments to farmers, is there a rationale why that language is adopted? Can we guarantee that farmers will not see any drop? I am thinking in particular about rural poverty and farmers living in poverty as well, and now the Department is talking about basic payments and income support payments.

Dr Agnew: Since 2013, the Department has operated under EU legislation a basic payment scheme and an income support scheme to farmers. The terminology has its roots in what has been there since 2013. We are seeing that, whilst there may be changes to the conditions of that basic income support

resilience payment, it will still be there. It will have slightly morphed, but the terminology has not changed.

Hopefully, you are reassured by the fact that I am saying that the basic income support payment has been there and was there even prior to 2013, because the single farm payment was a basic income support payment to farmers. All that we can say at this stage is that the Department and the Minister are committed to retaining the current level of support to farmers. The Conservative Government have committed to that in their manifesto.

Long term, we cannot be there, but anything that the Department takes forward in the future must deliver against the outcomes that have been identified for increased productivity; sustained profitability; environmental sustainability; improved resilience; and an integrated, efficient, sustainable, competitive and responsive supply chain. We, as a Department, certainly feel that what we are starting to term a basic farm resilience payment will help to deliver against those outcomes and provide a safety net for farmers as we move forward with a future farming policy.

Ms Bailey: If we are looking at a basic area-based resilience payment yet are asking farmers to become more productive and to deliver better environmental outcomes, do we have a baseline measure for current environmental outcomes against which we can begin to measure that if we will require them to produce more?

Dr Agnew: The simple answer to that is no, we do not have a baseline measure right across all farms. One of the things that we will seek to do over the next number of years is to try to achieve that baseline against which we can measure improvement. There is quite an active discussion in the Department's policy areas about the development of that agricultural policy framework, which you talked about. That is still very much a work in progress.

I cannot give you a definitive answer today about how we would achieve that, but it is part of very active discussions about how we measure whether the outcomes are achieved and how we get that baseline. When we discuss future agricultural policy with you, one of the things that we will talk about will be the metrics that we use to measure delivery against those outcomes. That is very much a work in progress at this stage.

Ms Bailey: Do you think that it will take years?

Dr Agnew: I do not think that it will happen in months; I think that it will take a year or two. I would not necessarily say "years" as in 10, but I think that it will take a period of time because, as you know, farms across Northern Ireland are very diverse and different. A significant number of them are very small. Some are part-time. As the Minister said, he wants to bring all farmers forward with the future agricultural policy. It is about looking at what we can do in steps to try to improve the overall outcomes in the future for farming.

Mr Irwin: I thank Rosemary and Mark for their presentation. I declare an interest, as I am a partner in a farm business that claims the single farm payment. I broadly welcome the presentation and the changes that you are bringing forward. They are good and should be helpful.

Any gripes about inspections that I get from farmers who come to me are to do with cross-compliance inspections. Some farms have been inspected almost every year, while others do not seem to be inspected. I know some farms that have been inspected three years in a row. That can be very frustrating for farmers. Is there any indication that cross-compliance inspections will be dealt with differently?

Dr Agnew: I will say something broadly about what Minister Poots announced in November. He asked us to review the scope of cross compliance and the associated penalties in order to ensure that they are proportionate. That work is ongoing in the Department. As soon as we are able to, we will discuss that work with the Committee. It is not yet at that stage, but it is something that Minister Poots very actively asked us to do. We cannot say any more at this stage because, obviously, the work is ongoing, but it is something that we actively have to do. Minister Poots was very keen that we bring forward the outcomes from that work to the implementation stage as quickly as is feasible.

Mr Irwin: I look forward to that. It will be very welcome. There are definitely issues with that on the ground.

The Chairperson (Mr McAleer): I do not have any other members who want to speak. Thank you for your attendance, Rosemary and Mark. You gave us very detailed answers to our questions, and we really appreciate that. Thank you for your attendance. Hopefully, you will have a nice day. OK. Thank you.

Dr Agnew: Thank you very much, Chair. Thank you all.

The Chairperson (Mr McAleer): Thank you very much. Take care now.

OK, members, that was our opportunity to scrutinise the proposals in the SL1s. It will not be possible for the Committee to suggest amendments once the SRs have been laid.

I will put the Question on the SL1 on the Direct Payments to Farmers (Simplifications) Regulations (NI) 2021. Are members content with the merits of the policy and do they agree that it should move to the next legislative stage?

Members indicated assent.

The Chairperson (Mr McAleer): OK. Members have been briefed on the Direct Payments to Farmers (Amendment) Regulations (NI) 2021 so I will put the Question on that SL1. Are members content with the merits of the policy and do they agree that it should move to the next legislative stage?

Members indicated assent.

The Chairperson (Mr McAleer): Thank you.