EXPLANATORY MEMORANDUM TO

THE FARMING FOR THE GENERATIONS SCHEME AND MISCELLANEOUS AMENDMENTS REGULATIONS (NORTHERN IRELAND) 2027

S.R. 2027 No. XXXX

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 which is laid before the Northern Ireland Assembly.

1.2 The Statutory Rule is made under sections 5 and 6 of the Agriculture Act (Northern Ireland) 1949 and is subject to the negative resolution procedure.

2. Purpose

2.1 The Statutory Rule establishes the Farming for the Generations Scheme, which is the principal delivery mechanism for the Generational Renewal workstream of the Sustainable Agriculture Programme.

2.2 The Scheme is designed to encourage earlier farm succession planning, support business restructuring, enhance leadership and management capabilities among future farm business leaders and facilitate generational renewal within Northern Ireland agriculture.

2.3 Regulation 11 revokes regulation 4(2) of the Farming with Nature Scheme (Amendment) Regulations (Northern Ireland) 2026. That provision inserted amendments relating to Farm Sustainability Standards which, following further review, were determined not to be required. The revocation restores the legislation to its previous form by removing those amendments.

3. Background

3.1 The Farming for the Generations Scheme was developed following operation of the Farming for the Generations Pilot Scheme and builds upon policy commitments arising from the Sustainable Agriculture Programme. The Scheme seeks to address the ageing demographic profile of Northern Ireland agriculture and support the long-term resilience, sustainability and competitiveness of farm businesses.

3.2 The Regulations establish four areas of financial support:

- Succession Business Consultation Grants;
- Succession Business Restructuring Grants;
- Young Farmers Pathway Study Grants; and
- Young Farmer Milestone Payments.

3.3 The Regulations also establish eligibility conditions for participation in the Scheme, including mandatory training requirements and criteria relating to nominated successors. They also provide arrangements for applications and payments, reviews of decisions, compliance controls, and the withholding or recovery of payments where an applicant is found to be ineligible or has knowingly or recklessly provided false or misleading information. The Regulations also include provisions designed to prevent duplicate support being paid in respect of the same successor where funding has previously been received under related schemes or pilot arrangements, including the Young Farmers Scheme and certain supports available through the Farming for the Generations Pilot Scheme.

3.4 The Regulations provide for:

Succession Business Consultation Grants

Eligible farm businesses may receive a succession business consultation grant of up to £680 for each consultation with an eligible professional adviser during the scheme period, subject to a maximum payment of £1,360 per farm business during that period. The grant is intended to enable an applicant to obtain professional advice in relation to succession planning and business continuity.

Succession Business Restructuring Grants

Eligible farm businesses may receive a succession business restructuring grant of up to £6,500 during the scheme period in relation to expenditure incurred on the professional fees of an eligible professional adviser for the purpose of implementing business succession restructuring.

Young Farmers' Pathway Study Grants

An applicant may receive a Young Farmers Pathway Study Grant of up to £8,000 during the scheme period towards the fees of an approved training course at a university or other educational organisation outside Northern Ireland, and for approved reasonable accommodation, travel and subsistence expenses incurred in connection with attending an approved training course, approved work placement, educational visit or conference outside Northern Ireland. Applicants who previously participated in and received a successor development grant under the Farming for the Generations Pilot Scheme are not eligible for this grant.

Young Farmer Milestone Payments

An applicant may receive Young Farmer Milestone Payments of up to £25,000 over a four-year scheme period where the eligibility conditions specified in

regulation 8 are met and the defined milestones in the Schedule are successfully completed. The milestone payments comprise a £5,000 Intention Payment, a £5,000 Business Development Milestone Payment, a £5,000 Knowledge Transfer Milestone Payment and a £10,000 Integration Payment. The staged payment structure is designed to encourage early engagement in succession planning, support skills development and knowledge transfer, and facilitate the progressive integration of successors into the management and operation of the farm business. The Regulations also include a transitional arrangement in the first scheme year for certain applicants at the upper age limit who are enrolled on a qualification approved by CAFRE and are required to obtain that qualification by a specified date.

3.5 The maximum support potentially available to a participating farm business over the lifetime of the Scheme is £40,860, subject to eligibility and successful completion of the relevant Scheme requirements, comprising up to £1,360 in Succession Business Consultation Grants, up to £6,500 in Succession Business Restructuring Grants, up to £8,000 in Young Farmers' Pathway Study Grants and up to £25,000 in Young Farmer Milestone Payments.

3.6 The Regulations also provide powers for the Department to withhold or recover payments where an applicant is not eligible to receive a payment or has knowingly or recklessly provided false or misleading information or documentation. The Regulations provide a review mechanism under which an applicant may request that the Department review a decision taken under the Regulations.

3.7 Regulation 11 provides that the provisions amended by regulation 4(2) of the Farming with Nature Scheme (Amendment) Regulations (Northern Ireland) 2026 are to have effect as if that amendment had not been made.

4. Consultation

4.1 The policy proposals underpinning the Farming for the Generations Scheme were consulted upon as part of the Future Agricultural Policy Framework consultation undertaken between December 2021 and February 2022.

4.2 The consultation demonstrated strong support for the policy direction. Ninety per cent of respondents agreed there was a need to encourage longer-term planning for farm businesses, eighty-three per cent supported education and skills development measures and eighty-five per cent supported incentives to encourage participation and progression within a Generational Renewal Programme.

4.3 Respondents highlighted issues including farm succession planning, skills development, support for younger farmers, land mobility and access to professional advice. These issues informed the wider Generational Renewal

policy discussion, while the Farming for the Generations Scheme focuses specifically on succession planning, business restructuring and successor development.

4.4 The Scheme has subsequently been refined through engagement with the Agricultural Policy Stakeholder Group, the Farming for the Generations Co-Design Group, representative bodies and participants in the Farming for the Generations Pilot Scheme.

5. Equality Impact

5.1 In accordance with the Department's obligations under section 75 of the Northern Ireland Act 1998, the potential equality impacts of the Regulations have been assessed through Equality and Disability Duties Screening.

5.2 The screening exercise concluded that a full Equality Impact Assessment was not required. While aspects of the Scheme are directed towards younger farmers, the overall objective is to support succession planning and business continuity across generations within farm businesses. Participation and uptake will continue to be monitored as part of ongoing evaluation arrangements.

6. Regulatory Impact

6.1 A Regulatory Impact Screening Assessment concluded that a full Regulatory Impact Assessment was not required.

6.2 The Scheme is voluntary and provides financial assistance and development opportunities to eligible farm businesses. Accordingly, the Regulations are not expected to impose significant additional regulatory or compliance burdens on businesses.

7. Financial Implications

7.1 The Farming for the Generations Scheme is supported by a business case approved by the Department of Finance on 7 October 2026, with an estimated whole-life cost of approximately £49.9 million, comprising £48.454 million resource expenditure and £1.468 million capital expenditure.

7.2 Expenditure will comprise direct grant support, milestone payments, administration, programme delivery, staffing and ICT costs associated with the operation of the Scheme.

7.3 Funding is expected to be met from Sustainable Agriculture Programme budgets.

8. Section 24 of the Northern Ireland Act 1998

8.1 The Department has considered the requirements of section 24 of the Northern Ireland Act 1998 and is satisfied that the Regulations are compatible with Convention Rights.

8.2 The Department has also identified no adverse implications in respect of Article 2(1) of the Windsor Framework.

9. Parity or Replicatory Measure

9.1 Agricultural support policy is a devolved matter and each administration within the United Kingdom has developed its own approach to supporting farm businesses following the UK's departure from the European Union.

9.2 While comparable measures to encourage generational renewal exist elsewhere, there are no directly equivalent schemes. The Farming for the Generations Scheme has been designed specifically to address the structure, demographics and succession challenges facing Northern Ireland agriculture.

10. Additional Information

10.1 For further information contact Siobhán Sheppard, siobhan.sheppard@daera-ni.gov.uk, College of Agriculture, Food and Rural Enterprise, Department of Agriculture, Environment and Rural Affairs.