



Northern Ireland  
Assembly

## Research and Information Service Briefing Paper

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NIAR 119-26

# Areas with Natural Constraints (Payments) Bill: Review of Costs

### **RaISe – Public Finance Scrutiny Unit**

This Briefing Paper considers key potential “public purse” financial implications arising from the Areas with Natural Constraints (Payments) Bill, as introduced. It should be read in conjunction with RaISe Briefing Paper [NIAR 195-25](#), which addresses policy issues arising from the introduced Bill.

This information is provided to a Member of the Legislative Assembly (MLAs) in support of their duties, and is not intended to address the specific circumstances of any particular individual. It should not be relied upon as professional legal advice, or as a substitute for it.

## Introduction

The [Areas with Natural Constraint \(Payments\) Bill, as introduced](#) (ANC) is sponsored by a Member of the Legislative Assembly (MLA), which aims to reintroduce ANC payments for farmers in Severely Disadvantaged Areas (SDA), as had existed in 2018 under [The Areas of Natural Constraint Regulations \(Northern Ireland\) 2018](#) (2018 Regulations). This Briefing Paper provides a Review of Costs of that Bill, examining key potential financial implications for the “public purse”,<sup>1</sup> if that Bill is enacted as introduced and it subsequently receives Royal Assent.

The Paper draws on information available to the RalSe-Public Finance Scrutiny Unit (PFSU) at the time of writing, including the Bill, its accompanying [Explanatory and Financial Memorandum \(EFM\)](#) and the Sponsor MLA’s [briefing](#) with the Committee for Agriculture, Environment and Rural Affairs (CAERA). Its contents are not intended to be exhaustive and are structured as follows:

- [Section 1 - Context-setting](#)
- [Section 2 - Background](#)
- [Section 3 - Key potential financial implications for the “public purse”](#) ;  
and,
- [Section 4 - Concluding remarks](#).

When relying on this Review of Costs, please note:

- It should be read alongside RalSe Bill Paper NIAR 195-2025, dated 17 April 2026.
- Identified key potential financial implications for the public purse are not intended to provide an exhaustive list.
- Any discussion regarding the prevailing law, including existing legislation, is not intended to provide legal advice or opinion. Instead, it seeks to orientate the Paper’s discussion.

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<sup>1</sup> “Public purse” refers to taxpayers’ money raised through taxation and other sources of government revenues – See [sub-section 1.1](#)

- Throughout, blue boxes provide potential scrutiny points and key insights, which aim to facilitate Assembly scrutiny of the introduced Bill.

## 1 Context Setting

As noted in the introduction, this Briefing address key “public purse” implications for Northern Ireland that could directly arise, **if** the Assembly then would enact the Bill and the Bill would receive Royal Assent.

Before considering such public purse implications, this section provides background information; first to define the term “public purse” Such background aims to describe the public finance context in which the Assembly would consider the currently proposed Member’s Bill.

### 1.1 Definition of “public purse”

The “public purse” refers to taxpayers’ money raised through taxation and other sources of government revenues.<sup>1</sup> Government departments are custodians of the public purse and must use funds “efficiently, effectively and economically”, with Accounting Officers personally responsible for ensuring value for money.<sup>2</sup>

In Northern Ireland, that encompasses: the Northern Ireland Block Grant from His Majesty’s (HM) Treasury; revenues raised regionally; and, other funding sources. The Northern Ireland Executive is responsible for those monies, including allocating them through the Executive Budget. And the Executive is to do so in line with the financial arrangements under current devolution, including requirements specified in the [Budget Sustainability Plan](#) and the accompanying [Budget Improvement Plan Roadmap](#), which aim to improve Northern Ireland public finances, while seeking to balance numerous competing priorities and demands for limited available funding.<sup>3</sup>

If the Member’s currently proposed Bill would be enacted and receive Royal Assent, then the Department of Agriculture, Environment and Rural Affairs (DAERA) would be responsible for covering costs that would arise from the

Bill's implementation. The Department would do so using its existing budget and or seeking additional monies from the Executive.

## 1.2 Challenging United Kingdom Public Finance Context 2025/26 and beyond

Due to a number of contributory factors, the central and devolved budgetary contexts remain challenging in the United Kingdom, as highlighted in the timeline provided at Table 1 below, covering the period February 2024 to the time of writing.

**Table 1: Challenging budgetary context – contributory factors from February 2024 to present**

Date	Contributory Factors
<b>February 2024 to date</b>	Ongoing work across Northern Ireland Departments to facilitate the Executive's implementation of the December 2023 political agreement and related February 2024 funding package – such as the <a href="#">Interim Fiscal Framework</a> (May 2024), the <a href="#">Budget Sustainability Plan</a> (October 2024) and the accompanying <a href="#">Budget Improvement Plan Roadmap</a> (December 2024), as well as the establishment of <a href="#">Interim Transformation Board</a> (March 2025). Generally speaking, all have aimed to improve Northern Ireland public finances, while seeking to balance numerous competing priorities and demands for limited available funding.
<b>August 2024</b>	The Department of Finance (DoF) undertook a 2025-28 Budget Information Gathering Exercise, requesting returns from all Northern Ireland Departments, marking the start of the planning stage in the 2025/26 Northern Ireland Executive Budget cycle. The DoF found that “Departments identified a reported £767 million of unfunded pressures”, as <a href="#">reported</a> to the Assembly on 23 September 2024.
<b>October 2024</b>	The <a href="#">Chancellor's Autumn Budget 2024</a> set out some of the multi-year competing pressures facing the United Kingdom Government, potentially adversely impacting the Government's spending power in certain areas, along with other decisions relating to social security -

	see RaISe Briefing Paper 47/24 entitled " <a href="#">Chancellor's Autumn Budget 2024: initial considerations for Northern Ireland</a> ".
<b>December 2024</b>	<p>Northern Ireland Departmental bids for 2025/26 <a href="#">resource and capital</a> expenditure exceeded the <a href="#">Northern Ireland Budget</a> allocated by the United Kingdom Government to the Executive.</p> <p>Later that month, the <a href="#">2025/26 Draft Executive Budget</a> and accompanying <a href="#">Written Statement</a> by the Minister for Finance highlighted ongoing "pay and inflationary pressures" and "growing demands" on public services.</p>
<b>March 2025</b>	<p>The <a href="#">Chancellor's 2025 Spring Statement</a> updated the House of Commons on the United Kingdom economy and public finances. Her Statement was accompanied by an Economic and Fiscal Forecast from the <a href="#">Office for Budget Responsibility</a> (OBR). It also announced a number of policy decisions, which included reforms to the welfare system, increased defence spending and a £3.25 billion (b) "<a href="#">Transformation Fund</a>" to reform public services. (Important to note this central government development, as the Northern Ireland Executive Budget is a sub-cycle within the United Kingdom Government's Budget cycle.)</p>
<b>1 April 2025</b>	<p>DoF officials thereafter explained during the Assembly Finance Committee <a href="#">meeting</a> that:</p> <p><i>.... on the allocations out of that fund, it will depend on which Whitehall departments get allocations from it so we don't get it on the £3.25 billion we'll get it on the allocations</i></p>
<b>3 April 2025</b>	<p>The Executive agreed the <a href="#">2025/26 Executive Budget</a>, which the Finance Minister <a href="#">described</a> as "sets out a direction of travel" which "clearly prioritises its Programme for Government priorities".</p>
<b>4 April 2025</b>	<p>The context significantly changed when the American President announced substantial trade tariffs, which followed with: plummeting stock markets across the globe, a collapsing American bond market; the subsequent 9 April 90-day pause on some new US tariffs; other countries' similar pause, further consideration of introducing tariffs or issuance of retaliatory tariffs on the United States (US); and, a international trade war arising between the US and China.</p>

<b>8 May 2025</b>	A non-binding trade deal was agreed by between the US and UK Governments. The general terms of the new trade deal were subsequently published in the <a href="#">UK-US Economic Prosperity Deal</a> (EPD); the deal non-binding, meaning on-going further negotiations to work through the detail of the deal.
<b>24 June 2025</b>	The DoF published its <a href="#">2025-26 Budget Factsheet</a> , setting out the Executive's spending plans for the one-year period from 1 April 2025 to 31 March 2026.
<b>3 October 2025</b>	The Executive's Finance Minister provided a Written Ministerial Statement detailing <a href="#">Treasury Funding Available 2026-2029/30</a> .
<b>26 November 2025</b>	The <a href="#">Chancellor's Autumn Budget 2025</a> detailed the United Kingdom Government's resource spending plans up to 2028/29 and capital plans up to 2029/30.
<b>6 January 2026</b>	<p>The Finance Minister published the <a href="#">Draft Budget 2026-2029/30</a> (not Executive agreed) and announced an eight-week public consultation on the draft.</p> <p>The Education Minister <a href="#">responded</a> to the Draft Budget 2026-2029/30, stating:</p> <p><i>While I acknowledge the significant challenges involved in setting a budget, it is important to be clear: even if I was prepared to accept the devastating cuts implicit in this draft, as a practical matter, such a budget would be undeliverable. A budget must be more than figures on paper; it must be deliverable in reality.</i></p> <p>The Minister continued:</p> <p><i>Under the proposed allocations, my Department would be required to make savings of approximately £826 million in 2026-27, £1.01 billion in 2027-28, and £1.15 billion in 2028-29. These levels of reduction are simply not achievable.</i></p>

<b>11 February 2026</b>	<p>HM Treasury <a href="#">agreed</a> a reserve claim for the Northern Ireland Executive, to provide £400 million for 2025/25, which is to be repaid over three years.</p> <p>The Finance Minister confirmed in a <a href="#">written statement</a> that same day that the £400 million would be allocated as follows, as agreed by Executive:</p> <ul style="list-style-type: none"> <li>- Department of Education - £214.6 million</li> <li>- Department of Health - £185.4 million</li> </ul>
<b>3 March 2026</b>	<p>The <a href="#">Chancellor delivered her Spring Forecast 2026</a></p> <p>Later that day, in an <a href="#">Oral Statement</a> to the Assembly, the Finance Minister confirmed additional £390 million Barnett consequentials over the next three-year period, comprising: Resource DEL - £380 million; and, Capital DEL - £9 million</p>

### 1.3 Draft Budget 2026-29/30 – DAERA allocations

The [Draft Budget 2026-2029/30](#) public consultation document - published by the Northern Ireland Finance Minister on 3 January 2026 - closed on 3 March 2026. That document outlined Departmental proposed allocations, including DAERA's, for the specified period, in terms of RDEL and CDEL, as well as previous Executive commitments, as explained in the below sub-sections [1.2.1-1.2.3](#):

#### 1.3.1 Proposed RDEL allocation

**Table 2. Draft Budget 2026-2029/30 – DAERA RDEL allocation**

Department	£millions		
	2026-27	2027-28	2028-29
Agriculture, Environment and Rural Affairs	674.3	687.3	692.9

Source: [Draft Budget 2026-29/30](#)

Thereafter, on 5 March 2026, the AERA Minister appeared before the Committee for Agriculture, Environment and Rural Affairs (CAERA), commenting on the inadequacy of the Finance Minister's proposed DAERA allocation:

*In outline, we will struggle to stand still with the resource position. The finance director will set out more on that, but you know that there are challenges, particularly with resourcing, across all aspects of the Department — agriculture, the environment, rural affairs and climate change — and the resource budget will be extremely challenging.<sup>2</sup>*

### 1.3.2 Proposed CDEL allocation

**Table 3. Draft Budget 2026-2029/30 – DAERA CDEL allocation**

Department	£million			
	2026-27	2027-28	2028-29	2029-30
Agriculture, Environment and Rural Affairs	123.0	130.3	126.3	121.1

Source: [Draft Budget 2026-29/30](#)

At the same CAERA meeting (5 March), the AERA Minister further commented on similar inadequacy in relation to the Finance Minister’s DAERA CDEL allocation, stating:

*The budget will also be challenging for capital. As you know, we seek to proceed with major capital projects, such as the veterinary science building and new buildings in the College of Agriculture, Food and Rural Enterprise’s (CAFRE) Greenmount and Loughry campuses. We will struggle to deliver those buildings within the envelope that we have received and at the pace that we would like.<sup>3</sup>*

### 1.3.3 Farm and Fisheries Funding changes post 2024 Spending Review

The Chancellor’s [2024 UK Budget](#) announcement on 30 October 2024 saw the removal of Farm and Fisheries Funding (FFF) earmarked status. The [Statement of Funding Policy Addendum](#) (dated 30 October 2024, at 2024 Spending Review) accompanying the publication of the Chancellor’s Budget stated:

<sup>2</sup><https://aims.niassembly.gov.uk/officialreport/minutesofevidencereport.aspx?AgendaId=38873&evidID=19073>

<sup>3</sup><https://aims.niassembly.gov.uk/officialreport/minutesofevidencereport.aspx?AgendaId=38873&evidID=19073>

*From 2025-26, the Barnett formula will apply in the usual way to funding for agriculture and fisheries, rather than the devolved governments receiving a ringfenced addition to the block grant as they did for Spending Review 2021. Funding from 2024-25 has been baselined in each devolved government's block grant.<sup>4</sup>*

The above change was later reflected in the Executive [Sustainable Agriculture Programme for Northern Ireland - Questions and Answers](#) document, published February 2025, which stated.

*From 2025-26, as a result of the Chancellor's Budget on 30 October 2024, the Minister formally asked the Minister of Finance that the £332.5 million Resource DEL that has been baselined in the block grant is treated as 'Executive Earmarked' funding for agriculture, agri-environment, fisheries and rural development purposes.*

That Executive document further confirmed:

*On 19 December 2024 the Executive agreed to earmark this funding for 2025-26 and future years to DAERA as part of the wider agreement on the Draft Budget for 2025-26 that is undergoing consultation.*

Subsequently, the [2025/26 Budget Document](#) noted:

*The Executive has agreed to earmark the £332.5 million in 2025-26 and future years following the removal of the Treasury earmarking of this funding in October 2024. This is at the same level as in 2024-25 and will provide funding certainty for these sectors for 2025-26 and beyond. The proposed allocation will support the continued development and implementation of the transformational SAP*

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<sup>4</sup>[https://assets.publishing.service.gov.uk/media/6721134c3ce5634f5f6ef441/Statement\\_of\\_Funding\\_Policy\\_addendum.pdf](https://assets.publishing.service.gov.uk/media/6721134c3ce5634f5f6ef441/Statement_of_Funding_Policy_addendum.pdf)

*alongside support for the fisheries sector and Rural Development activities.*<sup>5</sup>

The above was reaffirmed in the Finance Minister's proposed [Draft Budget 2026-2029/30](#), as Table 4 below highlights.

**Table 4. Resource DEL – Previous Executive Commitments**

Executive Commitments	£millions		
	2026-27	2027-28	2028-29
<b>Agriculture, Environment and Rural Affairs</b>			
Agriculture, Agri-environment, fisheries and Rural Development	332.5	332.5	332.5
EU Match Funding	4.4	6.2	5.4
City Deals CPD Costs	0.1	0.2	0.1
<b>Total Agriculture, Environment and Rural Affairs</b>	<b>337.0</b>	<b>338.9</b>	<b>338.1</b>

Source: [Draft Budget 2026-2029/30](#)

The above Table highlights £332.5 million for agriculture, agri-environment, fisheries and rural development (formerly known as FFF) each year of the Finance Minister's proposed [Draft Budget 2026-2029/30](#).

## 2 Background

This section addresses the former ANC Scheme, which operated from 2016 up to 2018. It includes consideration of developments post United Kingdom (UK)-Exit from the European Union (EU), the prevailing legislation in which Northern Ireland currently operates and the Bill, as introduced and enacted as proposed at present. (For additional detail, refer to past RaISe Briefing Paper 203-20, 26 June 2026.)

It is presented as follows:

- [2.1 - ANC Scheme under the European Union Regional Development Programme \(RDP\) 2014–2020](#)
- [2.2 - Position post UK-Exit](#)

<sup>5</sup> <https://www.finance-ni.gov.uk/sites/default/files/2025-05/Budget%20Document%202025-26%20for%20web.pdf>

## 2.1 ANC Scheme under the European Union Regional Development Programme (RDP) 2014–2020

The former ANC Scheme formed part of the EU Rural Development Programme (RDP) 2014–2020, and it was financed by the European Agricultural Fund for Rural Development (EAFRD) and the Department of Agriculture, Environment and Rural Affairs (DAERA). Such ANC payments were previously introduced and governed by European Union (EU) legislation, in particular [Regulation 1305/2013](#), as part of the Common Agricultural Policy (CAP). The former Scheme aimed to provide:

*...dedicated support to beef, sheep, deer and goat farmers with land in the Severely Disadvantaged Area (SDA) to compensate for part of the additional costs and income forgone related to the constraints on agricultural production in the area.<sup>6</sup>*

That Scheme comprised an area-based payment for eligible hectares of land in the Severely Disadvantaged Areas (SDA). The specific provisions in Northern Ireland were set out in a series of regulations; most recently in the [2018 Regulations](#). The level of support available to eligible farmers was set out in Schedule 2 of the 2018 Regulations. The accompanying [Explanatory Memorandum](#) for the 2018 Regulations details available support as:

*Under the terms of Regulation (EU) No. 1305/2013 ANC payments under the Scheme must be degressive above a threshold level of claimed area per holding. The Areas of Natural Constraint Regulations (Northern Ireland) 2018 specify that for the first 200 hectares of eligible forage land claimed the payment rate will be £26.57 per hectare and for eligible forage land claimed over 200 hectares the rate will be £19.93 per hectare.<sup>7</sup>*

The DAERA further noted:

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<sup>6</sup> [https://www.legislation.gov.uk/nisr/2018/18/pdfs/nisrem\\_20180018\\_en.pdf](https://www.legislation.gov.uk/nisr/2018/18/pdfs/nisrem_20180018_en.pdf)

<sup>7</sup> [https://www.legislation.gov.uk/nisr/2018/18/pdfs/nisrem\\_20180018\\_en.pdf](https://www.legislation.gov.uk/nisr/2018/18/pdfs/nisrem_20180018_en.pdf)

*Like previous ANC Schemes, and the predecessor Less Favoured Area Compensatory Allowance Scheme, the payment rates per hectare will be set in the autumn of the year that the claims have been made, taking account of total eligible areas claimed and the euro exchange rate. The rates will be set to ensure that they do not fall below the sterling equivalent of the minimum payment rate of €25/ha.<sup>8</sup>*

Prior to the 2018 ANC Scheme, funding was in the amount of £20 million, as explained by the DAERA:

*The 2016 Scheme had around 10,000 applicants claiming approximately 350,000 ha of agricultural land. The Scheme budget was £20million composed of 60% EU funding and 40% national funding.<sup>9</sup>*

Moreover, the DAERA Minister confirmed in 2016 that there were “no plans for an ANC Scheme beyond 2018”<sup>10</sup>.

However, the 2018 Scheme proceeded due to a Ministerial Direction as the Minister has received advice from officials concluding “ANC support measure would be very unlikely to demonstrate value for money.”<sup>11</sup> As required under [Managing Public Money Northern Ireland](#) (DoF guidance), the Departmental Accounting Officer published a notification of the Ministerial Direction in the Annual Report and Accounts for that financial year in which the Ministerial Direction was issued. As such the DAERA Resource Accounts 2016-17 details the Department’s rationale and the Minister’s response, stating in the accounts that:

*...the Minister received advice from officials indicating that whilst farmers in the Severely Disadvantaged Area (SDA) incurred*

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<sup>8</sup> <https://www.northernireland.gov.uk/news/mcilveen-gives-go-ahead-ps8million-anc-transitional-funding>

<sup>9</sup> See footnote 8 immediately above

<sup>10</sup> See footnote 8

<sup>11</sup> [DAERA Resource Accounts 2016-17 Final.PDF](#)

*additional costs of production and generated less output than counterparts operating elsewhere, a Pillar II ANC support measure would be very unlikely to demonstrate value for money. The reasons for this assessment were outlined to the Minister.*

*The Minister, however, recognising that farming in the SDA comes with distinct challenges and that an abrupt ending of ANC support would cause business disruption, wished to implement a more orderly withdrawal from this intervention. Therefore, the Minister decided to make a final transitional allocation under the ANC Scheme with payments being made in 2018, after which ANC support would cease.<sup>12</sup>*

## 2.2 Position post UK-Exit

Regulation 1305/2013 was not listed in the Northern Ireland Protocol as continuing to have an effect in Northern Ireland. In response to an Assembly Written Question (dated February 2024) the DAERA Minister provided a list of Instead, Article 10 of the Northern Ireland Protocol, in reference to State Aid, would suggest that providing such support in the form of an ANC scheme is compatible with the Protocol. The Article states:

*The provisions of Union law listed in Annex 5 to this Protocol shall apply to the United Kingdom, including with regard to measures supporting the production of and trade in agricultural products in Northern Ireland, in respect of measures which affect that trade between Northern Ireland and the Union which is subject to this Protocol<sup>13</sup>*

However:

*Notwithstanding paragraph 1, the provisions of Union law referred to in that paragraph shall not apply with respect to measures taken by*

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<sup>12</sup> See footnote 11 immediately above

<sup>13</sup> [https://assets.publishing.service.gov.uk/media/5da863ab40f0b659847e0184/Revised\\_Protocol\\_to\\_the\\_Withdrawal\\_Agreement.pdf](https://assets.publishing.service.gov.uk/media/5da863ab40f0b659847e0184/Revised_Protocol_to_the_Withdrawal_Agreement.pdf)

*the United Kingdom authorities to support the production of and trade in agricultural products in Northern Ireland up to a determined maximum overall annual level of support<sup>14</sup>*

When then considering the noted exceptions in Annex 5 of the Protocol, the Protocol noted the block exemption regulation – that is:

- [Commission Regulation \(EU\) No 702/2014](#), which specifies certain aid categories in the agricultural and forestry sectors and in rural areas that are compatible for use within the Internal Market when applying Articles 107 and 108 of the Treaty on the Functioning of the EU.

### **2.2.1 Westminster Agriculture Act 2020**

The United Kingdom Houses of Parliament set out its approach to agriculture in the [Agriculture Act 2020](#), following the United Kingdom’s Exit. At [Schedule 6](#) of that 2020 Act, it empowers the DAERA to propose regulations regarding the Basic Payment Scheme. Notable is Section 7 of Schedule 6 of the 2020 Act, where it specifies Regulation 1305/2013, stating:

*DAERA may by regulations modify any of the following legislation so far as it has effect in relation to Northern Ireland—*

*(a)[assimilated direct] legislation relating to support for rural development, and*

*(b)subordinate legislation relating to that legislation.*

*(2)In this paragraph “[assimilated direct] legislation relating to support for rural development” includes in particular—*

*(a)Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development*

### **2.2.2 Northern Ireland Assembly Motion**

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<sup>14</sup> See footnote 13 immediately above

On 3 March 2020, the Northern Ireland Assembly passed a motion to introduce a new ANC Scheme. That motion stated:

*That this Assembly expresses concern at the Department of Agriculture, Environment and Rural Affairs decision to end areas of natural constraint support; notes that the decision has had a negative impact on farmers in severely disadvantaged areas; and calls on the Minister of Agriculture, Environment and Rural Affairs to use the powers contained within schedule 6 to the Agriculture Bill (HC Bill 7) to bring forward a new areas of natural constraint scheme.<sup>15</sup>*

However, during the Assembly motion debate, the DAERA Minister stated:

*I do not intend to introduce an ANC scheme this year: I cannot. It is simply not possible. It would be possible to introduce an ANC scheme under the new Agriculture Bill, but the Bill's provisions will be operational only from 2021 onwards.<sup>16</sup>*

To date, no ANC Scheme has been in place in Northern Ireland.

### 3 Key potential financial implications for public purse

The considers key potential financial implications arising from the Bill, as introduced for the “public purse”. This section examines:

#### 3.1 [Clause 1 \(3\) of the Bill - as introduced – Regulations on payments for areas with natural constraints](#)

##### 3.1.1 [Payments made under the 2018 ANC Regulations](#)

##### 3.1.2 [Proposed cost of the Bill – as introduced](#)

##### 3.1.3 [Analysis of cost associated with different price indexes](#)

#### 3.2 [Other potential costs arising from Bill Clauses](#)

##### 3.2.1 [Potential costs for Department](#)

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<sup>15</sup> <https://aims.niassembly.gov.uk/plenary/details.aspx?tbv=0&ptv=0&mcv=0&mtv=0&sp=0&spv=-1&per=1&it=0&pid=2&sid=p&pn=0&ba=1&doc=295039%20&fd=03/03/2020&td=03/03/2020>

<sup>16</sup> See footnote 15 immediately above

### 3.2.2 [Offences and penalties](#)

## 3.1 Clause 1 (3) of the Bill - as introduced – Regulations on payments for areas with natural constraints

At present, Clause 1(3) of the [Areas with Natural Constraints Bill - as introduced](#) - states:

*(3) The regulations must, in particular, ensure that—*

*(a) persons receive payment in no less generous terms than the payment rates to which persons were entitled to be paid under the Areas of Natural Constraint Regulations (Northern Ireland) 2018,*

*(b) those payment rates are increased annually, by at least the percentage increase in the prices index for that year,*

*(c) in paragraph (b), the prices index means an index or figures published by the Statistics Board (a body corporate established under section 1 of the Statistics and Registration Service Act 2007), for the year in question. Schedule 2 of the 2018 ANC Regulations<sup>17</sup>*

As above, under Clause 1(3)(a) of the introduced Bill, payments would be linked to those detailed in [Schedule 2](#) of the [Areas of Natural Constraint Regulations 2018](#) (2018 Regulations). As stated previously in this Paper, the ANC Scheme was degressive, with two available payment rates. Schedule 2 specifies the rates, as shown below in Table 5:

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<sup>17</sup> [Areas of Natural Constraint Payments Bill - As Introduced](#)

**Table 5. Payment Rates for ANC allowance**

Column 1	Column 2
1. For the first 200 hectares of land in the qualifying forage area which lies within the severely disadvantaged area.	£26.57 per hectare
2. For each hectare of land in the qualifying forage area which lies within the severely disadvantaged area in excess of 200 hectares where the qualifying forage area in the claimant's holding which lies within the severely disadvantaged area is more than 200 hectares.	£19.93 per hectare

Source: [Areas of Natural Constraint Regulations 2018](#)

The 2018 Regulations' [Explanatory Memorandum](#) considered the financial implications of those Regulations, stating:

*The budget for the 2018 Scheme payments is approximately £8 million<sup>18</sup>*

### 3.1.1 Payments made under the 2018 ANC Regulations

The DAERA response to RalSe's request for information on the payments made under 2018 ANC regulations - in particular, the amount of its available budget under the 2018 Scheme - stated:

*The ANC 2018 was a transition year and had a total budget of approximately £8 million, not £20 million. This was co-financed 27% National: 73% EU.<sup>19</sup>*

<sup>18</sup> [https://www.legislation.gov.uk/nisr/2018/18/pdfs/nisrem\\_20180018\\_en.pdf](https://www.legislation.gov.uk/nisr/2018/18/pdfs/nisrem_20180018_en.pdf)

<sup>19</sup> DAERA response to RalSe-PFSU, dated 24 October 2025

Therein, the Department confirmed the 2018 total payment for ANC - £8,831,551.96<sup>20</sup> – and the split between the sources of funding for the 2018 Scheme equated to:

- 27% National - £2,384,519.03
- 73% EU - £6,447,032.93

RalSe also requested the total number of applicants that received claims on the 2018 Scheme. Based on information provided by the Department, there were 8,878 claimants in 2018. DAERA provided RalSe with a breakdown based on the number of recipients and the amount each received both as a “Non-Degrressive Payment and Degressive Payment”. A summary of this is provided in Table 6 below.

**Table 6: ANC Scheme recipients and amount paid in 2018**

	<b>Number of recipients</b>	<b>Amount Paid</b>	<b>Notes</b>
<b>Non Degressive Payments (@ £26.57)</b>	8,878	£8,464,080.56	Up to 200Ha x 26.57 ( Max amount 200 x £26.57 = £5,314)
<b>Degrressive payments (@ £19.93)</b>	156*	£367,471.40	Greater than 200Ha x £19.93
<b>Total</b>	8,878	£8,831,551.96	*Already Included in the Non Degressive total, received degressive payment once over the 200Ha limit

**Source:** RalSe-PFSU 2025, relying on DAERA response to RalSe-PFSU, dated 24 October 2025

<sup>20</sup> DAERA response to RalSe-PFSU, dated 24 October 2025

As shown in Table 6, while the budget for ANC in 2018 was approximately £8 million, the actual amount paid was closer to £9 million (£8,831,551.96). In addition, as noted in Table 6, there were 8,878 ANC recipients. However, in correspondence with RaISe, DAERA noted that there were 9,420 applicants for the 2018 ANC Scheme. Based on the information in the Table, the average payment per successful applicant was £994.77.

### **Potential Scrutiny Points**

1. With the ANC no longer co-funded by the European Union, would the DAERA be in a position to absorb the cost of the proposed ANC Scheme, as required by the Bill, as introduced? in full or in part?
2. As noted previously, there were 8,878 recipients and 9,420 applicants for the previous said Scheme. What consideration has the DAERA given to the Scheme's potential cost impact if more recipients were eligible for the new Scheme, as specified in the introduced Bill?
3. What impact would changes in Farm Income Support, and or in structural changes in farming, and or in already operating schemes; what impact would they each have on the number of applicants that would be able to apply for the ANC Scheme? Could these factors reduce or increase the number of recipients eligible for the Scheme?

### **3.1.2 Proposed cost of the Bill – as introduced**

The Bill's accompanying EFM details the Bill's financial effects, stating:

*The Bill itself has no direct financial effects. The financial effects of the regulations made under the powers set out in the Bill will be assessed separately.*<sup>21</sup>

*Based on the rate of payment for the 2018 ANC scheme, in line and with the Retail Price Index for 2025, any scheme under the proposals would cost approximately £11.4 million per annum. Other measures of inflation may be used, so the Bill has been crafted to allow the Minister to use a recognised model of inflation with reference to the Statistics Board*<sup>22</sup>

As noted above, the costs associated with the Bill have been calculated using the Retail Price Index (RPI). However, the Bill provisions allow “other measures of inflation”<sup>23</sup> to be used by the Department. Commentary on the Clauses within the EFM states:

*Under clause 1(3)(b), these payments must increase annually as a prices index (for example the Retail Price Index, or the Consumer Price Index established by the Office for National Statistics) increases.*<sup>24</sup>

As a result of this flexibility, the anticipated cost of the proposed Scheme would vary significantly depending on the chosen measure for the annual inflationary uplift. [Section 3.1.3](#) details those variances.

### **3.1.3 Analysis of cost associated with different price indexes**

The following section analyses the potential cost of the proposed ANC based on the select of different price indexes. The Indices considered are the RPI and the Consumer Price Index (CPI). In addition, the CPI, including owner occupiers' housing costs (CPIH), also would be analysed, as from [2030 the RPI will be aligned to the CPIH](#). Therefore, CPIH gives a indication of the RPI rate post

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<sup>21</sup> <https://www.niassembly.gov.uk/assembly-business/legislation/2022-2027-mandate/primary-legislation-bills-22-27-mandate/anc-bill/efm---as-introduced/>

<sup>22</sup> See footnote 21 immediately above

<sup>23</sup> See footnote 21

<sup>24</sup> See footnote 21

2030. Moreover, the Bill allows CPIH to be the chosen measure at present as it currently is a “recognised model of inflation”.<sup>25</sup> Table 7 below details the index rates for each year between 2018 and the average for 2026 to date to show, this shows the variation in increases each year that can occur relating to wider economic circumstances.

**Table 7: Index rates 2018-2019**

Year (Jan - Dec)	Index		
	RPI (All Items Index)	CPI (All Items Index)	CPIH (All Items Index)
<b>2018 Baseline</b>	<b>281.6</b>	<b>105.9</b>	<b>106</b>
<b>2019</b>	288.8	107.8	107.8
<b>2020</b>	293.1	108.7	108.9
<b>2021</b>	305	111.6	111.6
<b>2022</b>	340.3	121.7	120.5
<b>2023</b>	373.3	130.5	128.6
<b>2024</b>	386.7	133.9	132.9
<b>2025</b>	402.7	138.4	138
<b>2026 Year to date average (Jan 26-Feb 26)</b>	407.3	139.8	139.7

Source: ONS [Consumer price inflation time series](#) (February 2026)

Using the formula at Figure 1 below, the annual uplift can be calculated for each index providing an estimate of the ANC budget for that year.

<sup>25</sup> See footnote 21

**Figure 1. Inflationary Uplift formula – RPI example**

$$Uplifted\ Budget = \frac{Original\ Budget}{RPI_{2018}} \times RPI_{Current}$$

**Potential Scrutiny Point**

4. What rationale would the DAERA employ when deciding which inflation index to apply under the Scheme?
5. Does the Department already have guidance for policy-makers in determining what index should be applied to existing programmes or schemes that require inflationary uplift year on year?

**3.1.3.1 Inflationary uplift of ANC payment rate per hectare**

Applying the formula - see [Figure 1](#) - Table 4 below presents an estimated payment rate per hectare based on the amount detailed in the 2018 Regulations - see [Table 1](#) - both for the first 200 hectares and the degressive amount for over 200 hectares. The formula has been applied based on different price indexes - RPI, CPI and CPIH - thereby showing the variation in payment rates based on the price index used.

**Table 8. Estimated ANC Payment (£) Per Hectare 2018 – 2026**

Year (Jan - Dec)	Estimated Payment Rate (£) Per Hectare					
	RPI		CPI		CPIH	
	First 200 hectares	Excess of 200 hectares	First 200 hectares	Excess of 200 hectares	First 200 hectares	Excess of 200 hectares
<b>2018 Baseline</b>	<b>£26.57</b>	<b>£19.93</b>	<b>£26.57</b>	<b>£19.93</b>	<b>£26.57</b>	<b>£19.93</b>
<b>2019</b>	£27.25	£20.44	£27.05	£20.29	£27.02	£20.27
<b>2020</b>	£27.66	£20.74	£27.27	£20.49	£27.30	£20.48
<b>2021</b>	£28.78	£21.59	£28.00	£21.00	£27.97	£20.98
<b>2022</b>	£32.11	£24.08	£30.53	£22.68	£30.20	£22.66
<b>2023</b>	£35.22	£26.42	£32.74	£24.20	£32.23	£24.18
<b>2024</b>	£36.49	£27.37	£33.60	£25.01	£33.31	£24.99
<b>2025</b>	£38.00	£28.50	£34.72	£25.97	£34.59	£25.95
<b>2026 Year to date average (Jan 26-Feb 26)</b>	<b>£38.43</b>	<b>£28.83</b>	<b>£35.08</b>	<b>£26.29</b>	<b>£35.02</b>	<b>£26.27</b>

Source: RalSe-PFSU relying on ONS [Consumer price inflation time series](#)

(February 2026)

### 3.1.3.2 Inflationary uplift of ANC Scheme Budget

Using the formula – see [Figure 1](#) – and applying each index to an £8 million Budget in 2018. Table 9 provides an estimated ANC budget each year between 2019 to 2025 had the provisions of the Bill applied at that time.

**Table 9: Estimated annual budget of ANC Scheme between 2018 and 2025**

Year	Amount (£)		
	RPI	CPI	CPIH
<b>2018 Baseline</b>	<b>£8,000,000</b>	<b>£8,000,000</b>	<b>£8,000,000</b>
2019 (Jan - Dec)	£8,204,545.45	£8,143,531.63	£8,135,849.06
2020 (Jan - Dec)	£8,326,704.55	£8,211,520.30	£8,218,867.92
2021 (Jan - Dec)	£8,664,772.73	£8,430,594.90	£8,422,641.51
2022 (Jan - Dec)	£9,667,613.64	£9,193,578.85	£9,094,339.62
2023 (Jan - Dec)	£10,605,113.64	£9,858,356.94	£9,705,660.38
2024 (Jan - Dec)	£10,985,795.45	£10,115,203.02	£10,030,188.68
2025 (Jan - Dec)	£11,440,340.91	£10,455,146.36	£10,415,094.34
<b>2026 FnYr to date average (Jan 26-Feb 26)</b>	<b>£11,571,022.73</b>	<b>£10,560,906.52</b>	<b>£10,543,396.23</b>

**Source:** RaISe-PFSU relying on ONS [Consumer price inflation time series](#)

(February 2026)

From Table 9, a number of key takeaways arise:

- Using the RPI index significantly increases the budget for the ANC scheme compared to using CPI or CPIH
- Inflationary shocks can have a significant effect on the annual uplift for example during the years of Covid-19, for example, between 2021 and 2022 the rise in estimated cost rose between almost £700,000 and £1 million, dependent on the index that has been applied.

- 2026 is calculated by taking the average of the figures published to date (January and February) for each index. Despite only two data points available for each index, the current average inflationary rate still observes the ANC budget rise by around £100,000 compared to 2025, no matter the index applied.
- Current global events have seen increased cost pressures which are anticipated to impact inflation – therefore it is reasonable to assume the final anticipated budget based on any index based on the 2026 average will increase markable compared to 2025.

#### **Potential Scrutiny Point**

6. Given the volatility of inflation between years, what on the Department's ability to deliver the Scheme would there be, if inflation was significantly higher from one year to the next?  
How could this impact DAERA spending plans year on year?
7. Has consideration been given to reviewing the costs associated with delivery of the Scheme at regular periods once the Bill is enacted?

#### **3.1.3.3 Cost based on actual 2018 ANC payment**

As noted previously, the budget detailed in the 2018 Regulations was £8 million, but (as noted in [sub-section 3.1.1](#)) the actual amount paid to ANC recipients in 2018 was actually £8,831,551.96. Applying the same methodology - as shown in Table 9 - to the actual amount paid out to recipients in 2018 and applying an inflationary uplift based on the average rate for 2026 to date and is calculated in Table 10 below.

**Table 10. ANC Scheme cost based on the 2018 payment uplifted by average inflation for 2026 to date**

Year	Amount (£)		
	RPI	CPI	CPIH
<b>2018 Baseline</b>	<b>£8,831,552</b>	<b>£8,831,552</b>	<b>£8,831,552</b>
<b>2019 (Jan - Dec)</b>	£9,057,358.69	£8,990,002.85	£8,981,521.71
<b>2020 (Jan - Dec)</b>	£9,192,215.48	£9,065,058.53	£9,073,169.89
<b>2021 (Jan - Dec)</b>	£9,565,423.82	£9,306,904.62	£9,298,124.52
<b>2022 (Jan - Dec)</b>	£10,672,504.02	£10,149,196.16	£10,039,641.61
<b>2023 (Jan - Dec)</b>	£11,707,451.52	£10,883,073.95	£10,714,505.49
<b>2024 (Jan - Dec)</b>	£12,127,702.92	£11,166,617.63	£11,072,766.56
<b>2025 (Jan - Dec)</b>	£12,629,495.65	£11,541,896.05	£11,497,680.85
<b>2026 FnYr to date average (Jan 26-Feb 26)</b>	£12,773,761.06	£11,658,649.33	£11,639,318.95

**Source:** RaISe-PFSU relying on ONS [Consumer price inflation time series](#)  
(February 2026)

**Note:** This figure is based on the same number of successful applicants and the same hectareage claimed both as non-degressive and degressive payments in 2018.

### 3.2 Other potential costs arising

While this Member Bill has the stated ambition of restoring payments to no less than those payments made under the ANC 2018 Regulations, those 2018 Regulations contained a number of provisions in relation to the administration of

the payment. At the time of the 2018 Regulations, the ANC scheme in Northern Ireland was already established mechanisms in place to administer the payment. Since 2018, as noted previously in this Paper, post UK-Exit from the EU, the structures around farm payments have changed. Moreover, those previous existent administration structures may be different or no longer exist.

Therefore, if enacted, the introduced Bill would require DAERA to make regulations that would most likely be similar to the 2018 Regulations. Therefore, consideration should be taken to the potential “public impact” on Departmental resources, in terms of administering the payment. For some indication, such circumstances are addressed to provide some reasonably foreseeable potential costs that could arise, as outlined in the following sub-sections, assuming the requirements of the 2018 Regulations.

### 3.2.1 Potential costs to the Department

The accompanying EFM addresses a number of potential costs, as addressed in the Table 11 below.

**Table 11. Assessment of potential costs identified in the introduced Bill’s EFM**

<b>Potential cost</b>	<b>Commentary on potential costs arising</b>
<b>Claimant Eligibility</b>	Section 4 of the 2018 Regulations considers “Claimant eligibility for ANC allowance”. Pursuant to that allowance, recipients were required to send relevant information to the Department to make a determination on the claim. Therefore, under the introduced Bill, if enacted, there would be a resource requirement within the given Department to manage the Scheme. This could be included in current schemes, but additional administration resources may be required to meet the requirements of any such Regulations.
<b>Recovery of payment</b>	Section 10 of the 2018 Regulations empower DAERA to recover payment where the recipient has breached the requirements or provided false or incorrect information in relation to ANC payment claims.

	<p>Therefore, there would be a resource requirement within the Department to deal with any false claims and investigate such. That could be included in current schemes processes, but additional administration resources could be required to meet the requirements of any such Regulations.</p>
<b>Inspection</b>	<p>Sections 14 and 15 of the 2018 Regulations empowered the Department to allow inspection of farms for the purposes of determining the accuracy of such claims. This would require a resource requirement within the Department in the form of employing inspectors. Inspectors may already operate within the Department for other schemes, but additional resource may be required. In addition, the specific characteristics of the ANC scheme may also be required. Those inspectors already employed by the Department may have to undertake additional training for the specific purpose of administering the ANC Scheme.</p>
<b>Double funding</b>	<p>There may also be public purse implications in terms of the proposed ANC Scheme coming in conflict with other currently available schemes' terms and conditions. For example, the Farming with Nature Transition (FwNT) Scheme's terms and conditions state:</p> <p style="text-align: center;"><i>...It is the responsibility of the applicant to ensure that double funding does not occur. Where there is evidence that an applicant has knowingly claimed under FwNT for management activities that have received or will receive payment from another source, this may result in the recovery of payments already made.<sup>26</sup></i></p> <p>Failure to adequately address or exempt the ANC Scheme from the issue of double funding could see the Department assume additional costs in the process of recovery of payments as a result of double funding – if the Bill were to be enacted.</p>

<sup>26</sup> <https://www.daera-ni.gov.uk/articles/terms-and-conditions-farming-nature-transition-scheme>

<p><b>Departmental vires</b></p>	<p>During the second stage debate, the DAERA Minister</p> <p><i>The vires to operate an ANC scheme were obtained in assimilated law, specifically in articles 48 and 49 of EU regulation No 1307/2013 — the direct payments regulation.<sup>27</sup></i></p> <p>The Minister continued:</p> <p><i>However, those articles were revoked on a UK basis by the Rules for Direct Payments to Farmers (Amendment) Regulations 2020. If the Bill were to pass in the Assembly, my Department would need to introduce a statutory rule via the affirmative draft procedure process to reinstate articles 48 and 49 into direct payments regulation to provide the vires that my Department requires to establish a legal foundation to operate the scheme. Following on from that, a separate SR would need to be introduced via the negative resolution process to legislate for payment rates for an ANC scheme.<sup>28</sup></i></p> <p>However, the work required by officials to establish these vires would be in addition to on-going work the responsible officials are already undertaking. Therefore, consideration should be given to the impact on on-going work plans and the possible need for additional resource to provide the legal authority to administer such a Scheme.</p>
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The Bill's accompanying EFM acknowledges a number of these potential costs for the Department and has provided a rationale as to the likely financial impact.

The EFM considers:

*...the management of claimant eligibility, the role of the Department in dealing with any false claims and the potential employment of additional inspectors to farms. This would require to be integrated with existing processes. It should be noted that the Department has*

<sup>27</sup> [AIMS Official Report - 23/03/2026](#)

<sup>28</sup> See footnote 27 immediately above

*experience of delivering these schemes, which should reduce the lead time and burden.*<sup>29</sup>

The EFM continues:

*The Member is open to hearing from the Minister on what the appropriate lead time for the regulations would be and will consider whether any amendments are required to the Bill as a result.*<sup>30</sup>

In addition, the EFM considers the issue of “double funding” in relation to existing schemes in operation,

*Other public purse implications could arise from the proposed ANC scheme coming into operation alongside other currently available schemes. Failure to address or exempt the ANC scheme from the issue of double funding could see the Department assume additional costs in the process of recovery of payments. This should be manageable, but the Member is open to further discussion with the Department on this.*<sup>31</sup>

#### **Potential Scrutiny Point**

8. How realistic is reliance on existing administrative capacity given: staffing constraints; competing schemes, skills and training requirements?

### **3.2.2 Offences and penalties**

The Bill’s accompanying EFM acknowledges:

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<sup>29</sup> [Areas of Natural Constraint Payments Bill - EFM - As Introduced](#)

<sup>30</sup> See footnote 29 immediately above

<sup>31</sup> See footnote 29

*The Bill would also have public purse implications regarding the pursuit of a conviction for offences relating to provision of false or misleading information<sup>32</sup>*

Section 16 of the 2018 Regulations allow for conviction of those who provide false or misleading information and or any other way interfere in the execution of the 2018 Regulations. An individual found guilty of such an offence is liable to a court imposed fine. Such an event would require the court service to prosecute a case - whether to a guilty or not guilty verdict - and this in itself would have public purse implications when pursuing a conviction for such an offence. The accompanying EFM addresses this point stating:

*Some of these costs may be offset by fines if a conviction is successful; however, all costs may not be recovered fully. The risk of this is considered to be minimal.<sup>33</sup>*

## 4 Concluding Remarks

The Bill, as introduced, if enacted, would reintroduce payments for ANC in Northern Ireland at levels based on those provided in Schedule 2 of the [Areas of Natural Constraint Regulations 2018](#), but uplifted by price index. Based on the Bill's accompanying EFM, the proposed ANC Scheme would require a budget of around £11.4 million.

However, if the Bill is enacted as introduced, it is likely that any future Scheme would not come into effect until at least 2027. Given so, the Paper has attempted to show potential future cost based on the current inflationary position (using RPI, CPI and CPIH measures) and highlight current issues that could impact an increase in inflation over the coming year.

The Paper also highlights how no specific inflationary index has been selected in the introduced Bill, and instead the Bill empowers the Department to exercise its discretion when choosing an index to apply the inflationary uplift. Therefore,

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<sup>32</sup> See footnote 29

<sup>33</sup> See footnote 29

three recognised inflationary indexes have been selected to show the variation in projected cost arising from different indices.

As such, based only on average inflationary indexes for the year to date (January and February – the latest data available) based on the ANC budget for 2018 (£8 million) the current estimated Scheme budget in 2026 to date varies from around £10.5 million and 11.5 million. When applying the same methodology what was actually paid to recipients in 2018 (£8,831,551.96), the estimated cost of the Scheme in 2026 to date is between £11.6 million and almost £12.8 million.

As noted in the Paper, further costs in terms of administration of the Scheme should also be considered. At the time of running the last Scheme in Northern Ireland, the financing structures of agriculture financing in Northern Ireland had changed due to post United Kingdom-Exit from the EU. The approach to farm and fisheries funding in the United Kingdom therefore have diverged from that previously in place. Re-establishing any administration structures in terms of resources and monitoring systems therefore could require additional resource in the Department, which would need to be considered if the Bill is enacted, as introduced.

In terms of DAERA's current financial position and the Minister's reaction to the establishment of an ANC Scheme without any such Bill. The MLA Bill Sponsor wrote to the Agriculture Minister in July 2025, stating his intent to introduce a ANC Scheme via a Bill. The Minister responded, stating:

*I do not intend to introduce an Area of Natural Constraint (ANC) scheme for farmers. Since the ending of ANC payments, there has been no significant change to agriculture in LFAs relative to the lowland in Northern Ireland either in livestock numbers or farmed areas. There is no evidence of land abandonment to any significant extent in Northern Ireland and the Farm Sustainability Payment, planned for introduction in 2026, will continue to provide support for*

*agricultural activity in all areas of Northern Ireland, including the disadvantaged areas.*<sup>34</sup>

It is prudent to consider this Bill in the context of the Executive's current financial position - DAERA's in particular, which is described as "extremely difficult".<sup>35</sup> On 5 March 2025, the CAERA recognised that the Department is already facing challenges with:

*....significant shortfalls for projected statutory obligations on the TB programme and contractual pressures on pay and running costs.*<sup>36</sup>

The Minister reiterated this point at the Second Stage Debate on the ANC Bill, in which he stated:

*The current draft Budget is dire for my Department. We will struggle to deliver statutory services. If we were to add pressures, more issues around the Department fulfilling its statutory functions would be likely to emerge.*

Thus, it seems that any additional statutory obligations would need to be considered in light of said Departmental existing challenges.

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<sup>34</sup> <https://aims.niassembly.gov.uk/questions/printquestionssummary.aspx?docid=445471>

<sup>35</sup> <https://www.niassembly.gov.uk/globalassets/documents/committees/2022-2027/finance/reports/2025-26-draft-executive-budget/written-submissions/20250228-caera-response-draft-budget-2025-26-.pdf>

<sup>36</sup> See footnote 35 immediately above

## Annex 1

**RPI All Items Index Table (Annual) – September 2025**

<b>Year</b>	<b>RPI All Items Index: Jan 1987 = 100</b>	<b>CPI All Items Index: 2015 = 100</b>	<b>CPI All Items Index: 2015 = 100</b>
<b>2010</b>	223.6	89.4	90.1
<b>2011</b>	235.2	93.4	93.6
<b>2012</b>	242.7	96.1	96
<b>2013</b>	250.1	98.5	98.2
<b>2014</b>	256	100	99.6
<b>2015</b>	258.5	100	100
<b>2016</b>	263.1	100.7	101
<b>2017</b>	272.5	103.4	103.6
<b>2018</b>	281.6	105.9	106
<b>2019</b>	288.8	107.8	107.8
<b>2020</b>	293.1	108.7	108.9
<b>2021</b>	305	111.6	111.6
<b>2022</b>	340.3	121.7	120.5
<b>2023</b>	373.3	130.5	128.6
<b>2024</b>	386.7	133.9	132.9
<b>2025</b>	402.7	138.4	138

Source: [ONS RPI All Price Index Time Series](#)

## Annex 2

### RPI/CPI/CPIH All Items Index Table (Jan to Feb 2026) – March 2026

<b>Month</b>	<b>RPI All Items Index</b>	<b>CPI All Items Index</b>	<b>CPIH All Items Index</b>
2025 Jan	406.4	139.5	139.4
2025 Feb	408.2	140.1	140.0
<b>Average</b>	<b>407.3</b>	<b>139.8</b>	<b>139.7</b>

Source: [ONS RPI All Price Index Time Series](#)