

# Voluntary Coupled Support (VCS)

Understanding the VCS Reduction & Exclusions Letter



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# Reduction & Exclusions (R&E) Letters

## Background to R&E Letters

- An R&E letter will inform a business of any reductions and/or penalties that have been applied to their application(s) and include details of the penalty calculation.
- An R&E letter will only issue to a business if a reduction has been applied to an application for ineligible claimed animals, a cross compliance penalty or a late SAF penalty (or a combination of these 3 possibilities).
- R&E letters issued to a business are available in the businesses communication log.
- **For VCS**, R&E calculations can be viewed on RP&S via the application summary screen. This screen will be available to customers and their representatives

**Note:** Applications which failed scheme eligibility because an associated SAF had not been submitted or land eligibility requirements had not been met (for SUSSS only) will have been rejected outright and we will not issue R&E letters to these businesses.

Customers can find guidance on the eligibility requirements and penalty rules applicable to each scheme on the RPID RP&S site.

## Scheme Eligibility Failures

- Individual ear tags and the reason(s) they have failed the scheme requirements can be found via the application page on RP&S.
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- All customers will have been previously notified of ear tag failures via an outcome processing or adjustment letter and these are available in their businesses communication log.

# VCS Reduction & Exclusions Letters

RPID customers will shortly receive their Reduction and Exclusions letter(s) for the Voluntary Coupled Support scheme (VCS).

These letters will cover both the Scottish Suckler Beef Support Scheme (SSBSS) and the Scottish Upland Sheep Support Scheme (SUSSS) 2015 to 2019 claim years, and will inform customers if a penalty has been applied to their claim.

Customers may have faced a penalty if they had previously submitted a claim for animals that did not meet the rules of the scheme.

If RPID found a difference between the number of animals customers claimed in any scheme year and the number of animals that were eligible, we will have reduced their payment using a percentage error rate.

To determine the percentage error rate, we divided the number of animals found to be not eligible by the number of animals that were eligible. We have five levels of penalties.

**1. Penalty level one applies when the number of non-eligible animals found was no more than three.**

- Level 1 – we reduced their payment by the percentage error rate

**2. Penalty levels two, three, four or five apply when the number of non-eligible animals was four or more.**

- Level 2 – if the percentage error rate was a maximum of 10 per cent, we reduced their payment by the percentage error rate
- Level 3 – if the percentage error rate was more than 10 per cent to a maximum of 20 per cent, we reduced their payment by twice the percentage error rate
- Level 4 – if the percentage error rate was more than 20 per cent, we will not have paid customers under that year's scheme
- Level 5 – if the percentage error rate was more than 50 per cent, we will not have paid customers under that year's scheme. Additionally, we will have also applied a fine which would be recovered from any other payments customers were entitled to over the following three scheme years. The fine was determined by calculating the difference between the claimed and determined number of animals multiplied by the payment rate per animal for the scheme year concerned.

# Example of a penalty calculation for non-eligible animals

- Animals Submitted (Declared) = 174
- Animals Withdrawn = 0
- Animals Claimed 174
- Animals Deducted With Penalty (Not Eligible) = 4
- Animals Determined (Eligible) = 170

Based on this scenario, the Penalty Calculation would be, 4 ineligible animals, divided by, 170 eligible animals resulting in a 2.35% penalty percentage figure

- A Percentage Error Rate of 2.35% falls into the **Penalty Level 2** category - (as the percentage error rate is under 10%, we reduce the payment by the actual percentage error rate, in this case, 2.35%)
- This 2.35% penalty would have been deducted from any SSBSS or SUSSS payment due or paid to customers.
- This would be the same penalty calculation used for similar scenarios within either the SSBSS or the SUSSS schemes.

# SSBSS (Mainland & Islands): Failure reasons

## Failures

Animals with the failure reason below will have been failed after an assessment of eligibility has been completed by staff or following an inspection.

Failure	General Description
1. Animal not born on SSBSS application location	An animal has to be recorded at BCMS as being born on a Scottish location included on the application. CTS will show where the animal was born and if it has moved from the place of birth.
2. Animal not retained on location for 30 days	The animal must be born and kept for at least 30 days from the date of birth on the locations entered on the application.
3. Animal has already been claimed	Validation checks all other applications for any animal claims that are valid for the same ear tag.
4. No live passport on CTS for animal	Error fires when the animal claimed has been found CTS, but details held suggest there has been a problem with the issue of the passport or the passport has been refused.
5. No record on CTS	Error fires when BCMS has NO record of the animal when validation is run.
6. Animal is not beef	Error fires when the animal claimed is NOT on the SSBSS eligible breed list. Breed codes of the claimed animal and the animal's Dam are used and compared to the ineligible breed list. If the dam of a claimed calf is a 'dual purpose breed' and it forms part of a suckler beef herd then these calves are eligible for SSBSS.
7. Animal too young to be claimed	The animal is invalid if the birth record returned from CTS has a date on or after 2 <sup>nd</sup> December of the Scheme Year to which the application relates. An animal is one day old on the day after it was born. So an animal born on 2 <sup>nd</sup> Dec is not 30 days old until after 1 Jan.
8. Animal claimed failed inspection	This reason is returned when the animal has been deemed ineligible at a Cattle Identification Inspection (CII). The reason(s) an animal has been failed at inspection can be viewed on the SSBSS application adjustment letter OR via the LIS inspection report.

## Outright Failures

Animals with the failure reason below will have been failed after system validation with no input by staff.

Failure	General Description
1. No record of animal birth on Scottish Holding	The animal is invalid if the birth record returned from CTS is not a Scottish Holding.
2. Animal died within 30 days of birth	The animal is invalid if the death movement record returned from CTS has a date before the animal reached the age of 30 days.
3. Animal born before 2 <sup>nd</sup> December 2014*	The animal is invalid if the birth record returned from CTS has a date before 2 <sup>nd</sup> December 2014.

\* Animal reached 30 days old before start of the new CAP reform scheme

# SUSSS: Failure Reasons

## Failures

Animals with the failure reason below will have been failed after an assessment of eligibility has been completed by RPID staff or following an inspection.

Failure	General Description
1. Ear tag identifier not issued to a location occupied by the business	RP&S uses ScotEID data to check if the ear tag numbers on the application were issued to a location permanently occupied by the business. If ear tag numbers do not match a location, the animal claim is set to 'Fails Requires Assessment' for investigation by staff (claimed animals must be home bred). This failure reason also triggers if NO data has been returned by ScotEID for a claimed ear tag.
2. Ear tag identifier is a slaughter tag	RP&S checks to see what type of tag was issued by ETAS for the claimed ear tag number(s). If the information received from ETAS states that a slaughter tag was issued for the animal, the animal claimed is set to 'Fails Requires Assessment' for investigation by staff (claimed animals must have been be double tagged).
3. Animal has already been claimed	RP&S checks to ensure the animal has not previously been claimed in another SUSSS application this year.
4. Animal claimed failed inspection	This reason is returned when the animal has been deemed ineligible at a SUSSS inspection. The reason(s) an animal has been failed at inspection can be viewed on the SUSSS application adjustment letter OR via the SUSSS inspection report.

## Outright Failures

Animals with the failure reason below will have been failed after system validation with no input by RPID staff.

Failure	General Description
1. Animal not retained by customer between 1st December and 31st March	For each animal claimed, RP&S uses ScotEID data to determine if it has been sold or slaughtered before the end of the retention period for the relevant scheme year.

# Voluntary Coupled Support Key Messages

## Key Messages

- Online guidance via the RP&S system is available to all customers and their agents. This guidance covers each schemes eligibility requirements, details on the different penalty levels and further examples of the Penalty Calculation.
- This guidance should be used as a first point of reference when questioning why an animal has been deemed ineligible.
- Please note, customers can access the RP&S system at any time to check their historic claim details and view previous correspondence which are currently stored in their communication log
- When VCS R&E letters are generated there will be some letters (small numbers) not generated in the first batches for issue, however, the system will catch up on itself.
- RPID staff will be monitoring this to ensure that all appropriate letters are issued to appropriate customers, however it could be that some customers do not receive all their letters on the same day.
- Letters or emails relating to the 2020 scheme year will be issued after the relevant payments have been made. The 2020 scheme payments, for both SUSSS and SSBSS, are due to start in April/May 2021.
- For any customers previously selected for an inspection, who received an inspection results letter, then either, appealed the inspection results decision, or chose not to appeal the decision, **will not** have grounds to appeal the decision again if their R&E letter contains the same outcome.
- The purpose of these inspection customers receiving their R&E letter, is solely to confirm and formalise the previous decision made following the inspection.