

Questions and answers

This is an old version of the page

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This page covers questions and answers on entitlements and payments for the Basic Payment Scheme in the 2015 scheme year.

To help with any further questions you have, we have a dedicated helpline.

Entitlements and Payments Information Helpline – 0300 300 2222

Lines are open from 8.30am to 5pm on Monday to Thursday and from 8.30am to 4.30pm on a Friday.

Basic Payment Scheme timescales

When did payments begin?

First instalment payments started arriving in bank accounts from 30 December, 2015.

Why is there a delay making payments?

This is the biggest CAP reform for a generation, and the first time ever that both parts of CAP ('Pillar 1' income support payments and 'Pillar 2' rural development schemes) have been reformed in the same year. In 2015, we launched nearly 20 schemes across both pillars.

There can be no doubt the multiple Payment Regions and coupled support schemes requested by industry – as well as the move to area-based payments required by Europe – have added to our enormous administrative challenge.

To put this in context, these European Union changes mean that we now have to issue payment entitlements for around 4 million hectares – covering around 400,000 fields – and have around 21,000 Single Application Forms to process, as well as 1,300 farms to inspect.

Under EU rules we cannot pay a farmer until his or her claim has been fully validated. So legally we cannot simply pay a small payment to everyone then reconcile later.

The Scottish Government has been working extraordinarily hard to get us to this point and continues to work flat-out to ensure we can pay as much as possible, to as many as possible, as soon as we can.

How do you decide who gets paid first?

We are not targeting claims to be dealt with first in any particular order but there are a number of factors that influence how quickly we process the applications and the order of payment.

Under European Union rules, every claim must be checked and, if we find discrepancies, we need to make the changes or contact the claimant for more information.

If you have already received a letter from one of our local RPID area offices, we urge you to respond quickly.

European Union rules also require us to select a small percentage of applicants to be inspected.

When will I get my final payment?

The Scottish Government is doing everything in its power to make as many farm payments as quickly as possible within the EU payment window which runs until June 30.

Why is Scotland slower at making payments than other parts of the UK?

The new CAP reform we are implementing is the biggest and most complex in a generation.

In Scotland, we have multiple Payment Regions and coupled support schemes requested by industry – as well as the move to area-based payments required by Europe – which have added to our enormous administrative challenge.

Compare to:

- Wales: just one region, no coupled support schemes
- Northern Ireland: just one region, no coupled support schemes, already partly moved to area based payments
- England: already regionalised and already moved to area-based payments, and no coupled support schemes

What action is the Scottish Government taking to speed up payments?

The Scottish Government has been working flat out to process claims as quickly as possible and continues to work flat out ensure we can pay as much as possible to as many as possible as soon as we can.

We have additional staff in our area offices, with applications being processed seven days a week.

There can be no doubt the multiple Payment Regions and voluntary coupled support schemes requested by industry – as well as the move to area-based payments required by Europe – have added to our enormous administrative challenge.

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Basic Payment Scheme payments

Will the payment be for the full amount?

In order to avoid unnecessary delays, Scottish farmers will receive their 2015 direct payments in two parts – as happened when the Single Farm Payment was introduced in 2005.

Each farmer's claim is affected by the total number of eligible hectares in each Payment Region across Scotland, which means entitlements cannot be finalised until all the claims have been processed.

By paying in instalments, we can start to make payments before all the claims have been processed.

How much will I get in the first instalment?

The first instalments we have paid have been worth approximately 80 per cent of the value of the Basic Payment and the Greening payment.

What are the factors you are considering when calculating my entitlements?

For the number of entitlements:

- Basic Payment Scheme eligible area claimed / determined
- for areas of permanent grassland within Payment Region 2 and 3 a reduction co-efficient of 90 per cent is applied (for example, 100 hectares of permanent grassland in Payment Region 2 would be allocated 90 entitlements)
- the overall value of entitlements is not affected by the co-efficient because the entitlements will be calculated at a higher rate

For the value of entitlements:

- route to entitlement allocation – defines the way the entitlement value is calculated
- fixed percentage of the value of entitlements held in 2014
- proportional split of the value of entitlements held in 2014 across the Payment Regions you have land assigned to
- windfall profit – if your land holding has reduced by more than 40 per cent between 2014 and 2015
- National Reserve – top-up of the base value of entitlements to the 2015 regional average value
- convergence of the value of entitlements to the estimated 2019 regional flat rate
- budget adjustment – an increase or decrease in the value of entitlement to ensure scheme and regional budgets are respected, if necessary

What will the payments be made up of?

The first payments will be made up of the Basic Payment and Greening, and the final payments will also include Young Farmer payments for the 2015 scheme year.

As usual, other schemes such as voluntary coupled support, Less Favoured Area Support, Rural Priorities and Land Managers Options etc. will be paid separately.

What is the exchange rate from euros to pounds and how is it calculated?

All payments for direct farm payment schemes are set in euros and the conditions on how to convert these amounts into the national currencies of member states that do not use the euro are set in European Commission regulations.

For the UK, the rate for all direct payments is calculated on the average of all sterling / euro exchange rates set daily over September.

The 2015 rate represents a decrease of around six per cent: the 2015 rate is £0.73129 and the rate used in 2014 was £0.7773.

Are the payment amounts shown on the payment screen on Rural Payments and Services in euros or sterling?

The payment amounts in the 'View payments' table are shown in both euros and sterling (see the column headings for a description).

The payment amounts in the 'Payment details' table are shown in euros. This is the anticipated amount of the first payment.

Will I get the same amount as last year?

No. This is the first year of the new CAP schemes and the transition to area-based payments, which means, even for established farmers, payments are likely to change.

Your payment value may increase or decrease because of convergence, which is being introduced this year and aims to pay everyone the same entitlement value per Payment Region by 2019.

The reduction in the value compared to the 2014 Single Farm Payment is to accommodate a combination of funding reductions and transfer of money from Pillar 1 to Pillar 2, as well as the creation of three new voluntary coupled support schemes to provide additional support on top of the Basic Payment Scheme.

The letter says 'the expected value' of my payments – if you have calculated the full entitlements, why don't you know my final payment?

Each farmer's claim is affected by the total number of eligible hectares in each Payment Region across Scotland, and this cannot be finalised until all claims have been processed.

My payment is a penny out?

Some calculations are calculated to two, four or six decimal places, so the amount is rounded. The advance payment may be a penny out and this will be rectified when the balance payment is made.

Can I see my entitlement and payment information on Rural Payments Online (RPO)?

No. The old Rural Payments Online system is no longer available because it has been replaced with Rural Payments and Services.

Approximately 16,000 Illustration of Entitlement letters are now available to view through the customer communications log on Rural Payments and Services.

If my application has been processed, can my payment be made in one instalment?

Each farmer's claim is affected by the total number of eligible hectares in each Payment Region across Scotland, and this cannot be finalised until all claims have been processed.

The amounts are for the Basic Payment Scheme only. When do I get told if am getting the Greening and Young Farmer payments I have applied for?

Greening and Young Farmer payments are calculated differently from the Basic Payment Scheme payment and require us to complete processing for all eligible farmers before we can calculate the final values. These will appear on the Payments screen as soon as possible.

The Greening values for 2015 are estimated to be:

- Region 1: €75
- Region 2: €10
- Region 3: €3

When calculated, this will show on a separate line on Rural Payments and Services.

You can use the following as an indicative Young Farmer payment rate:

- the average value of Basic Payment Scheme entitlements multiplied by the Young Farmer payment factor (awaiting finalisation after completion of processing but currently estimated as 25 per cent)

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Deductions

Why have I been deducted for late Single Application Form submission and how much is it?

You get charged one per cent per working day, up to 25 calendar days, for submitting your Single Application Form after the application deadline.

After 25 calendar days, the application is invalid.

Why have I been deducted for late Application for Entitlements and how much is it?

You get charged three per cent per working day, up to 25 calendar days, for submitting your Application for Entitlements after the application deadline.

After 25 calendar days, the application is invalid.

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Key terms

What does the 10 per cent co-efficient mean?

The reduction co-efficient is a measure taken to prevent established farmers being adversely affected by new land being declared in 2015, and provide a cushion for ineligible land.

The reduction co-efficient will be applied to the number of entitlements derived from the amount of eligible permanent grassland in Payment Region 2 and / or 3.

Basic Payments is an area-based payment system and Scotland has more agricultural land that is potentially eligible than has been declared before.

If all, or a significant proportion, of this additional land entered the system, and the Scottish Government did not take any steps to control it, entitlement values for existing farmers would be diluted.

The reduction co-efficient is intended to manage this potential dilution.

If the expected additional land does not materialise, there should be no adverse effect on farmers because it will simply mean a smaller number of entitlements at a higher value, for example.

Without the reduction co-efficient – Basic Payment Scheme €1,000, number of entitlements = 100, unit value of entitlement = €10.

With the reduction co-efficient – Basic Payment Scheme €1,000, number of entitlements = 90 (i.e. 10 per cent less), unit value of entitlement = €11.11.

What is the Basic Payment Scheme Historic Value shown on Rural Payments and Services?

The term '2014 Historic Value' refers to the total value of the entitlements you held for the 2014 Single Farm Payment Scheme.

If relevant, this total will include the value of any entitlements leased out that year. We use this figure as the starting point for our calculation of your Basic Payment Scheme entitlements.

The Basic Payment Scheme accounts for 63 per cent of this historic value (Greening accounts for 30 per cent and the remainder is accounted for by other measures). For example, if the value of entitlement's held in 2014 was €10,000, the amount feeding the Basic Payment Scheme calculation would be €6,300 and this figure would appear as 'Value after BPS' further down the screen.

What is degressivity?

Degressivity is a payment reduction that is applied when a customer is receiving more than €150,000. It is a deduction of five per cent on anything over this amount (this is only on the Basic Payment Scheme payment).

What does 'Adjustment for the recovery of debt has been applied as follows' mean?

An applicant will be fully aware if there is any previous debt that needs to be applied and an amount will only be shown if there is a debt.

What is the initial unit value?

The initial unit value is the starting point for the calculation of your 2015 payments. This is calculated per entitlement per Payment Region, and is based on the part of your 2014 Single Farm Payment that we have assigned to your Basic Payment Scheme Historic Value.

Pre-convergence is the 2014 calculation.

Post-convergence is the 2015 value after convergence has been applied (+/-).

What is convergence?

Convergence is being introduced to make entitlements fairer, with the aim of paying everyone the same entitlement value per Payment Region by 2019. We will carry out a convergence calculation, comparing the 2014 entitlement values with the 2019 target, and adjust the value of your entitlements from 2015 to 2019 in equal 20 percentage steps.

This means the value will change, upwards or downwards, 20 per cent at a time towards the target until 2019.

What is under declaration?

Under declaration is if a customer has under declared the amount of eligible fields / hectares.

What is financial discipline?

Financial discipline is the process by which, each year, the European Commission determines if percentage reductions are required to keep Pillar 1 spending within the budget.

If your total direct payments (including voluntary coupled support, if applicable) is over €2,000, you will be deducted around 1.39 per cent on anything over €2,000.

This will be deducted from your balance payment.

What is Cross Compliance?

Cross Compliance is a set of rules made up of Statutory Management Requirements (SMRs) and Good Agricultural and Environmental Conditions (GAECs).

What does 'Anticipated' mean on the payment screen on Rural Payments and Services?

This means the payments have been calculated but not included in the payment run yet. This figure is subject to change whilst calculations are being done in the background.

What does 'Pending' mean on the payment screen on Rural Payments and Services?

This means the payment is being processed (no confirmation yet of when the money will hit customers' bank accounts).

What does 'Paid' mean on the payment screen on Rural Payments and Services?

This means that the funds have been authorised for payment and will show an indicative date when the money should arrive in customers' bank accounts.

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Inspections

If I am chosen for inspection, when will I get paid?

We are required by the EU to select a small proportion (five to six per cent) of farms to inspect each year.

We regret that this means some people may have to wait longer for payment, and we will do everything we can to minimise any delay, but processing work can continue well after the inspection visit itself.

If I don't get my payment by the end of January, does that mean I've been selected for inspection?

All Basic Payment Scheme land inspections were started before the end of December 2015.

There are a number of factors that influence how quickly we process the applications and the order of payment.

Under European Union rules, every claim must be checked and, if we find discrepancies, we need to make the changes or contact the claimant for more information.

In some cases the European Union requires us to contact the farmer for more information. Farmers should respond as quickly, so that we can get on processing their claim.

European Union rules also require us to select a small percentage of applicants to be inspected

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Customer support

What help is available for customers and agents?

- Entitlements and Payments Information Helpline

We recognise and are sensitive to the cash flow issues facing the agricultural sector, which is why the Scottish Government has set up a dedicated telephone line that farmers and crofters can call for information and guidance on the Basic Payment Scheme.

Entitlements and Payments Information Helpline – 0300 300 2222

Staff will answer any questions about letters we will be issuing over the next few months, general queries about new entitlements, and questions about payments for the 2015 scheme year (for the Basic Payment Scheme).

Lines are open from 8:30am to 5pm on Monday to Thursday and from 8:30am to 4:30pm on a Friday.

We'll have the helpline available for as long as there is sufficient demand.

- Cash Flow Loan Scheme

We have launched a scheme – backed by £20 million Scottish Government funding – to enable more farmers and crofters to access loans whilst waiting for their Common Agricultural Policy (CAP) payments.

The Cash Flow Loan Scheme provides an interest-free loan for farmers and crofters who have not yet received a first instalment payment – for the Basic Payment Scheme and Greening – for the 2015 scheme year and cannot access support from their bank.

Cash Flow Loan Scheme

- National LFASS Scheme

This scheme will provide cash support to almost 11,500 farming businesses in Scotland's most remote and fragile areas while EU LFASS payments are being processed.

Farmers and crofters who have submitted a LFASS application in 2015 will be sent a letter explaining what we plan to do and what it means for them.

Those farmers and crofters who do not opt-out of the National LFASS Scheme will then receive the payment indicated in their letter, directly into their bank account, at, or around, the end of March 2016.

National LFASS Scheme

- National Basic Payment Support Scheme

This scheme will provide payments to farmers and crofters who have not yet received the first payment of their CAP Basic Payment and Greening payment 2015.

[National Basic Payment Support Scheme](#)

Can I still phone my area office?

Yes, but we would encourage you to call the helpline if you have a query about the letters we will be issuing over the next few months, general queries about new entitlements and questions about payments for the 2015 scheme year (for the Basic Payment Scheme).

If you prefer to call your local RPID area office, you can still do so.

You've written to me asking for more information. What do I need to do?

If you have already received a letter from one of our local RPID area offices, we urge you to respond quickly.

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