

# Double funding and option incompatibility

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## Introduction

There are two different situations where double funding may happen:

- through different Agri-Environment Climate Scheme options or legacy grant schemes
- by funding agri-environment options that are used to meet Greening requirements under the Basic Payment Scheme

### **Double funding between and within agri-environment schemes**

In this situation, double funding can arise either:

- where two or more similar options are funded on the same area of land, through a contract under this scheme and a contract under a legacy scheme such as Rural Priorities or Land Managers Options, with the result that the same activity is funded twice
- where two incompatible options are funded under this scheme on the same area of land. For example, Wetland Management and Management of Buffer Areas for Fens and Lowland Bogs

### **Compatible and incompatible options**

In order to claim an Agri-Environment Climate Scheme option it must be compatible with everything else that is declared or claimed for the same piece of land. This includes:

- other options from the Agri-Environment Climate Scheme or the Forestry Grant Scheme
- continuing claims under older schemes such as Rural Priorities or Land Manager Options

Compatible options are two or more options for land management which can receive payments on the same piece of land.

These options can be from the Agri-Environment Climate Scheme, or can be continuing claims under older schemes such as Rural Priorities or Land Manager Options.

All the schemes you join can run alongside each other but you cannot be paid under more than one scheme for the same land if the options are not compatible.

Examples of incompatibilities are:

- an option that is only eligible on grass and an option only eligible on a crop
- two options where the management requirements, such as grazing dates, are in conflict

If you currently receive payments under other schemes, such as Rural Priorities or Land Manager Options, you can still submit an application for this scheme on the same piece of land.

However, this can only be done when the management options you are applying for are compatible with your existing commitments under the other schemes and do not relate to similar activity that is already being funded under these legacy grant schemes.

### **Identifying incompatible options between and within agri-environment schemes**

The following spreadsheet can be used to check if options are compatible with each other. It can also be used to check if options are compatible with land uses and Ecological Focus Area options.

**Compatibility checker (MS Excel, Size: 571.8 kB)**

doc\_external\_url: <https://www.ruralpayments.org/media/resources/AEC-Guidance---Compatibilities-LookUp-04-05-2016.xlsx>

When entering options into your application you will get an error if the options you have chosen do not all fit within the land parcel because they are not compatible.

For example, if you have a five hectare land parcel on which you enter five hectares of Agri-Environment Climate Scheme - Wader Grazed Grassland and you already have four hectares of Rural Priorities - Wild Bird Seed you will get the following error:

"The Wader Grazed Grassland option is applied for on the Land Parcel AB/12345/12345. However, the total proposed area of all option(s) for 2017 in this application and any previous contracts on this Land parcel is 9.0 ha which is more than the BPS Eligible Area of 5.0 ha. The Show LPID details link displays all area based option/capital items on this Land Parcel. Please reduce the area on this Land Parcel to clear the error or suppress the error and add the appropriate comments."

If you were to enter one hectare of Agri-Environment Climate Scheme - Wader Grazed Grassland and you already have four hectares of Rural Priorities - Wild Bird Seed you would not get an error as the system assumes these options are on separate pieces of land and will both fit within the five hectare land parcel.

There may be some options that are compatible only under some circumstances. These will be recorded as incompatible and will create an error. You have the ability to justify the error and add the reason. This should be only done with confirmation from an Rural Payments and Inspection Division area office that the options are compatible.

However it is possible that contracts may be issued that result in double funding, which is only found at inspection or when the case is given further scrutiny.

In all cases where a double-funded activity is identified, it must be removed from your contract and any payment previously made for such activity under that contract will be recovered.

If we decide that we need to vary your contract, we will send you a letter. It will give you:

- a written explanation of the reasons for the proposed variation
- the opportunity to make written representations about the proposed variation

You should forward any written representations to your case officer within 28 days of the date of our written notification to vary your contract.

The case officer will then forward your representations to the scheme manager to consider.

If you don't respond within the 28-day period, then we will write to you again confirming that we will make the variation to your contract and recover payments as appropriate.

Payments for all other funding you receive may be delayed if you do not reply.

**Double funding of agri-environment options linked to Greening requirements under the Basic Payment Scheme**

If you claim for an Agri-Environment Climate Scheme option that also helps you meet the Ecological Focus Areas requirements of the Greening payment – as part of your Basic Payment Scheme claim – you cannot be paid twice.

To avoid this, we have identified options in this scheme that are of a similar nature to Ecological Focus Area activities.

This is relevant to:

- land managers who want to use an Agri-Environment Climate Scheme option to meet their Ecological Focus Area requirements
- organic land managers, who are exempt from undertaking Ecological Focus Area activities due to land being certified as organic that would otherwise be required to carry out an Ecological Focus

Area activity if they were not organic and who manage an Agri-Environment Climate Scheme option that delivers Ecological Focus Areas requirements

## Ecological Focus Area comparison

Agri-environment measure	EFA practice	Direct payments weighting factor
Wild Bird Seed for Farmland Birds	Fallow	1
Beetlebanks	Fallow	1
Water Margins in Arable Fields	Buffer strips	1.5
Water Margins in Grassland Fields	Buffer strips	1.5
Unharvested Conservation Headlands for Wildlife	Fallow	1
Retention of Winter Stubbles for Wildlife and Water Quality	Fallow	1
Stubbles Followed by Green Manure in an Arable Rotation	Fallow	1
Converting Arable at Risk of Erosion or Flooding to Low-input Grassland	Fallow	1

If you choose to use all or part of one of the above Agri-Environment Climate Scheme options to meet your Ecological Focus Areas requirements, we need to remove the income foregone element from your agri-environment payment.

This will be done by calculating the area used to meet the Ecological Focus Areas requirements. Your Greening payment will not be altered.

We will check this each year before paying your agri-environment options. If the options include management costs (as well as income foregone) these will be paid, even if you did not claim for Ecological Focus Areas.

If you have any additional agri-environment commitments similar to Ecological Focus Area practices, payments for these will not be reduced. If you meet your Ecological Focus Areas requirements through other activity not covered by an Agri-Environment Climate Scheme contract, then your payments will not be affected.

This approach will also be adopted for organic farms who, without the Greening exemption, would otherwise be required to carry out Ecological Focus Areas activity.

Deductions for double funding will be made if an organic farm undertakes one of the Agri-Environment Climate Scheme options that are of a similar nature to an Ecological Focus Areas practice.

The double funding rules do not affect the land managers conversion or maintenance payments. Land managers who claim for the Basic Payment Scheme but who do not need to meet Ecological Focus Areas requirements and those who receive no funding under Pillar 1 will face no reduction in payments for this scheme.

This is because there is no risk of double funding.

These rules will apply to new contracts from 2015 onwards and to existing Rural Priorities and Land Manager Options agri-environment contracts which started on or after 1 January, 2012 and 15 May, 2012 respectively.

This is because these contracts include a revision clause which allows for commitments to be adjusted to the legal framework of the new Scottish Rural Development Programme.

If these beneficiaries do not accept the adjustment, they may terminate their contract without penalty. Rural Priorities and Land Manager Options contracts entered into before these dates will be unaffected by these rules because their contracts do not include the revision clause.

Additionally, Rural Priorities and Land Manager Options beneficiaries without a revision clause in their Rural Priorities and Land Manager Options contracts can use their options that are of a similar nature to

an Ecological Focus Area and be paid in full. For further information on Greening requirements in relation to agri-environment options within these schemes, contact your local area office.

## Practical example of dealing with double funding

A land manager with 100 hectares of arable cropped land who needs to meet the Ecological Focus Areas requirement on five per cent of their arable land (five hectares).

The land manager chooses to use part of a field to meet his Ecological Focus Areas, in which they already manages seven hectares wild bird seed for farmland birds under the Agri-Environment Climate Scheme.

Wild bird seed is one of the compatible options that is of a similar nature to Ecological Focus Area fallow. The management option payment calculation for Wild Bird Seed for Farmland Birds is based entirely on income foregone, with a separate capital item to establish the wild bird seed

The Ecological Focus Area weighting factor for fallow is one. Therefore, to meet the Ecological Focus Areas requirement, the land manager must declare five hectares as fallow on his annual Single Application Form declaration.

Under the Agri-Environment Climate Scheme, the land manager should claim the full seven hectares of wild bird seed annual management payments.

When the claim is being processed, the claim is restricted to the balance of the wild bird seed not used to support the Ecological Focus Areas (7.00 hectares – 5.00 hectares = 2.00 hectares).

Double funding will therefore be avoided. The capital item associated with establishing the wild bird seed habitat will be paid in full. If the land manager has other agri-environment commitments of a nature similar to Ecological Focus Areas practices these will not be reduced.

## Recent changes

Section	Change	Previous text	New text
<a href="#">Introduction:</a> Identifying incompatible options between and within agri-environment schemes	Updated Compatibility checker (Excel document)	-	-

## Previous versions

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