

# Rural Development: Less Favoured Area Support Scheme full guidance

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**Date published: 15 March, 2019**

**Date superseded: 11 July, 2020**

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## What's changed

**New from 2016:** A new provision has been introduced from 2016 to help established farmers who have taken on land in a Less Favoured Area, but have not qualified for LFASS since 2010 as they do not have their own historic values.

This change would allow these farmers to use the historic values of the transferor to potentially allow them to qualify for a payment, providing they meet all other applicable scheme eligibility criteria and conditions.

This rule may apply to you if you are an established active farmer who did not qualify for:

- LFASS payments under the 2010 to 2014 scheme years because you did not have the right kind of land or stock in 2009; and
- LFASS payment under the 2015 scheme year, because for example, if you acquired LFASS eligible land after the SAF 2013 application period had ended.

We have introduced further flexibility, approved by the EC, which may allow us to calculate your payment using the historic values of the transferor of the land.

- This means that - provided you meet all of the other scheme conditions and the transferor received an LFASS payment on the land in question since 2010 - you should qualify for LFASS 2016 and 2017 payments.
- If have been informed that your LFASS 2015 application has been unsuccessful, and you think that this new provision may apply to you, then please contact us. Meantime please make sure you apply for LFASS 2016, if you think you may be eligible.

To comply with European Union law, we must review the Less Favoured Area (LFA), and LFASS, by 2017. This means we will need to introduce a new LFASS scheme for 2018 and beyond.

## Glossary of terms

**Current stocking density:** Stocking density worked out using eligible land and farmed grazing livestock numbers in the LFASS claim year

**Direct payments regulations:** Regulation (EU) No 1307/2013

**Historic year:** the historic year is:

- **2009**
- **your first LFASS claim year**, if you are a new entrant who did not submit a Single Application Form in or before 2009 (for example, 2015 for someone claiming LFASS for the first time in 2015)
- **2013**, if you are an established active farmer who did not qualify for LFASS in the 2010 to 2014 scheme years, but will qualify under the scheme changes from 2015

We will look at new business' applications carefully, to make sure they have not received LFASS before as – or as part of – another business.

**Historic stocking density:** stocking density worked out using eligible land and eligible livestock numbers in the historic year

**Holding:** means all the units in the UK that you manage and use for agricultural activities.

**Key dates:** the key dates are:

- 1 January (all animal types specified in annex A) and
- 30 June (bovines only) in your historic year

**LFASS claim year:** means the calendar year in which you claim LFASS, in your Single Application Form, for payment early the following year. For example, you will claim LFASS 2015 in your SAF 2015 and, if eligible, be paid in Spring 2016. In this example, the 2015 calendar year is the LFASS claim year

**Majority of the LFASS claim year:** means a period – or periods totalling – 183 days in the LFASS claim year

**Rural Development Regulations:** means Regulation (EU) 1305/2013

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## What is LFASS

Under article 31 of the European Union Rural Development Regulations, people farming in areas facing natural or other specific constraints may be eligible for an annual income support payment. This funding:

- allows farmers and crofters to continue to run viable businesses
- avoids the risk of land abandonment
- helps maintain the countryside by ensuring continued agricultural land use
- maintains and promotes sustainable farming systems

In Scotland, this support scheme is called the Less Favoured Area Support Scheme (LFASS). The Less Favoured Area Support Scheme (Scotland) Regulations 2015 (“the 2015 Regulations”) will provide the Scottish legal basis to run LFASS.

These regulations came in to force on 9 June, 2015.

LFASS is partly paid for by the European Commission and is one of a number of schemes we offer as part of the 2014 – 2020 Scottish Rural Development Programme (SRDP).

Under the 2015 Regulations, the Scottish Ministers can pay LFASS to a farmer or crofter who actively farms eligible land for the majority of the claim year, as long as the person claiming meets a number of different conditions. These conditions are detailed in the 2015 Regulations and the accompanying Scheme Guidance as made under those Regulations.

This guidance is the published guidance for the purposes of the 2015 Regulations. In particular, the guidance outlines:

- how you claim for LFASS through the Single Application Form (SAF)
- what we take into account when deciding whether you qualify for LFASS
- how we work out any payment due
- how we work out and apply any under-activity penalties

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## Eligibility

To be eligible for LFASS you must:

- be a farmer or a crofter aged 16 years or above
- have declared at least three hectares of eligible land in the SAF you submit in the LFASS claim year
- actively farm your eligible land for the majority of the LFASS claim year (see below for definitions of eligible land and forage land)
- be an active farmer in line with the [Direct payments regulation](#)
- meet [cross-compliance conditions](#) for the full claim year on all the land declared in your Single Application Form

If you do not meet these conditions we will refuse your LFASS claim, or apply penalties and withhold all or part of any LFASS payment. Penalties that apply to LFASS are explained in our breaches and penalties section below.

## Eligible land

The eligible agricultural land rules are set out in [separate published guidance](#).

To be eligible for LFASS, land must also meet the eligibility rules set out in this section. LFASS eligible land may include land you own, seasonal land and common grazings. It must:

- be accepted as Severely Disadvantaged or Disadvantaged within the area classed as Less Favoured Areas (LFA) in Scotland. You can view maps showing the Scottish LFA boundary at any of our [area offices](#)
- be forage land and have the IACS land use codes allowed for LFASS, as set out below
- have a grazing category value
- be declared in the Single Application Form you submit in the LFASS claim year

Where a parcel has more than one use, please claim the area for each land use separately.

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## Forage land

Forage land means the area of eligible agricultural land you use to feed or graze your livestock. The IACS land use codes allowed for LFASS are:

|   |       |
|---|-------|
| Chicory   | CHIC  |
| Mixed brassica for stock feeds  | MBSF  |
| Kale and cabbages for stock feed  | OCS-K |
| Fodder beet   | OCS-B |
| Permanent grassland   | PGRS  |
| Rape for stock feed   | RAST  |
| Rough grazing   | RGR   |
| Rotational grass year 1   | TGRS1 |
| Rotational grass year 2   | TGRS2 |
| Rotational grass year 3   | TGRS3 |
| Rotational grass year 4   | TGRS4 |
| Rotational grass year 5   | TGRS5 |
| Turnips for stock feed  | TSF   |
| Swedes for stock feed   | SSF   |
| Open woodland (grazed)  | WDG   |
| Arable silage for stock feed (includes recognised seed mixtures of cereals, peas, beans, and/or grass or ensiled cereal crops under-sown with grass for future grazing/cutting but excludes ensiled stands of whole crops which can be claimed for the Basic Payment Scheme under the WCC code) | ASSF  |

To count as forage, such land should be available all through the year and claimed in the Single Application Form.

However, all forage land must:

- be available and accessible for your use for maintaining livestock, or producing a forage crop, for at least seven months in the LFASS claim year
- the seven month period must include 15 May in the LFASS claim year

If you lease land you should be able to demonstrate your right to use the leased land.

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## The LFASS active farming rule

To qualify for LFASS you must be an active farmer in line with the direct payments regulations:

### [Basic Payment Scheme](#)

In addition, we may only pay you if you also meet the LFASS active farming rules on your eligible land for the majority of the scheme claim year.

## Economic responsibility

The responsibility to actively farm for LFASS rests with you, as the person who claims under the scheme. For a farming activity to be recognised as yours, you would usually own the stock. Leasing may be acceptable if you can show that you were actively farming the stock in question.

We expect you to have economic responsibility for the animals, including responsibility for:

- managing the herd or flock
- feeding, housing and paying the bills
- veterinary care
- selecting animals brought into or disposed of from the herd or flock

We would also expect you to keep the proceeds of the sale of any offspring from the herd or flock. This means that, particularly if your claim includes seasonal land or common grazing, it may not be enough to lease in stock to meet the active farming rule for LFASS.

You are not actively farming, if someone else carries out an agricultural activity on your eligible land. This means graziers' livestock does not count, whether or not you assume management responsibility for the stock.

The situation can arise where one party declares the land on their Single Application Form, whilst another party grazes the land. In these circumstances, neither party will be eligible to claim LFASS on the land in question – the first is not actively farming, and the second has not declared the land for LFASS on their Single Application Form.

We will look at any leasing or purchasing arrangements to satisfy ourselves that, in terms of Article 60 of European Union Regulation 1306/2013, these do not amount to artificial creation of the conditions required for obtaining LFASS payments with a view to gaining an advantage which is against the aims of the scheme.

We will consider all the circumstances of each case and decide whether arrangements in place are in keeping with our policy aims. If not we will not pay you or, if already paid, recover subsidy.

## Shared land use arrangements, including common grazings

If you claim an area of land farmed in common with others you must be able to:

- show that you have economic responsibility for stock on the area in question
- separately identify the stock within the land parcel as yours

This means that, in line with the legal requirements for identifying and moving livestock, they need to be identified in a way that allows us to tell them apart from other stock on the land parcel.

## Period of active farming

You must actively farm your eligible land for the majority of the LFASS claim year. We will accept in-year breaks in activity, provided the active periods add up to at least 183 days.

While your farming activity must take place for a reasonable time on each of the land parcels you claim for LFASS, the need to carry out activity for 183 days continues to apply to the total LFASS eligible land area that you claimed.

## Livestock types

You must carry out an agricultural activity on your land connected with grazing or feeding farmed livestock. There is no need to keep specific types of animal during the LFASS claim year to be considered actively farming.

However, livestock you keep for leisure use only, for example horses, do not count as a farming activity for LFASS. Pigs and chickens do not count either.

## Claiming individual land parcels

When completing your IACS(3) and IACS(4), you must tell us which of your claimed permanent and seasonal land parcels you actively farm and wish to claim LFASS on. You should not claim land for LFASS which:

- is abandoned
- does not count towards to your LFASS business by being actively farmed by you (for example, where someone else has economic responsibility for activity on that land)

Even if you qualify for other subsidy on this land, you must not claim LFASS on it. While you must actively farm each of the land parcels you claim for LFASS, we apply the rule - to carry out that activity for 183 days – to the total LFASS eligible land area that you claimed.

### **Assessing levels of farming activity**

In accordance with European Union law, in particular Regulation (EU) No 1306/2013 and Commission Implementing Regulation (EU) No 809/2014, each year we must carry out administrative checks on all claims. We must also carry out on-farm checks on at least five per cent of claims.

These will include, amongst other things, checks of levels of farming activity, both across the LFA part of your holding and at individual parcel level.

We will use our professional judgement to decide what makes up active farming, based on what we find at inspection or other related evidence.

### **On-farm checks**

We use a risk-based approach to choose which applicants we will inspect on-farm. This might include, for example, selecting farms where animal numbers have reduced, year-on-year. At an on-farm check we will:

- confirm if you have actively farmed for 183 days
- judge the level of farming activity based on a number of factors, including activity in line with the direct payments regulations; cross-compliance guidelines, seasonal fluctuations affecting vegetation growth, production systems, breed and class of livestock, ratio of sheep to cattle, and so on

You can find out more about inspections in our dedicated section.

### [Inspections](#)

#### **If we suspect under-activity**

We may apply penalties if we find:

- no activity on land you have claimed
- evidence of some activity, but levels are so low that they do not in our view represent continued use of agricultural land
- evidence of activity, but that activity is not attributable to you

Where we find possible under-activity, inspectors will consider:

- other land use in place, such as cropping for stock feed\*, where it occurs alongside grazing livestock
- whether the other land use could be active farming: compare current stocking levels with the historic year stocking density, and/or the norm for similar farms in the locality

\*forage land uses e.g. PGRS, RGR, ASSF, etc.

There is no minimum stock number and, providing activity is in line with the direct payments regulations, our inspectors will use their professional and technical knowledge to decide whether levels of activity are acceptable for LFASS.

If we think your activity is too low, we may work out a current stocking density for the LFASS claim year based on your:

- numbers of grazing livestock (but not horses, pigs or poultry)
- eligible land area claimed

We do this:

- across the whole LFA holding, if we think your activity levels across the holding are too low, or

- at individual parcel (or parcel share) level, even where we think activity levels are acceptable on the rest of your holding

To calculate a current stocking density, we convert the livestock numbers to livestock units, which we divide by the number of claimed and eligible hectares. Where the result is less than 0.09, we will work out the under-activity penalties set out in Annex E.

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## Claims

### **When and how to apply**

You can claim for LFASS through your Single Application Form each year during the application window, from 16 March to 15 May. You can find out more about the Single Application Form below.

### **Single Application Form**

To comply with European Union law, we will deduct any penalty for submitting a late Single Application Form from any LFASS payment due to you. If you farm or submit your Single Application Form from outside Scotland, we can only pay LFASS for eligible land in Scotland. This means:

- if your main UK farm is in Scotland, we can only pay on your eligible land in Scotland
- if your main UK farm is outside Scotland and you submit a single application to a different UK agricultural department, you should also complete a Scottish Single Application Form, including your Scottish LFA land in Scottish land parcel data sheets

You should send these before 15 May in the LFASS claim year to the correct department:

- the Rural Payments Agency in England
- the Department of Agriculture and Rural Development in Northern Ireland
- the Welsh Assembly Government Department for the Environment and Countryside

These departments will forward Scottish forms to us for processing.

### **Transfer of land**

The IACS whole holding transfer arrangements apply to LFASS. You can get full details of these from your [area office](#).

If, during the scheme claim year, you take over the whole of a holding which another farmer has claimed or declared in 2015, you can write to us to ask to transfer the forage area to you for LFASS purposes.

The IACS rules allow us to pay the outgoing farmer in certain circumstances. We can only consider transferring land to the incoming farmer if they took over all of the land after the outgoing farmer submitted their Single Application Form, but before they met all of the LFASS eligibility conditions for the year in question.

For this scheme, a decision would usually, but not automatically, be made in favour of the business that actively farmed the land for the majority of the LFASS claim year in question.

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## Payment calculation

To calculate any LFASS payment you may be due, we will:

- adjust your eligible land by certain historic values to work out your payable area
- multiply your payable area by the payment rate for your fragility area

You can see:

- example payment calculations in Annex B
- a flow chart in Annex C, showing the process steps from application through to payment

## Historic values



We calculate these values based on livestock units from a historic year and 'freeze' them for the duration of the scheme. Values include:

- ineligible dairy land outside the LFASS ring-fenced area will be based on dairy animals from a historic period
- stocking density value (e.g. 0.55) will be used to determine any minimum or maximum stocking density restriction
- enterprise mix hectare multiplier (1.00, 1.35 or 1.70)

Grazing category values are also used in the payment calculation. They are based on a different historic approach and are explained in a separate section below.

### The historic year

The historic year we will use for your historic values is either:

- **2009**
- **your first LFASS claim year**, if you are a new entrant\* who did not submit a SAF in or before 2009. For example, 2015 for someone claiming LFASS for the first time in 2015
- **2013**, if you are an established farmer who did not qualify for LFASS under the 2010 to 2014 scheme years. In these circumstances, you may qualify under a scheme change from 2015. This will allow some active farmers, who did not have the right kind of land or stock in 2009, to base historic values on eligible land and eligible livestock they maintained in 2013

*\*We will look at new business' applications carefully to make sure they have not received LFASS before as, or as part of, another business.*

**New from 2016:** If you are an established active farmer who did not qualify for:

- LFASS payments under the 2010 to 2014 scheme years because you did not have the right kind of land or stock in 2009; and
- LFASS payment under the 2015 scheme year, for example, if you acquired LFASS eligible land after the SAF 2013 application period had ended,

we have introduced further flexibility, approved by the EC, which may allow us to calculate your payment using the historic values of:

- the person who transferred the eligible land to you; or, if different
- the person who was previously paid LFASS on the land transferred to you.

These values are fixed and will have been based on the land and livestock mix of the transferor in the relevant historic year, and calculated as described in the following paragraphs.

- This means that - provided you meet all of the other scheme conditions and the transferor received an LFASS payment on the land in question since 2010 - you should qualify for LFASS 2016 and 2017 payments.
- If you have been informed that your LFASS 2015 application has been unsuccessful, and you think that this new provision may apply to you, then please contact us. Meantime please make sure you apply for LFASS 2016, if you think you may be eligible..

### If your historic values do not represent your usual business

Your historic values will remain fixed from LFASS 2015, even if your farming practice or land area change year-on-year.

If your stock levels in your historic year meant that you had a minimum stocking density restriction, or had a lower than usual percentage of your stock as cattle (enterprise mix uplift), you may ask your area office to review of your historic values if the unusual stocking levels on your farm were due to:

- your stock being culled because of an epizootic disease outbreak, such as foot and mouth disease
- reasons of force majeure (examples below)

### How we calculate historic livestock units and what we use them for

Livestock units from your historic year are used to calculate your historic values, including:



- ineligible dairy land (if dairying outside the LFASS dairy ring fence)
- stocking densities
- cattle percentage to fix the enterprise mix multiplier

They are calculated using confirmed numbers of breeding female animals of the following types, which you held on key dates in your historic year:

- beef cows: breeding female bovine animals over 20 months of age used primarily to produce calves for beef production
- dairy cows: breeding female bovine animals over 20 months of age to produce milk
- ewes and gimmers
- commercially farmed goats, llamas and alpacas, primarily for fibre production
- farmed deer over six months, managed on eligible land enclosed by a deer proof barrier and kept primarily for meat production

The livestock units conversion table is included in annex A.

### How we gather historic animal numbers

If you were paid LFASS during 2010–2014, you already have frozen values based on animal numbers declared in your historic year.

- if you are a new entrant, or qualify from 2015 under the recent changes, we aim to send you an animal declaration form to complete and return in August of the first year you claim.

We cannot pay any claim not supported by an animal number declaration

### How we work out a single cattle number to convert to historic livestock units

We ask you for two figures to get an overview of your annual stocking pattern. From this we work out an average cattle number and use this to calculate historic livestock units.

### Non-standard situations

Averaging animal numbers may not be appropriate in some situations. For example:

- someone took over a farm with a breeding suckler herd of 100 cows between 1 January and 15 May in their historic year. Their animal declaration form would show zero cattle on the first key date and 100, on the second
- someone took over a sheep farm with a breeding flock between 1 January and 15 May in their historic year. Their animal numbers form would show zero sheep numbers on 1 January, 2009

In these or similar circumstances you can ask your RPID area office to review your situation. Provided that you provide supporting evidence, such as records and invoices, you can supply alternative numbers of cattle or sheep you maintained in your historic year.

### Force majeure examples

The examples shown below are not, by themselves, enough to qualify as exceptional circumstances. However, they will be a significant factor in deciding whether exceptional circumstances existed in any particular scheme year.

| Circumstances   | Acceptable documentation  |
|---|---|
| Death of an active member of the farming business   | Death certificate   |
| Illness of the producer or an active member of the farming business   | Medical certificate   |
| A severe natural disaster gravely affecting the holding's agricultural land, including the accidental destruction of livestock buildings on the holding | Either evidence of insurance claim and its payment, including, if appropriate, Meteorological Office records or evidence from the body responsible for the disruption |
| An epizootic affecting part or all of the farmer's livestock  | Veterinary evidence   |
| Other exceptional circumstance  | Other appropriate documentary evidence  |

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## Using historic values to work out your payable area

We will use your historic values to adjust your eligible hectares in the following order:

- deduct area of ineligible dairy land
- deduct minimum or maximum stocking density hectare restrictions
- multiply by the grazing category hectare values
- multiply by the enterprise mix multiplier

Only the grazing category hectare multiplier will apply in all cases. We explain these adjustments below.

## Historic dairy livestock units and ineligible dairy land

The LFASS dairy ring fence area is:

- Shetland
- Orkney
- Islay, Jura, Arran, Bute, Great Cumbrae, Little Cumbrae and the Kintyre Peninsula south of Tarbert
- the other islands in the Outer and Inner Hebrides
- part of the Cowal Peninsula

Inside the LFASS dairy ring fence area, historic dairy livestock units will count towards your stocking density.

Outside the LFASS dairy ring fence area, we will convert your dairy livestock units to ineligible dairy land. We will deduct this from your eligible land area each year.

You will find:

- the livestock units conversion table in Annex A
- a payment example that includes ineligible dairy land in Annex B

You could still qualify for LFASS outside the dairy ring fence if you are actively farming during the LFASS claim year. However, land used historically for dairying will not be eligible.

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## Stocking density and minimum and maximum stocking density limits

### Historic stocking density

To calculate your historic stocking density we will divide your historic livestock units by the number of eligible hectares you declared in your Single Application Form as actively farmed for LFASS in your historic year. You will find the stocking density formula in Annex A

### Maximum stocking density limit

If your historic stocking density is above the 1.4 maximum stocking density limit, we will restrict your eligible hectares each year. To do this we will divide the maximum stocking density by your historic stocking density value, and multiply your eligible hectares by the result.

### Minimum stocking density limits

If your historic stocking density falls below the minimum limit we will restrict the eligible area you claim each year. To do this we will divide the eligible hectares from the Single Application Form by your minimum stocking density and multiply the result by your historic stocking density value.

There are four separate minimum stocking density limits, one for each grazing category:

| Grazing category | Minimum stocking density limit |
|------------------|--------------------------------|
| A                | 0.09 livestock units/ha        |
| B                | 0.15 livestock units/ha        |

|   |                         |
|---|-------------------------|
| C | 0.30 livestock units/ha |
| D | 0.45 livestock units/ha |

### How we apply minimum stocking density restrictions

The below attachment details how we will apply minimum stocking density restrictions. We have also included minimum and maximum stocking density restrictions in the example payments in Annex B.



[Minimum stocking density restrictions \(PDF, Size: 69.1 kB\)](#)

doc\_external\_url: <https://www.ruralpayments.org/media/resources/How-we-apply-minimum-stocking-density-restrictions.pdf> How we will apply minimum stocking density restrictions

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## Grazing categories

The four grazing categories and the hectare multiplier for each are set out below:

| Categories | Stocking density  | Hectare value |
|------------|-------------------|---------------|
| A          | Up to 0.19 lu/ha  | 0.167         |
| B          | 0.2 to .039 lu/ha | 0.333         |
| C          | 0.4 to 0.59 lu/ha | 0.667         |
| D          | 0.6 or more lu/ha | 0.800         |

Grazing categories were based on 2001 stocking densities and allocated to all individual parcels claimed for LFASS 2003. Unless you, or someone else who claimed the land before you, successfully appealed before 31 December, 2006, these values have remained fixed at parcel level.

We then suspended grazing category allocation between 1 January, 2007 and 31 December, 2010 and re-opened grazing category allocation on 1 January, 2011 for un-categorised land, but on a new basis.

As before, we allocate grazing categories at land parcel level and grazing category values, once attributed, remain fixed. Since 2011, grazing categories have been allocated to un-categorised LFA land parcels based on your historic stocking density (i.e. based on your historic year):

- where a farmer has declared a mix of land parcels, with and without grazing category, those parcels with grazing category, will retain their existing grazing category. Previously categorised land parcels cannot have new values allocated

When completing your land parcel data sheets, make sure you include all your actively farmed eligible LFA forage land parcels in your LFASS claim, including those not previously allocated.

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## Enterprise mix multiplier

The hectares we will pay on, will be adjusted depending on the proportions of sheep and cattle you had in your historic year. This is called the Enterprise Mix Multiplier.

We will multiply your eligible hectares each year by:

- 1.35 if at least 10 per cent but less than 50 per cent of your historic livestock units were cattle
- 1.7 if 50 per cent or more of your historic livestock units were cattle

You will not receive a hectare multiplier that is higher than the multiplier used for your LFASS 2007–2009 claims if your cattle percentage – based on your historic year - increased solely because you reduced your sheep numbers. You would only receive a higher hectare multiplier if your cattle percentage in the historic year increased due to your cattle numbers going up.

## LFASS payment rates

Payment rates use fragility markers and grazing categories to reflect certain factors that affect the Scottish LFA, including the varying degrees of natural handicap affecting the land.

**Fragility:** The list of parish codes included in Annex F shows which single fragility marker applies to you, based on the location of your main farm code. Your parish code is the block of three digits of your main farm code.

**More and less disadvantaged land:** We group together land with grazing category A and B as 'more disadvantaged land' and land with grazing category C and D as 'less disadvantaged land'. These two groupings have different payment rates within each fragility category.

**New from 2019:** Payment rates for scheme year 2019 will be at a maximum payment rate of 80% of the 2018 payment rates.

| Grazing category                             | Standard area                 | Fragile mainland area of disadvantage | Very fragile island areas     |
|--|-------------------------------|---------------------------------------|-------------------------------|
| <b>2019 payment rates</b>                    | Rate per adjusted hectare (£) | Rate per adjusted hectare (£)         | Rate per adjusted hectare (£) |
| More disadvantaged land (categories A and B) | 41.72                         | 49.68                                 | 57.08                         |
| Less disadvantaged land (categories C and D) | 27.29                         | 43.60                                 | 50.40                         |

These rates are provisional – we may need to reduce them to keep within the budget available for LFASS each year.

### Minimum payment

If your payment based on your payable area is less than £385, we will top it up so that you get the minimum LFASS payment of £385. **From 2019** all eligible applicants will continue to receive a minimum payment of £385, this will not be affected by the 80% reduction to payment rates.

### Degressivity

Alongside the reduction to the 2019 payment rates EU regulations stipulate that "Member States shall provide for degressivity of payments above a threshold level of area per holding" from scheme year 2019.

To achieve this the eligible land an applicant has over 4,000 hectares will be reduced by 10% for the purpose of calculating LFA support. The eligible land an applicant has over 10,000 hectares will be reduced by 25%. The relevant reduction of the total area of land is apportioned across each grazing category. The threshold is calculated with reference to eligible land as adjusted for the stocking density restriction.

- Less than 4,000 hectares payment on 100% of eligible hectares then
- 4,000-10,000 hectares payment on 90% eligible hectares then
- More than 10,000 hectares payments on 75% of eligible hectares.

Degressivity of payments will be calculated by determining the eligible area and then applying degressivity to it based on the area thresholds to reduce the eligible area for payment. An example is provided in Annex G.

### Timing

We aim to make payments early in the year after you apply.

### Payments by BACS

We make payments using the Bankers Automated Clearing Services (BACS).

We can only make payments to a bank account which accepts BACS payments. If we do not already have your business' nominated bank account details, or if you want to change them, you can do this online by registering and logging in to this website.

[Register](#)

You can also complete Form PFO3 Register Bank Details – Sterling, which is available to download or form your local area office.

### [Form PF03 - Register Bank Details Form – Sterling](#)

Please keep your bank details up to date to avoid payment delays. We are not responsible for delays to your payments because you or your agent gave us incorrect bank details or did not tell us about a change to your bank account details before we processed your payment.

We will not process requests for mandates.

### **Publishing your payment details**

The European Commission introduced legislation in 2014 that requires Member States to publish details of the amounts paid to CAP beneficiaries.

Data will be published for all beneficiaries on a searchable website and will include the name and locality of the beneficiary, and details of the amounts and schemes for which subsidy has been paid.

However, for those receiving less than the equivalent of €1,250 in subsidies, we will withhold the name of the beneficiary.

The first data published in this format will be made available from 31 May, 2015 and will cover all payments made in the period 16 October, 2013 to 15 October, 2014.

The data will be updated annually and remain available for two years from the date it is published.

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## Administrative checks

We will carry out checks of all claims, covering land and activity. These will include, where appropriate, checks against the Cattle Traceability System (CTS) and the Scottish Animal Movement Unit (SAMU) database, which holds records of sheep movements.

## On-farm inspections

If you receive funding from this scheme you may be inspected. You can find out more about how and why we carry out inspections in our dedicated section.

### [Inspections](#)

European Union law requires us to carry out administrative checks on all claims, as well as on-farm inspections on at least five per cent of claims.

We must check that:

- you are meeting cross compliance rules on all of your land, not just the Less Favoured Area for which you have claimed
- the land you claim is eligible and that the area you have claimed is correct
- the level of farming activity is acceptable and you have economic responsibility for that activity

If you are qualifying for LFASS for the first time we will also check how many animals you have kept in the past against the Cattle Traceability System maintained by the British Cattle Movement Service (BCMS). We do this to confirm your historic animal values.

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## Breaches and penalties

If we find you have not been following the terms of the scheme, we call this a breach and you could face a penalty. It is important that we penalise breaches to make sure we are acting within European Commission law.

Breaches can be caused by:

- over-claiming on your land area or claiming on ineligible land

- claiming on land not actively farmed, including activity across your farm that is too low
- someone else having economic responsibility for the farm activity

We explain:

- land over-declaration penalties in Annex D
- under-activity penalties in Annex E

Penalties for not following the schemes rules could be reduced or cancelled payments. If we have already paid you, we may ask you to repay all or part of your payment with interest. Also:

- if you make a false declaration due to negligence, you will lose your payment for the year
- if you make a false declaration intentionally, you will lose your payment for two years
- in some cases where you have intentionally provided us with false information, you may face prosecution

Penalties also affect your LFASS payment if you:

- breach the cross compliance rules
- submit your Single Application Form after the application deadline

We explain these penalties in the dedicated sections:

[Cross Compliance](#)

[Single Application Form](#)

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## [Appeals](#)

If you would like to appeal a decision we have made, you can do so through our formal appeals process. You can find out more in our appeals section

[Appeals](#)

## [Complaints](#)

If you would like to complain about the standard of service you have received, you can do so through our complaints process. You can find out more in our complaints section.

[Complaints](#)

## [How we will use your information](#)

How we manage the information you provide us with is set out in our Privacy statement. You can read this using the link below.

[Privacy statement](#)

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## [Annex A - calculation of historic livestock units and stocking density](#)



[Annex A - calculation of historic livestock units and stocking density \(PDF, Size: 14.4 kB\)](#)

doc\_external\_url: <https://www.ruralpayments.org/media/resources/CALCULATION-OF-HISTORIC-LIVESTOCK-UNITS-AND-STOCKING-DENSITY.pdf> Calculation of historic livestock units and stocking density

## [Annex B - calculation of payments](#)



### [Annex B - payment calculation examples \(PDF, Size: 178.0 kB\)](#)

doc\_external\_url: <https://www.ruralpayments.org/media/resources/Annex-B---payment-calculation-examples.pdf> Payment calculation examples

## [Annex C - application process](#)



### [Annex C - application process \(PDF, Size: 83.2 kB\)](#)

doc\_external\_url: <https://www.ruralpayments.org/media/resources/LFASS-process.pdf> LFASS application process

## [Annex D - LFASS land penalties](#)



### [Annex D - LFASS land penalties \(PDF, Size: 263.5 kB\)](#)

doc\_external\_url: [https://www.ruralpayments.org/media/resources/20180108\\_LFASS-land-penalties-ANNEX-D-red-card-changes.pdf](https://www.ruralpayments.org/media/resources/20180108_LFASS-land-penalties-ANNEX-D-red-card-changes.pdf) LFASS land penalties

## [Annex E - under activity penalties](#)



### [Annex E - under activity penalties \(PDF, Size: 163.6 kB\)](#)

doc\_external\_url: <https://www.ruralpayments.org/media/resources/Under.pdf> Under activity penalties

## [Annex F - fragility markers for parish code numbers](#)



### [Annex F - fragility markers for parish code numbers \(PDF, Size: 123.6 kB\)](#)

doc\_external\_url: <https://www.ruralpayments.org/media/resources/Annex-F---fragility-markers-for-parish-code-numbers.pdf> Fragility markers

## [Annex G - degressivity](#)



### [Annex G - degressivity example of calculation \(PDF, Size: 204.4 kB\)](#)

doc\_external\_url: <https://www.ruralpayments.org/media/resources/Degressivity---example-of-calculation.pdf> Annex G - degressivity example of calculation

## [Recent Changes](#)

| Section                        | Change                            |
|--------------------------------|-----------------------------------|
| LFASS payment rates            | Updates for 2019                  |
| Annex F - LFASS land penalties | Annex F document has been updated |

## [Previous versions](#)

[Previous versions of this page](#)

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