

National Basic Payment Support Scheme 2017-18

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In advance of your 2017 SAF being processed, the Scottish Government wants to ensure that you have funding available to support your business and to give you some financial certainty during the process.

Therefore, we have set up the National Basic Payment Support Scheme (NBPSS17).

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How do I apply?

If you receive a loan offer letter it will include a full copy of the terms of the loan. If you accept these terms and wish to receive a payment under NBPSS17, either:

- complete and detach the opt-in part of this letter and send it to us in the pre-paid envelope provided
- or send an email to NationalBPSScheme@gov.scot clearly stating that you are responding to this NBPSS17 offer letter and that you formally accept the terms of the loan offered. We also require you to state the loan amount, your name, business name, Business Reference Number (BRN)

and MLC (Main Location Code). If any of this information is missing we may have to come back to you, potentially delaying your payment

Who can apply?

It is your responsibility to ensure that whoever signs the opt-in form holds the relevant signing authority on behalf of the business. Our existing mandates do not extend to loans.

Who can accept the terms of the loan scheme?

The loan offer is being made to the business, in the majority of cases it will be a member of the business who signs and accepts the conditions of the loan.

If the business member is not able to sign the opt-in form, then it can be signed by someone who holds the required authority from the business member(s) and accepts the responsibility for receiving the loan.

The existing mandates held by RPID do not extend to loan payments.

Will I be charged fees and interest?

This is a nationally-funded loan scheme, and provided you adhere to the terms you will not be charged any interest.

How is my loan amount calculated?

In most cases, loans have been calculated at 90% of your anticipated CAP Basic Payment and Greening 2017 payment, capped at a maximum of €150,000.

How do I repay the loan?

The scheme has been designed so the sum you receive under NBPSS17 is less than the amount you should be due from CAP Basic Payment and Greening 2017 if your application is successful.

In most cases, the sum will be automatically deducted from your CAP Basic Payment and Greening 2017 payment when it is fully processed and you should receive a balance payment.

In accordance with the terms attached to the loan offer letter, in some circumstances, the Scottish Ministers may recover your loan from any CAP payments due to you.

It is possible that in a small number of cases, we may find that you are entitled to less of a CAP Basic Payment and Greening 2017 payment than you will have received as a loan.

In such cases, we will also expect the difference to be repaid.

In a very small number of cases, we may find that you are not entitled to any payment, in which case you would still be expected to repay in full the loan you have received.

If you repay within seven days of being notified, you will not be required to pay any interest on the loan.

If you have any doubt as to the value of your application for CAP Basic Payment and Greening 2017, we would encourage you to contact your local RPID area office to discuss and explore the potential implications of applying for a loan.

What is the closing date for applications?

To receive your payment without delay, please apply by the deadline set out in your letter. The deadline set out in the initial batch of offer letters that are being issued is 20 October.

Applications received after this date will still be accepted but we cannot guarantee when payment will be made. A closing date will be announced in early 2018.

What happens next after I apply?

Once payment has been made we will send you a notification letter. After your CAP Basic Payment and Greening 2017 payment has been processed we will write again confirming the loan recovery and providing details of your State aid benefit for your records.

Why is there need for a loan scheme?

In advance of your 2017 BPS claim being processed, the Scottish Government wants to ensure that you have funding available to support your business and to give you some financial certainty during the process.

Why are you calling it a loan when it's an advance on what I am due?

There are specific EU rules around advance payments which at this stage of processing 2017 claims would mean we could not make advance payments.

Therefore, we are making the offer of loans from domestic funding which is not constrained by EU rules.

When will I receive my loan offer letter?

We will be sending out a batch of letters, reflecting the large total number of 2017 BPS claimants. The first 16,000 offers will start to be sent from the 29 September and will continue to be issued as loan eligibility is confirmed.

What happens if I miss the application deadline?

You will still be able to enter the loan scheme, however we cannot guarantee when this payment will be processed. To avoid this, you should respond as soon as possible.

A closing date will be announced in early 2018, after which applications will no longer be accepted.

What if I didn't receive a letter?

Letters will be sent from the 29 September and will continue to be issued to businesses as loan eligibility is confirmed.

We will write separately to any applicants who we believe are not eligible for a loan payment to explain why this is the case.

What if I don't want a loan?

If you do not wish to accept the offer you do not need to take any action.

What happens if I change my mind?

Please either contact your Local Area Office as soon as possible or email NationalBPSScheme@gov.scot

Where can I get help and support?

Customers should contact us by emailing any queries to NationalBPSScheme@gov.scot or may wish to contact their local RPID area office.

When will farmers see more detail on the scheme and when will they be able to apply?

Details are set out in the offer letters that are being issued. In line with the approach taken to the previous BPS loan scheme, this scheme will be "opt in".

This means that those wishing to apply for a loan will need to reply promptly once the Government has written to them, indicating that they wish to apply.

Clear guidance will be provided to support those wishing to apply for a loan.

When will farmers receive their loan payments?

We expect to start making loan payments by early-November to those who apply before the 20 October deadline included in their letter.

How many farmers are eligible?

The full extent of eligible businesses is still being confirmed, but we expect this to remain at around the same level as the 2016 loan scheme.

Will anyone not be eligible for a loan?

It is likely that a small number of applicants will not be in a position to be offered a loan. This was the case for the 2016 loan scheme too.

What are the state aid rules and do they affect me?

State aid rules are set and controlled by the European Commission. They apply to all forms of public funding and Member States are legally obligated to observe them.

There are many different State Aid regulations. The regulation which applies in this instance is 1408/2013 which is the Agricultural De-Minimis Regulation.

This allows farmers to receive €15,000 from any public source over a three-year fiscal rolling period.

The state aid element of your NBPSS payment is the interest and not the actual payment amount.

This is because the main payment will make up part of your CAP Basic Payment and Greening payment 2015.

However, the interest will be covered on your behalf by the Scottish Government, and so is classed as state aid.

It is your responsibility to make sure that you do not breach the state aid limit.

By accepting the funding, you are declaring that you have not exceeded the de minimis threshold. Failure to do so could result in the funding being recovered with interest by the European Commission.

We will send you a letter detailing the amount of state aid benefit you have had in the form of interest from the scheme once your CAP Basic Payment Payment and Greening payment has been made.

Some examples of schemes which come under de minimis rules are:

- Bull Hire Scheme
- Sea Eagle Scheme
- Rural Priorities Outcome Plan
- AECS Farm Environmental Assessment Payment
- New Entrants and Others 2013
- Weather Aid Scheme 2013
- BVD Check Payments
- Fallen Stock Fund
- Fox Control Scheme
- Biofuels Programme
- Resource Efficient Scotland
- Clyde and Avon Valley Tree Planting Scheme
- Dairy Farmer Island Concession Scheme
- Weather Impact Support Scheme for Westray Farmers
- Cash Flow Loan Scheme
- 2015 National LFASS Scheme
- 2015 National BPS Scheme
- 2016 National BPS Scheme

This list is not exhaustive and other schemes may also be subject to de minimis.

Will you allow for more time if a loan repayment can't be made within seven days?

State Aid regulations require us to charge interest on any outstanding balance. However it is very unlikely that this will be an issue for you as the maximum payment you can receive as a loan is 90 per cent of your final payment, we will automatically deduct the loan payment from your final BPS payment.

I have been inspected – am I included in this?

Yes, so long as you are eligible for an BPS 2017 payment.