

# National LFASS 2015-16

**This is an old version of the page**

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## Outline

The National LFASS Scheme has been established to provide cash support to farming businesses in Scotland's most remote and fragile areas while EU LFASS payments are being processed. If you submitted a LFASS application in 2015, you will have been sent a letter explaining what we plan to do and what it means for you.

If you do not opt-out of the National LFASS Scheme you will receive the payment indicated in your letter, directly into your bank account, at, or around, the end of March 2016. This payment will be based on your 2014 LFASS payment and your LFASS application for 2015. If you are a new farm entrant, or are newly eligible due to new criteria, and you did not receive a LFASS 2014 payment, we will still be able to pay you within the National LFASS Scheme.

If you do not wish to accept the terms in your letter, you must return a signed opt-out form no later than 21 March, 2016.

If you do opt out of the National LFASS Scheme you are not opting out of the whole LFASS scheme – just the payment from the new National LFASS Scheme.

If you do opt out there is no guarantee when your actual LFASS payment will be issued. If you applied, but were ineligible for payment in 2014, and have no eligible payment history for us to base payments within the National LFASS Scheme, you will not receive a payment under this new scheme.

Your LFASS 2015 application will continue to be processed in the usual way.

If you have any questions, either email [NationalLFASSScheme@gov.scot](mailto:NationalLFASSScheme@gov.scot) or call the RPID Customer Information Line on 0300 300 2222.

## State aid

The money paid to you under the National LFASS Scheme will attract interest at the rate of 3.24 per cent. This interest will be paid on your behalf by the Scottish Government.

Interest paid on a customer's behalf by the Scottish Government represents a state aid to the farm business. It is your responsibility to keep a record of all state aid to your farm business under all schemes and to ensure that the combined total state aid you receive does not exceed €15,000 over a three year rolling period.

In accepting the National LFASS Scheme sum, you are declaring this limit will not be breached.

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 EU LFASS payment has been made. Payment schemes covered by this limit include:

- 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

## Payments

We have designed the National LFASS Scheme so that the payment you receive should be less than the LFASS 2015 payment you are due **[1]**. Under these circumstances, we will pay the outstanding balance into your bank account when the LFASS 2015 payment has been processed. The Scottish Government will be liable for any nominal interest – see the section on State aid – there are no implications for you.

It is possible – although unlikely – that, in some circumstances, the amount paid to you under the National LFASS Scheme is greater than what you are due for LFASS 2015. If this is the case you will be liable to repay the balance. An interest rate of 3.24 per cent applies to the balance from the date the LFASS 2015 was due to have been paid. This interest rate will apply until 31 August, 2016. If this sum is not repaid in full by then, then the interest rate will increase to 4.24 per cent on the sum owed from 1 September, 2016.

We appreciate the information regarding interest can be complicated however we anticipate that this will only affect a small number of people.

### **[1] How we calculate how much you will be paid under the National LFASS Scheme**

- if you are a small claimant, who received £385 in 2014, we propose to pay 100 per cent of your 2014 payment through the National LFASS Scheme
- if your declared land area for 2015 is at least 90 per cent of your 2014 claim area, we propose to pay 90 per cent of your 2014 payment through the National LFASS Scheme
- if your declared land area for 2015 is between 75 per cent and 90 per cent of your 2014 claim area, we propose to pay 70 per cent of your 2014 payment through the National LFASS Scheme
- if your declared land area for 2015 is between 50 per cent and 75 per cent of your 2014 claim area, we propose to pay 50 per cent of your 2014 payment through the National LFASS Scheme
- if you are a new entrant, or are newly eligible due to new criteria, or your declared land area for 2015 is less than 50 per cent of your 2014 claim, we propose to pay you a minimum of £385 through the National LFASS Scheme
- if you applied, but were ineligible for a LFASS payment in 2014, you will not receive a payment under the National LFASS Scheme