

Single Payment Scheme
Information for farmers and
growers in England

DECEMBER 2009

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To order additional copies of this publication (RPA - DP 1) contact us on:

Telephone: 0845 603 7777

E-mail: csc@rpa.gsi.gov.uk

A Introduction

We have written this booklet as part of our commitment to give farmers and growers in England the latest information, as it becomes available, on the Single Payment Scheme (SPS) and other related schemes. It includes important information on the latest changes to the scheme rules and gives updates on the administration of the schemes.

The European Common Agricultural Policy Health Check - a planned review of the Common Agricultural Policy - has led to some changes to the Single Payment Scheme and other direct payments (Area Payments for Nuts, Aid for Energy Crops and Protein Crop Premium). Some of these changes were for the 2009 scheme year and some for later years.

The information we give is our current understanding of the scheme rules, which could change after further decisions and clarification from the European Commission. We will add any important updates to our website as they happen. All changes to the 2010 scheme year will also be included in the *Single Payment Scheme 2010 Handbook for England*, which we will produce early in 2010.

In section F we remind you that we are replacing the Hill Farm Allowance with an Uplands Entry Level Stewardship scheme in 2010. If the land you manage is in an Environmentally Sensitive Area or Countryside Stewardship Scheme agreement it is not eligible for the Uplands Entry Level Stewardship until the existing agreements have ended (because of double funding rules). You may be able to claim the Uplands Transitional Payment (UTP) instead, if you successfully claimed Hill Farm Allowance 2010 on your Single Payment Scheme 2009 application form. You will need to apply for this on your Single Payment Scheme 2010 application form.

 For further information on important updates, visit our website at: www.rpa.gov.uk

1 Rural Land Register Mapping Update

This year we have undertaken the Rural Land Register Mapping Update. This has involved updating the Rural Land Register and maps to include the latest information held by the Ordnance Survey and aerial photography. We have sent sets of maps to over 100,000 farmers and we are now in the process of sending out maps confirming any changes you might have made.

If you have not received your first set of maps (the ones which we sent to you with a Rural Land Register Mapping Update guidance booklet) or a letter about your updated maps, contact us straightaway. If you have received your maps but have not yet replied to us, it is important that you check your maps as soon as possible, and either confirm they are correct or ask us to make changes. If you are a landowner with a tenant who is claiming for payment on your land, we will have sent the maps for your land to your tenant.

 Call us on: 0845 603 7777.

We are using the Mapping Update information to update the Rural Land Register and to help preprint Single Payment Scheme 2010 application forms. As we are preprinting Single Payment Scheme application forms using this updated information from the Rural Land Register we have had to change the form slightly. You will need to make sure you check any preprinted information carefully and make any changes needed, as we may not have been able to preprint all of your information for the Single Payment Scheme 2010.

2 Changes to some important dates for the Single Payment Scheme 2010



Last date for us to receive your request to transfer entitlements for it to take effect by 17 May 2010, and in time for the 2010 scheme year.



Date you must have land at your disposal for the Single Payment Scheme.
Last date for us to receive your application without us having to apply any late application penalties.



Last date for us to receive certain amendments in writing to your previously submitted Single Payment Scheme 2010 application form without us having to apply late amendment penalties.



Last date for us to receive your Single Payment Scheme 2010 application, and apply late application penalties (we apply these from 18 May 2010).

We will reject any applications or written amendments we receive after 11 June 2010.

B Updates on the Single Payment Scheme for 2009

1 Modulation

The total European and National modulation rate in England for 2009 is 19% as already announced.

European modulation does not apply to the first €5,000 of your payment. For earlier scheme years, we deducted modulation from all of your payment and we then repaid the amount deducted for this €5,000 at a later date (usually August/September). From the 2009 scheme year onwards, we will not deduct any European modulation from the first €5,000 of your payment, so we will not make a separate modulation refund payment.

National modulation will continue to apply to all of your payment.

 Your 2009 Claim Statement and guidance will show more details.

2 Aid for Energy Crops reminder for 2009

If you claimed the Aid for Energy Crops in 2009, it is important that you tell us the amount(s) delivered to a collector/first processor for each contract you submitted so that we can process your energy crops contract. This means you need to fill in the *Aid for Energy Crops Scheme Delivery Notification* form (ENC 9) that we sent to all energy crops growers in the summer.

We have set a representative yield for annual crops only. The representative yield is the minimum tonnage that an applicant is expected to deliver. Multi-annual crops, short rotation coppice and Miscanthus do not need a representative yield. If you grow multi-annual crops, you will still need to declare the total tonnage of crop harvested on your ENC 9 or confirm that a harvest has not taken place for 2009.

As we have started to make these payments, along with those under the Single Payment Scheme, it is important that you return your ENC 9 to us as soon as possible (if you have not already done so) to avoid any delays with your 2009 Single Payment Scheme payment.

2009 is the final year of the Aid for Energy Crops and the scheme is not being replaced. Multi-annual or biennial crops which are due to be harvested in 2010 or later years will not need to be harvested or processed in those years for you to receive your 2009 Aid for Energy Crops payment. You may still need to harvest and deliver the crop to meet the requirements of your contract with collectors/first processors.

This scheme is separate from the Energy Crops Scheme under the Rural Development Programme for England, managed by Natural England. The Energy Crop Scheme provides planting grants for Miscanthus and short rotation coppice and will continue.

 The ENC9 and guidance is available on our website at: www.rpa.gov.uk

 2009 is the last year for the Aid for Energy Crops.

3 Updated Claim Statements

We will send a Claim Statement after we make each Single Payment Scheme payment to you, usually within ten working days. The Claim Statement has been updated for the 2009 scheme year to show the land parcels you claimed on your application form (SP5). This will give you the details to check the payment you received against your application form and any inspection reports you may have received during the year. We will include further information and guidance with your Claim Statement.

 The Claim Statement is sent to you after each SPS payment.

4 Corrections to entitlements

The information in your Entitlements Statement will form part of your claim for the next scheme year and so it is important that you check it is correct. If you haven't received your 2009 Entitlements Statement before the end of December 2009 please check your previous Entitlements Statement to make sure the information in it is correct.

You should note that Article 137 of Council Regulation 73/2009 limits the types of corrections to your entitlements we can make after 31 December 2009. We will correct entitlements if appropriate, where you have written to us by 31 December 2009 to tell us that you think your entitlement allocation is wrong, giving details of why you think it is wrong.

Send your letter to us at:

Address: Rural Payments Agency
PO Box 1058
Newcastle upon Tyne
NE99 4YQ

E-mail address: csc@rpa.gsi.gov.uk

Give your SBI, name of business and scheme year in any correspondence.

 When you receive your 2009 Entitlements Statement check it is correct.

5 Three year penalties

Following changes to the European rules, the way we calculate and apply 'three year penalties' for over claimed areas has changed. If an over claim is found to be intentional and is greater than 20% of the area claimed for that crop group (for example, Single Payment Scheme is a crop group) we will apply a three year penalty. We will also apply a three year penalty if you over claim by more than 50% of the area you claimed for that crop group.

A three year penalty means that, as well as receiving no payment for the crop group for the scheme year which you made the over claim in, we will deduct the value of the over claim (until it is repaid or written off) from your future payments under the Single Payment Scheme, other direct payment schemes and any payments made under Rural Development Programme for England schemes.

 For further information on the three year penalty, please read *Understanding your Single Payment Scheme Claim Statement, December 2009 (SP18)*.

C Changes for the Single Payment Scheme for 2010

1 Changes to the Single Payment Scheme 2010 application form (SP5)

We have made some important changes to the Single Payment Scheme 2010 application form (SP5) which are designed to make the form easier to fill in. The form does look different and you will need to take extra care when completing the field data sheet. We have shown an example of the changed field data sheet on pages 10 and 11, and we have listed the important changes below:

- The Single Payment Scheme 2010 application form will contain your preprinted contact details, including your name, address and telephone number. If you want us to update them before we send the form to you, please make sure you ask us to do so on or before Friday 22 January by filling in and sending one of the following forms to us, or by telephoning us on or before Wednesday 27 January 2010.
 - *Registration form* (CReg01)
 - *Amendment form* (CReg10)
 - *Agent/Partnership Authorisation* (SP9)

1a Changes to the Field data sheet for 2010

- We have added a new column called '**Maximum area eligible for SPS (ha)**' to the field data sheet. This is the total field size less any permanent Single Payment Scheme ineligible features you have marked on your new Rural Land Register maps. You should check this area carefully and make any changes needed. You will still need to remember to reduce the area you use to claim under the Single Payment Scheme to also take account of any **temporary** ineligible features (see the example field data sheet on pages 10 and 11).
- The 'Land use 2003' column has been removed.
- Some of the other columns have been moved to make space for the new column.
- Column C9 is now the 'Area to activate entitlements to claim SPS (ha)', this was Column C8 in 2009.
- We have changed some of the land use codes, further information will be provided in the *Single Payment Scheme 2010 Handbook for England*.

1b How the Rural Land Register Mapping Update will affect the preprinted field information for 2010:

We have updated the Rural Land Register to help improve the information we hold on our maps and central database of information. We will use the updated information to preprint the 2010 field data sheets on your SP5. In past years we have preprinted your forms using the information from your previous year's form. For the 2010 scheme year the following information will as far as possible be taken from the Rural Land Register:

- English area – this will be explained in the *Single Payment Scheme 2010 Handbook for England*.

i You may find it easier to fill in and send us your SPS 2010 application online.

i We show an example 2010 field data sheet on pages 10 and 11.

- County Parish Holding number (Holding number/CPH).
- Ordnance Survey (OS) map sheet reference.
- National Grid number (field reference number).
- Total field size (ha).
- Maximum area eligible for SPS (ha).

As part of the Rural Land Register Mapping Update some field reference numbers have been changed from previous years. Please check your field reference number carefully against the one we have shown on your latest Rural Land Register map and use the latest field reference number. If you don't use the latest field reference number there is a possibility that we may not be able to recognise the land parcel and may remove it from your claim.

We will also preprint details of land parcels you have been claiming under Rural Development Programme for England agreements, such as English Woodland Grant Scheme. We may not have printed these on your Single Payment Scheme application form for earlier scheme years.

1c What other information will be preprinted:

The other preprinted information shown in the columns listed below will be taken from your 2009 claim information:

- Your field name.
- Part field suffix.
- Part field size (ha).
- Land use 2010 (this will be the 2009 land use code).
- Area to activate entitlements to claim SPS.

If you claimed Area Payment for Nuts and Protein Crop Premium we will preprint column C11 'Forage area for UTP (ha) and area claimed for Protein and Nuts (ha)' with the validated information from 2009.

If you claimed Hill Farm Allowance or Aid for Energy Crops on your 2009 application form we will not preprint the information in column C11 'Forage area for UTP (ha) and area claimed for Protein and Nuts (ha)' as 2009 was the last year for these schemes.

1d We will leave some columns blank:

If a field reference number has been changed, we may not be able to trace the information for the same land parcel. We will preprint the field reference number, but we may not preprint your field name, land use code, the 2009 area activated for payment or the information in C11 'Forage area for UTP (ha) and area claimed for Protein and Nuts (ha)'.

If a land parcel was split into two or more parts in 2009, and the total of the two parts is more than the 'Maximum area eligible for SPS' for the land parcel, we may not be able to preprint the part field information in columns C5 or C6 or the land use codes for these part fields. We will preprint the field number, total field size and 'maximum area eligible for SPS' of the whole land parcel.



1e It is very important that you check the preprinted information carefully

You must check the information in every column for each land parcel. If you want to claim on a land parcel, please check the preprinted information carefully to make sure the correct information is printed. If you find it is wrong, or blank, you should fill in the correct information.

1f Information required for claiming the Single Payment Scheme in 2010

The following columns must contain correct information for every land parcel on which you want to claim for the Single Payment Scheme. If the preprinted information is wrong or missing please add the correct details, we recommend you check each land parcel carefully.

Whole field:

For every whole field you want to claim on you will need to make sure that you have the correct preprinted information or you have filled in each of the following:

- OS map sheet reference.
- National Grid number (field reference number).
- Total field size (ha).
- Maximum area eligible for SPS (ha).
- Land use 2010.
- Area to activate entitlements to claim SPS (ha).

Part field:

For every part field you want to claim on you will need to make sure that you have the correct preprinted information or you have filled in each of the following:

- OS map sheet reference.
- National Grid number (field reference number).
- Total field size (ha).
- Maximum area eligible for SPS (ha)
- Part field suffix.
- Part field size (ha).
- Land use 2010.
- Area to activate entitlements to claim SPS (ha).

If your field name is wrong, add the correct details so that we can preprint the name in future years. Please note that we can only record eight characters.

The example field data sheet on pages 10 and 11 shows the new column, the removal of the 2003 land use column and the key columns that must be completed if you want to claim on a land parcel. We cannot pay you correctly if the columns do not contain your correct information.

1g Order of fields on Field data sheet:

You may find some of your land parcels have been moved to other field data sheets. This could be because you have not used the latest field reference number, the correct Holding number or we have had to change your Holding number.

1h County Parish Holding numbers

Only one farmer can be linked correctly to a Holding number. So if more than one farmer has tried to use the same Holding number on Single Payment Scheme applications for the same year we will need to check the Holding numbers and will need to change one. In some cases two farmers can claim on the same land parcel (for example two farmers each claim separate parts of a land parcel), under these cases each farmer needs to use a different Holding number for the same land parcel.

C Example Field data sheet

C4. In this column we show the Maximum area eligible for SPS (this is the Total field size less any permanent SPS ineligible features).

Part C: Field data sheet

Before you fill in this page, read page xx of the SPS Handbook.
Use this section to tell us about your land parcels. Do not mix land parcels from different CPH numbers, or English Areas, on the same sheet. If you want to delete a line use column C10. Check any pre-printed information carefully.

Row	C1 Your field name (max 8 characters)	C2 OS Map sheet reference eg SU1234	National Grid field number eg 1234	C3 Total field size (ha)	C4 Maximum area eligible for SPS (ha)
1	TOPFIELD	SU8834	0910	10.20	10.20
2		SU8834	0910	10.20	10.20
3	BOTFIELD	SU8834	6015	25.30	25.14
4	B I G F I E L D	SU8834	6312	21.75	19.46
5					
6					
7					
8					
9					
10					
11					
				Total	

This area is for your own use.
These totals do not form part of your application, we will use the totals above to work out your claim total.

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C1.

If we have changed your field number we may not be able to preprint your field name.

C1.

If this column is blank and you want to give us your field name, please fill in the boxes provided.

C7. We have removed the Land use 2003 column.

C8 & C9. We may not preprint any information in these two columns. For example, where the land parcel has been merged together from two or more land parcels which had different land use codes in 2009.

CPH of this sheet: 12 / 123 / 1234 English Area: EOUT

C5 Part field suffix	C6 Part field size (ha)	C7	C8 Land use 2010	C9 Area to activate entitlements to claim SPS (ha)	C10 Cross to delete	C11 Forage area for UTP (ha) and area claimed for Protein and Nuts (ha)	C12 Your checklist
A	5.00		PP1	5.00	X		1
B	5.20		OT1 TG 1	5.20	X		2
			OT 1	25.14	X		3
			OT1 TG 1	19.38 19.26	X		4
					X		5
					X		6
					X		7
					X		8
					X		9
					X		10
					X		11

Total eligible area: Protein: Nuts: UTP:

This area is for your own use. These totals do not form part of your application, we will use the totals above to work out your claim total.

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C8 & C9.

If we have not preprinted these columns and you want to claim on the land parcel, you need to add the correct land use code in C8 and the correct area you want to activate in C9.

C9.

If the land parcel contains any temporary SPS ineligible features, you should deduct these from the Maximum area eligible for SPS (column C4). This field contains a temporary ineligible feature* of 0.2ha.

* We list examples of temporary ineligible features in the *Single Payment Scheme 2010 Handbook for England*.



2 When woodland should be declared on your Single Payment Scheme 2010 application form

Woodland/forest should be included on your Single Payment Scheme application if it meets one or more of the following:

- it is being grazed (including pannage);
- there are less than 50 trees per hectare and it can be grazed;
- it is short rotation coppice; or
- it is in a Rural Development Programme for England scheme (such as English Woodland Grant Scheme, Farm Woodland Premium Scheme or Entry Level Stewardship).

In these cases it is agricultural land (whether or not it is eligible for the Single Payment Scheme), therefore it must meet cross compliance rules.

Please note the Single Payment Scheme eligibility rules for woodland will be shown in more detail in the *Single Payment Scheme 2010 Handbook for England*.

 For further information on eligibility rules for woodland, please read the *Single Payment Scheme 2010 Handbook for England*.

3 Minimum claim size

From the 2010 scheme year, there will be a new minimum claim size of one hectare of eligible land. This minimum area applies to your total claim under the Single Payment Scheme and other direct payments (Area Payments for Nuts and Protein Crop Premium). But if you hold special entitlements your claim will only be valid if the value of your claim is at least €200. Claims which do not meet the relevant minimum will not be valid. If you send us a claim above the minimum which is later found to be less than the minimum, we will reject it and may apply penalties.

If you do not meet the minimum claim size in 2010 you will still keep your entitlements as long as you meet the new entitlement usage rule (read section C4). If you do not meet the rules on how to use your entitlements we will return them to the National Reserve. To avoid this happening you may choose to buy/lease additional land and/or entitlements to increase your claim or you can sell or lease your entitlements to another farmer.

If you also farm land in Scotland, Wales or Northern Ireland and you normally send your application form to us (because most of your land is in England) then the one hectare (or €200) minimum claim size applies. The minimum claim size applies to your whole claim, including the part in Scotland, Wales or Northern Ireland. If you normally send your application form to the Agriculture Department in Scotland, Wales or Northern Ireland (because that is where most of your land is), then their minimum claim size will apply to your whole claim.

 Minimum claim size for 2010 is one hectare.

4 Rules on how to use your entitlements

From the 2010 scheme year, you will have to use (activate) your entitlements for payment at least once every two years. But as part of transitional

arrangements, if your entitlements were activated in 2007 but not in 2008 or 2009 we will not return them to the National Reserve as long as they are activated for payment in 2010. This means that in 2010 you will need to activate any entitlements that were last activated in 2007 or 2008 to avoid losing them to the National Reserve. We show this in the table below:

	3 year usage rule			2 year usage rule	
	2007	2008	2009	2010	2011
Entitlement 1	Used	Used	Used	Not used	Must use to keep
Entitlement 2	Used	Used	Not used	Must use to keep	Expires if not used in 2010
Entitlement 3	Used	Not used	Not used	Must use to keep	Expires if not used in 2010
Entitlement 4	Not used	Not used	Not used	Expires	N/A

 Entitlements have to be used at least once in every two years.

5 Area Payment for Nuts and Protein Crop Premium

You can claim the Area Payment for Nuts and Protein Crop Premium in 2010 and 2011. In 2012 these schemes will no longer exist. Instead, the funds will be added to the flat rate value of Single Payment Scheme entitlements.

6 New entitlements for permanent fruit and vegetables, nursery crops and vines

We will not send a Single Payment Scheme 2009 Entitlements Statement until early in 2010 to those farmers and growers of permanent fruit and vegetables, nursery crops or vines who successfully applied for new entitlements.

This includes farmers who already hold entitlements and have applied for additional new entitlements. This statement will show any new entitlements allocated for the 2010 scheme year.

Farmers who receive new entitlements in 2010 still need to apply on a Single Payment Scheme 2010 application (by the 17 May 2010 deadline) and meet the scheme rules to receive any payment. Farmers who do not apply will not be paid.

Farmers who were not successful in applying for new entitlements will be, or may have already been, told. If you have applied for new entitlements and haven't heard from us by the end of January 2010 please telephone us on 0845 603 7777.

7 Non-agricultural activities

We expect the rules about the categories of non-agricultural activities that you can carry out on Single Payment Scheme land to be the same for the 2010 scheme year as in previous years. If these rules change for future scheme years, we will let you know. We will give further information in the *Single Payment Scheme 2010 Handbook for England*.

D Administration of the Single Payment Scheme

1 Rural Land Register Mapping update

This year we have undertaken the Rural Land Register Mapping Update. This has involved updating the Rural Land Register and maps to include the latest information held by the Ordnance Survey and aerial photography. We have sent sets of maps to over 100,000 farmers and we are now in the process of sending out maps confirming any changes you might have made.

If you have not received your first set of maps (the ones which we sent to you with a Rural Land Register Mapping Update guidance booklet) or a letter about your updated maps, contact us straightaway. If you have received your maps but have not yet replied to us, it is important that you check your maps as soon as possible, and either confirm they are correct or ask us to make changes. If you are a landowner with a tenant who is claiming for payment on your land, we will have sent the maps for your land to your tenant.

We are using the Mapping Update information to update the Rural Land Register and to help preprint Single Payment Scheme 2010 application forms. As we are preprinting Single Payment Scheme application forms using this updated information from the Rural Land Register we have had to change the form slightly. You will need to make sure you check any preprinted information carefully and make any changes needed, as we may not have been able to preprint all of your information for the Single Payment Scheme 2010.

 Call us on: 0845 603 7777.

2 Customer Registration changes

We have now made it easier to register or change the details we hold on record for you. To register with the Rural Payments Agency or to change your personal details please call 0845 603 7777 and choose the 'Customer Registration' option. Our representatives are on hand to quickly record your information.

New registrations:

To help us register you please have the following information with you. We won't be able to complete registration without it.

- The name and address of your business and your contact details.
- The address of your land including the grid reference or postcode.
- The name and address of any others you would like to give the authority to act for your business (empower them).
- Your bank details.

 You can now call us to get us to update the details we hold on record for you.

 Call us on: 0845 603 7777.

Amending your details:

If you are already registered with us and are correctly empowered, you can change your registration details, change your bank details and add an agent to your registered details by telephone. When calling to make changes to your Rural Payments Agency records you will need:

- The Single Business Identifier (SBI) you are calling about.
- Your security question details.
- The information you would like to change.

Calls for new registrations will take around 30 minutes to complete and calls for changing details will take around 15 minutes. The length of your call may vary depending on the kind of change you want to make.

We will take your details over the telephone but we may need to contact you again if we need more information. And in some cases, you will still need to fill in paper forms, our staff will tell you during the call. You can print forms from the 'forms and guidance' page on the 'Customer Registration' section of our website, or you can ask us to send them to your address.

The Single Payment Scheme 2010 application form will contain your preprinted contact details. If you want to update them before we send the form to you telephone us on, or before, Wednesday 27 January 2010.

 You can print forms from the Customer Registration section of our website at: www.rpa.gov.uk

 Or call us on: 0845 603 7777.

SBI barcode labels

3 These barcode labels are unique to the individual Single Business Identifier (SBI) and you should include them on correspondence with us where there is no preprinted barcode. Further guidance was enclosed with the labels and is available on our website.

We will not be sending a bulk mailing of SBI barcode labels this year. You can still use any labels you have from previous years' mailings, but if you would like more, please call our Customer Service Centre on 0845 603 7777. To help us deal with your query quickly, please avoid calling on Mondays, which is our busiest day, and have your SBI ready. If you need labels to use on your supporting documents for your Single Payment Scheme 2010 application, you should call before 31 March so that you get them in time.

You should not use these labels on forms that have a preprinted barcode.

 You can call us if you want us to send you some more SBI barcode labels.

 Call us on: 0845 603 7777.

4 Electronic applications

Single Payment Scheme Online (SPS Online)

SPS Online – was trialled with a limited number of farmers in 2009.

Following the success of the trial, SPS Online will be available for all farmers to use for the 2010 scheme year. You use it through the Whole Farm Approach on the Defra website and it allows you to fill in and send your Single Payment Scheme application electronically. You will have the added security of on-screen confirmation that we have received your application, as well as you receiving an e-mail confirmation.

New features are being developed and should become available during 2010. These will allow you to:

- Check your application for common errors before you fill it in and send it to us.
- Get an instant official receipt that shows we have received your application.
- Track your claim's progress online.
- Update your customer details directly online.
- View your Entitlements and Claim Statements.

Farm software packages

We are working with farm software providers to supply updates for their packages to allow you to fill in and send your Single Payment Scheme application electronically for 2010. For a list of farm software providers who are supporting the service and details of how to enrol for the Electronic Channel service for 2010, visit our website.

If you have bought a farm software product and you intend to use it to fill in and send your Single Payment Scheme 2010 application electronically, please make sure that your farm software provider has your enrolment details.

5 Reminder on single business assessments

The information in this section is for guidance only and you must tell us about any changes to your business structure, or interests of any of your business associates in another farming business(es), for us to carry out a full assessment.

Changes to your business structure may need a change of SBI. You may need to transfer entitlements between SBIs by 4 April 2010 so that you can activate them for payment on 17 May 2010.

 For further information on the Whole Farm Approach, visit the Defra website at: www.wholefarm.defra.gov.uk

 For further information on the SPS Online, visit our website at: www.rpa.gov.uk

 Or call us on: 0845 603 7777.

 For further information on Farm software packages, visit our website at: www.rpa.gov.uk

 For further information on how to transfer entitlements between SBIs, read section D6.

Single/Separate Businesses

When deciding if a farming business is a single or separate business for the Integrated Administration and Control System/Single Payment Scheme, it depends on the business structure and if the business or any business members have an interest in any other farming business. In the main, where land is, or who owns the land does not form part of this process, it is who is farming the land and applying for the payment.

The main factor in most cases is the percentage share holding, but other factors are relevant. This includes who has the ultimate responsibility for long term and daily decisions and the transactions between the businesses.

There are three examples on our website which show the effect shared holdings can make on the final outcome. (These examples do not take into account who has long term/daily responsibility for making decisions which may change the outcome of the assessment.)

New/Continuing Businesses

Where there has been a change to the business structure and none of the members have an interest in another farming business, a business may be considered to be a new or continuing business. Our website lists a number of different cases.

6 Reminder about the transfer of Single Payment Scheme entitlements

You can transfer entitlements at any time of the year but you can only transfer to a farmer. Under the Single Payment Scheme, a farmer is defined as 'a natural or legal person, or a group of natural or legal persons, whatever legal status is granted to the group and its members by national law... and who exercises an agricultural activity'.

Entitlement transfers can be made:

- by sale or gift with or without land;
- by lease with land;
- through inheritance; or
- through the merger (joining) or scission (splitting) of a business.

If you want to transfer entitlements, you must fill in and send a *Request for changes to the Rural Land Register and/or the Transfer of Entitlements* form (RLE 1) to us. You can ask us for one by calling our Customer Service Centre. You can use the RLE 1 to:

- transfer entitlements with or without land;
- transfer entitlements by lease with land;
- surrender entitlements; and
- transfer land and/or make a permanent boundary change.

 Deadline for transfers of entitlements is 4 April 2010.

 Request an RLE 1 by calling us on: 0845 603 7777

When you ask us for an RLE 1 we will need the following information:

- Your SBI.
- Main business address.
- The reason you are requesting the RLE1 form.
- The number of businesses to which you are transferring entitlements.
- The number of land parcels you wish to transfer.

This will allow us to send you the correct number of forms and only the sections of the form you need for your application. In most cases the RLE 1 will be preprinted with as much detail as possible relevant to the type of transfer that you are making. Where it is not possible to send you a preprinted RLE 1, we will send you a blank form.

We can only send the RLE 1 and guidance to your main business address or to your agent provided they are properly empowered (SP9 authorised or CReg01 empowered). You must tell us six weeks before a transfer of entitlements is due to take place, although you can specify a date when the transfer will take effect which is further than six weeks ahead if you want to do so.

If you do not give a transfer date on your form, or you do not give a full six weeks notice, the transfer will take effect six weeks from the date we receive the RLE 1. If we do not contact you to object to the transfer within six weeks, the transfer will take effect from the date you gave on the form.

To claim on an entitlement in 2010, you must hold the entitlement on 17 May 2010. We must receive your RLE 1 to transfer entitlements no later than midnight on 4 April so that the farmer receiving the transfer (transferee) can receive them by 17 May 2010.

The Single Payment Scheme RLE 1 guidance gives you further information.

The person signing the RLE 1 must be empowered to do so or we will reject the RLE 1. They must be a sole trader, empowered by an SP9 or CReg01. We must have received the empowerment instructions with or before the RLE 1.

The farmer receiving the entitlements from the transfer will also need an SBI. If they do not have one, they should call our Customer Service Centre to register by telephone or to request the relevant forms.

Transfers are processed using the SBI and not name and address of the person transferring the entitlements or the person receiving the entitlements. Therefore if the SBI you give us is wrong, it is possible that we will reject your RLE 1 or that the entitlements could even be transferred to the wrong person. Please take care when filling in the RLE 1 to transfer any entitlements.

You can find further information in the RLE 1 guidance on our website at www.rpa.gov.uk or you can get a copy by telephoning our Customer Service Centre on 0845 603 7777.

1 2010 scheme year

The Common Agricultural Policy Health Check and other legislative changes mean there have been updates to the rules and standards for cross compliance for the 2010 scheme year. We have sent updated sections of *The Guide to Cross Compliance in England* to you with this booklet. You can find details of the changes in the What's New section of the guide.

There is a new standard from 1 January 2010, this is Good Agricultural and Environmental Condition (GAEC) 18 Water Abstraction, we have given further information in the updated cross compliance guidance pages.

The new *Soil Protection Review 2010* (which we have sent to you with this update) replaces the previous version issued in 2006. You should complete it using the *Cross Compliance Guidance for Soil Management 2010 edition* (also sent to you with this booklet). You must complete it by 31 December 2010, but you must start recording access to waterlogged land from 1 January 2010.

You must keep the *Soil Protection Review 2010* on your farm as you will need to show it during an inspection. The previous version of your *Soil Protection Review* is current during 2010 and you must complete the *Soil Protection Review Continuation Sheet for 2009-2010* by implementing the measures you previously identified. You do not need to return them to the Rural Payments Agency or Department for Environment Food and Rural Affairs.

2 Reductions where cross compliance rules are broken

Cross compliance provides a level of environmental and other rules that farmers must meet, to receive Single Payment Scheme and land based rural development payments, which are worth around £2bn a year in England.

Most cross compliance rules simply require the farmer to meet existing law. And cross compliance is a way to encourage basic good practice within the law and to make sure that a farmer breaking the law does not receive a full payment.

The reduction where cross compliance rules are broken through lack of care for the first time is 3% for the Single Payment Scheme (including Area Payments for Nuts and Protein Crop Premium) and for Rural Development Programme for England schemes such as Environmental Stewardship schemes.

We give an updated financial reduction matrix and list of the most common ways that the rules are broken on our website. We have also included some useful checklists to follow for inspections, you should take particular care on cattle identification records.

You can get further guidance and help with meeting cross compliance rules from the cross compliance advice website and helpline.

For guidance and help on cattle identification records you can contact The British Cattle Movements Service (BCMS) Helpline.

GAEC18 is new for the 2010 scheme year. Find out more in *The Guide to Cross Compliance in England*.

You can find the *Guide to Cross Compliance* and cross compliance information on our website at: www.rpa.gov.uk/crosscompliance

Cross compliance helpline: 0845 345 1302

Website: www.crosscompliance.org.uk

BCMS Helpline:
English: 0845 050 1234
Welsh: 0845 050 3456

Website: www.bcms.gov.uk

F End of Hill Farm Allowance

From 2010 Uplands Entry Level Stewardship will succeed the Hill Farm Allowance. It is a scheme designed to make sure that you are supported and rewarded for achieving landscape and environmental benefits in the uplands and will be delivered by Natural England. 2010 is the last year of the Hill Farm Allowance scheme so you will receive your last full year's payment of the Hill Farm Allowance from March 2010. Uplands Entry Level Stewardship agreements can begin from July 2010.

 Hill Farm Allowance ends in 2010. It's being succeeded by Uplands Entry Level Stewardship.

1 Uplands Transitional Payment

If the land you manage is in a Countryside Stewardship Scheme or Environmental Sensitive Area agreement it is not eligible for Uplands Entry Level Stewardship until the agreements have ended (because of double funding rules). To ensure that the early adopters of the agri-environment schemes do not lose out on uplands funding, the Rural Payments Agency will continue to deliver a transitional payment which is payable until the Countryside Stewardship or Environmentally Sensitive Area agreement ends.

You may be able to claim Uplands Transitional Payment instead if you successfully claimed Hill Farm Allowance 2010 on your Single Payment Scheme 2009 application form and have a Countryside Stewardship Scheme or an Environmental Sensitive Area agreement still in force from 1 January 2011. You will need to apply for this on your Single Payment Scheme 2010 application form. More details will be available in the Uplands Transitional Payment explanatory booklet which will be sent out in the new year and published on the Defra website.

 For further information on the Uplands Transitional Payment, visit the Defra website at: www.defra.gov.uk/rural/uplands/support.htm

2 Uplands Entry Level Stewardship

Through the scheme, you will be rewarded for maintaining and improving the biodiversity, natural resources, landscape and historical values of the uplands, and for the contribution this makes to reducing and adapting to climate change.

The Rural Development Programme will make £31 million available within their existing budget, to fund the Uplands Entry Level Stewardship.

To qualify for Uplands Entry Level Stewardship, you will have to meet a points target, adjusted for the size of your farm. You will get these points from a series of rules (such as maintaining a minimum level of stock on moorland, and not using fertiliser or supplementary feed within six metres of a water course), and by choosing from a range of land management options.

Natural England is developing an enhanced advice programme to help upland farmers enter Uplands Entry Level Stewardship. This advice is likely to be available through a range of formats, and full details will be made available in due course.

Hill Farmers are also eligible for other Environmental Stewardship schemes such as Higher Level Stewardship, Entry Level Stewardship and Organic Entry Level Stewardship. You may also receive payments under the Single Payment Scheme. You can find further information on Uplands Entry Level Stewardship on the Defra website.

 For further information on the Uplands Entry Level Stewardship, visit the Defra website at: www.defra.gov.uk/rural/uplands/support.htm

Further information



Further information about the Single Payment Scheme or cross compliance is available on our website (www.rpa.gov.uk).

If you have any questions, please contact our Customer Service Centre on 0845 603 7777. It is open from 8.30am to 5.00pm, Monday to Friday. We will ask for your SBI when you call.

E-mail: csc@rpa.gsi.gov.uk

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