

# UTASS Briefing: 11<sup>TH</sup> October 2019.

## BASIC PAYMENT SCHEME 2019.

The 2019 BPS exchange rate has been confirmed by the Rural Payments Agency. The euro exchange rate for payments made in pounds sterling will be €1 = £0.89092. This is slightly down on 2018 (€1 = £0.89281) and 2017 (€1 = £0.89470). The value of entitlements for 2019 has not yet been announced but will only be fractionally less than last year.

## FINANCIAL DISCIPLINE MECHANISM.

Claimants of BPS 2018 are currently receiving reimbursement of the deduction made on last year's payments to ensure that overall the spending on the scheme was within budget. Remittance statements should say "*FDM Reimbursement*" and equate to the 1.346% that was deducted from the 2018 payment.

## COUNTRYSIDE STEWARDSHIP HEDGEROW AND BOUNDARY CAPITAL GRANT SCHEME.

The RPA have said that offer/refusal letters and agreements for the above scheme should all have been received by now. UTASS is aware of two applications that have had problems with agreement offers going to incorrect email addresses or being refused as the RPA have (erroneously) no record of supporting information being received. Fortunately the problems with these agreements were resolved satisfactorily. If you have made an application through UTASS but not had a response please contact us.

## ENVIRONMENTAL STEWARDSHIP PAYMENTS.

Natural England Technical Services, which dealt with the verification and validation of environmental stewardship scheme claims, moved to the RPA in early autumn 2018. This was seen as a simplification of the process as the RPA was the accountable body, managed the Rural Land Register, made the payments and then claimed the verified amount from the EU.

UELS and HLS schemes originally could start at the beginning of any month and were paid every 6 months in arrears. The EU auditors ruled that this was not compliant with the Rural Development Regulation that lays down how and when all EU Common Agricultural Policy payments can be made. Existing schemes have been aligned with a 1<sup>st</sup> January start date (balancing payments) and all Countryside Stewardship Agreements have to start on that date. All payments now have to be made in the "payment window" which, like BPS, runs from the 1<sup>st</sup> December to 30<sup>th</sup> June.

In the first year of the new arrangement with the RPA it soon became obvious that ES payments for 2018 were not going to be made before the end of the window because of IT and resource problems and thus failure to complete the necessary verification and validation to draw down EU money. Michael Gove, then Defra minister, announced that outstanding payments would be made out of Treasury funds. The RPA could then iron out problems, complete their checks and either make additional

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payments or reclaims as necessary to meet compliance requirements. This was done by the end of July as promised apart from about 60 complicated claims.

The current position is that the RPA has to complete work on individual 2018 claims before they can start making 2019 payments. These anyway will not begin before the payment window opens on the 1<sup>st</sup> December and, to be compliant with the RDR, do not need to be made until 30<sup>th</sup> June 2020. It is probable that, within the RPA, BPS payments will be the priority.

Given the current uncertainty, especially in the sheep sector, delays in ES payments similar to last year could cause extreme hardship in some cases. Some farmers are still under the impression that ES payments could be made in October when the reality is rather different: the **earliest date is 1<sup>st</sup> December 2019** but highly unlikely in most cases.

For further advice and assistance please call UTASS 01833 641010.

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