

Basic payment scheme – are you ready?

The Basic Payment Scheme is less than a year away and with much of the detail still to be decided you may find yourself asking whether there is anything that you could be doing in readiness. The answer is almost certainly.

You will only be allocated Basic Payment Scheme Entitlements in 2015 on eligible land that you can match a current Single Payment Scheme entitlement against. Put simply, if you have 250ha of eligible land in 2015 you need to be in possession of 250 SPS entitlements by the 31st December 2014. If you only hold 200 SPS entitlements then you will only be allocated 200 BPS entitlements and if you have 300 SPS entitlements the 50 spare will simply disappear. It is a simple process to find whether you have the correct number of entitlements – Is the area you claimed SPS on in 2013 the same area that you are likely to claim on in 2015? Compare your 2013 SPS Claim Statement with your 2013 Entitlement Statement and you should have your answer.

Of course it is not always as simple as A=B=C. There are numerous reasons why land that was previously eligible for SPS may no longer be deemed so. Top of the list for 2014 is likely to be land that is now being used for solar PV arrays. Somewhat unhelpfully the RPA guidance on the eligibility of land used for solar panels is far from clear. It states The area taken up by the

solar panels is ineligible, unless the area under it is capable of being grazed. If the primary purpose of the land parcel is for agriculture, the rest of the land parcel will be eligible. If the primary purpose of the land parcel is for operating solar panels, the whole land parcel is ineligible. Many will be grazing the areas around and under panels with sheep confident that by doing so that they are ensuring their eligibility for SPS. However the rather vague reference to 'primary purpose' provides the RPA with an opportunity to define the way in which this is assessed at a later date. Based on either financial return or the length of time each land use occurs I would not want to try to convince an RPA inspector that the primary purpose of a solar array is agriculture! With solar rents around £1,000/acre

I think most would admit that they could make do without an additional £85/acre or so from SPS. Particularly if the RPA were to decide that claiming on solar land is an intentional over declaration which could result in whole farm losing its entire SPS cheque. With solar arrays ranging in size from fractions of acres to in excess of 100 acres the solar industry is creating scores of spare entitlements.

If you find that you have too many entitlements then there are two potential solutions. Firstly, find yourself some more land on which to claim or secondly, sell your excess entitlements. Entitlements are currently trading at around £250 to £300 each plus VAT, good value for a ticket which will provide at least six years Pillar 1 support.

If you have too few entitlements then there really is only



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one answer; you need to purchase entitlements in 2014 to avoid missing out on a full allocation in 2015. There are two opportunities to purchase entitlements in 2014; either before or after the 2nd April 2014. If you purchase entitlements before then you can use these for the 2014 claim. If you purchase entitlements after the 2 April then you will need to make sure that the RPA are notified of any transfers by mid October. This is to ensure that the RPA have the transfer registered on their computer systems before they go into complete meltdown as everything is shifted across to the Basic Payment Scheme!

Further announcements on CAP reform issues including ecological focus areas, crop diversification and the new environmental land management schemes are due this month; that is if they haven't already been made by the time you read this. As in 2013 CLM are once again linking with the CLA to run a series of seminars throughout the South East focusing on CAP reform and how it will affect your business.



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