

## May 2015 update: Changes to rural payments for common land

This update explains the changes to Common Agricultural Policy (CAP) payments for common land and what farmers should do next. It follows Defra's [policy announcement](#) on 16 March 2015.

Under the Basic Payment Scheme (BPS), farmers can claim payments for the grazing rights they have for a common or area of shared grazing.

Defra is changing the way that payments are calculated. This means:

- there is a new way of working out how much of the eligible area of a common or shared grazing a farmer can claim; and
- some farmers will be able to claim more payments and entitlements under the Single Payment Scheme (SPS).

This update explains these changes and which farmers are likely to be eligible for additional payments and, in some cases, entitlements.

Farmers must also read the full Basic Payment Scheme guidance for 2015 which is published on GOV.UK at [www.gov.uk/rpa/bps](http://www.gov.uk/rpa/bps).

### New rules for claiming on common land under BPS

For SPS, the eligible area of a common was divided between everyone with registered rights on the common. This was regardless of whether or not they were farmers or claiming SPS. If not everyone with rights claimed, no payments were made on some of the common.

For BPS, the eligible area of a common will be divided up only among the farmers who:

- use the common; and
- declare their rights in Part E of their BP5 application form (even if they don't claim payment for them).

#### What 'using' a common means

A farmer is 'using' a common if they exercise their grazing rights by turning out stock on it. If so, they must declare all of their rights in Part E of their BP5 application form, even if they choose not to claim for payment in column E7.

A farmer is also 'using' a common if they do either of the following (they can choose whether to declare their rights in Part E and claim payment):

- participate in an Environmental Stewardship agreement on the common
- contribute to the appropriate management of the common by keeping some of it in a state suitable for grazing or cultivation by keeping it clear of any scrub that can't be grazed, or by some other beneficial activity, for example clearing bracken or maintaining boundary walls or fences

RPA will allocate the entire eligible area of the common among those farmers who have declared their rights on it. They can only calculate this after all BPS applications have been submitted because they need to know:

- the total number of rights of common declared by all farmers that year
- how many rights each individual farmer declares (as a percentage of that total)

RPA uses that percentage to calculate each farmer's 'notional area' – the amount of eligible land in hectares that the farmer can claim for this common.

## An example

Here's an example comparing the old and new ways of working out what area of a common a farmer could claim:

<b><u>Common eligible area:</u></b>	150ha
Declared rights Farmer A	50 Livestock Units (LU)
Declared rights Farmer B	20 LU
Un-declared rights	30 LU
<b>Total declared rights on the common</b>	70 LU
<b>Total allocated rights on the common</b>	100 LU
<b><u>Allocated area under 'old' methodology:</u></b>	
Farmer A: $50 \text{ LU} / 100 \text{ LU} \times 150\text{ha} = 75 \text{ ha}$	
Farmer B: $20 \text{ LU} / 100 \text{ LU} \times 150\text{ha} = 30\text{ha}$	
<b>'Old' total allocated area</b>	105ha
<b><u>Allocated area under 'new' methodology:</u></b>	
Farmer A: $50 \text{ LU} / 70 \text{ LU} \times 150\text{ha} = 107 \text{ ha}$	
Farmer B: $20 \text{ LU} / 70 \text{ LU} \times 150\text{ha} = 43 \text{ ha}$	
<b>'New' total allocated area</b>	150ha

## Claiming more payments and entitlements for SPS

Farmers can claim for extra entitlements and to have historic underpayments corrected if any of the following scenarios apply to them:

1. they established entitlements on a common in 2005
2. they already hold surplus entitlements
3. they received Hill Farm Allowance (HFA) or Uplands Transitional Payment (UTP) calculated on their commons allocation

There is more information about these scenarios below. Farmers who don't fall within any of these scenarios, but still think they have suffered a direct loss, may still claim and RPA will consider their case. RPA will consider every claim received, based on the information they hold and the

information provided by the farmer. Individual circumstances may be complex, and RPA will need to deal with all claims on a case-by-case basis.

## **1. Farmers who established entitlements in 2005**

Farmers may be allocated more entitlements if all the following apply:

- they established entitlements on a common in 2005
- not all the rights on the common were claimed in that and subsequent years
- they have claimed on or declared all of their rights in every subsequent year since (or until
- they stopped claiming in 2009 or after)
- they were 'using' the common in the relevant years

Any entitlements they receive can be used for the Basic Payment Scheme in 2015. Farmers who are successful will be eligible to receive retrospective SPS payments from the 2009 scheme year onwards (this is because 6 years is the normal time limit for claims in the civil court).

## **2. Farmers who already hold surplus entitlements**

Farmers may be given additional payments if the following apply:

- not all the rights on the common were claimed in any year from 2009 to 2014
- they had spare entitlements for that year because they didn't have enough land to claim on those entitlements, and
- they were 'using' the common in that year

They may then use the additional area on the common to claim payment on those spare entitlements.

## **3. Hill Farm Allowance (HFA) and Uplands Transitional Payment (UTP)**

Some farmers got an HFA or UTP payment which was calculated according to their SPS payments on a common. They can apply for additional payments from the 2009 scheme year onwards, if their SPS payments would have been higher under the new system.

### **Common owners**

Common owners, who claimed owner's surplus under SPS, may also be able to apply for additional payments and entitlements on the same basis as other farmers.

## **How to apply for additional entitlements and payments for SPS, HFA, and UTP**

RPA will produce a short form for farmers to fill in. This form will be available after 15 June 2015 at [www.gov.uk/rpa/bps](http://www.gov.uk/rpa/bps). Or, you will be able to call the Rural Payments helpline on 03000 201 300 to ask for one to be sent to you.

RPA will review all cases and contact farmers as soon as possible with the outcome of the review.

### **Contact**

For any questions, call the Rural Payments helpline on 03000 201 300, go to [www.gov.uk/rpa](http://www.gov.uk/rpa), or write to: Rural Payments, PO Box 352, Worksop, S80 9FG.