



Rural Payments
Agency

Countryside Stewardship: Capital Grants manual – Sustainable Farming Incentive pilot supplement (from 8 February 2022)

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1 Introduction

This Capital Grants Scheme is part of Countryside Stewardship (CS).

Scheme Overview

This Capital Grants Scheme is part of Countryside Stewardship (CS).

For 2022, there are two separate CS Capital Grants offers:

- **CS Capital Grants (SFI pilot)** which is only available to Sustainable Farming Incentive (SFI) pilot participants on land being used for the SFI pilot
- **2022 CS Capital Grants** which SFI pilot participants can also apply to on land which is not being used for the SFI pilot.

This supplement to the 2022 CS Capital Grants manual, is for SFI pilot participants.

It explains what you, as an SFI pilot participant, need to do to apply for the CS Capital Grants (SFI pilot) element of Countryside Stewardship ('the Scheme') and any additional requirements and processes which you must follow. You must also read the 2022 CS Capital Grants manual, where indicated in this supplement as relevant.

Countryside Stewardship is administered by the Rural Payments Agency (RPA) on behalf of the Department for Environment, Food and Rural Affairs (Defra). Natural England (NE) and the Forestry Commission (FC) provides technical advice in support of the scheme.

Applications for CS Capital Grants (SFI pilot) open on 8 February 2022. You must also read the [2022 CS Capital Grants manual](#).

The 2022 CS Capital Grants manual will give you more information about the different elements of the scheme and how future environmental schemes are being introduced. You can read about this in the Countryside Stewardship scheme overview and Agricultural Transition sections.

Countryside Stewardship Agreement

A Countryside Stewardship agreement comprises of:

1. the scheme Terms and Conditions
2. an Agreement Document (which sets out Agreement Holder specific details)
3. the supplementary documents referred to in the Agreement Document.

The [Terms and Conditions](#) refer to the mandatory elements of:

- this Countryside Stewardship Capital Grants manual (SFI pilot) supplement (referred to as the 'supplement') and
- the 2022 CS Capital Grants manual.

Agreement Holders must comply with these mandatory elements.

Mandatory parts of the CS Capital Grants manual (SFI pilot) supplement and 2022 CS Capital Grants Manual

The mandatory elements of this supplement and the 2022 CS Capital Grants manual, where relevant, are:

- Section 2: How CS Capital Grants (SFI pilot) works
- Section 3: Who can apply and what land is eligible
- Section 6: Scheme requirements and procedures
- Section 7: Agreement Management.

Be aware of fraud

How to avoid fraud and what to do if you suspect an attempted fraud.

Fraudsters may target farmers who receive subsidy payments and we're aware that in the past some customers have received emails, texts and telephone calls claiming to be from the Rural Payments Agency (RPA) or the Department for Environment, Food and Rural Affairs (Defra). Links to a fake website designed to look like an authentic RPA or Defra online service are sometimes included in the message.

We do not send emails or text messages with links to websites asking you to confirm your personal details or payment information. We strongly advise anyone who receives such a request not to open the link and delete the item.

As fraudsters may target farmers who receive subsidy payments, remember:

- never discuss your bank account details with someone you do not know
- we will not ask you to make a payment over the phone
- delete any emails or texts you do not believe are genuine, and do not open any links – our main email addresses are:
 - ruralpayments@defra.gov.uk
 - rpa@notifications.service.gov.uk
 - FETFEnquiries@rpa.gov.uk
 - FETFClaims@rpa.gov.uk
 - FTF@rpa.gov.uk

- be cautious about what information you share externally, particularly on social media.

If you suspect an attempted fraud or feel you have been the subject of fraud, you can contact:

- RPA's Fraud Referral Team on 0800 347 347 or FraudInConfidence@rpa.gov.uk
- Action Fraud (the UK's national reporting centre for fraud and cyber-crime) on 0300 123 2040.

2 How CS Capital Grants (SFI pilot) works

This section provides information about the main elements of CS Capital Grants (SFI pilot).

You must read and meet the requirements detailed in this section as these are mandatory for CS Capital Grants (SFI pilot) Agreement Holders.

For 2022, there are two separate CS Capital Grants offers:

- **CS Capital Grants (SFI pilot)** which is only available to Sustainable Farming Incentive (SFI) pilot participants on land being used for the SFI pilot
- **2022 CS Capital Grants** which SFI pilot participants can also apply to on land which is not being used for the SFI pilot.

There are some differences between CS Capital Grants (SFI pilot) and 2022 CS Capital Grants. Where there is a difference, that is explained in this supplement. If there isn't a difference, you must read the relevant section in the 2022 CS Capital Grants manual as identified in this supplement.

CS Capital Grants (SFI pilot) are two-year standalone capital grants available under CS. There are 28 capital items available to help you undertake the actions for the standards in your SFI pilot standards agreement.

As an SFI pilot participant, you can only apply for CS Capital Grants (SFI pilot) on land parcels that are:

- included in your SFI pilot standards agreement; or
- arable land or improved grassland (between 0.1 ha and 0.5 ha) that is being used to support delivery of the Farm woodland standard's optional action to 'Expand your woodland'. This land will not be in your SFI pilot standards agreement but is adjacent to established woodland included in the Farm woodland standard. To find out what improved grassland is, read [the Farm woodland standard guidance](#) on GOV.UK

These land parcels are only eligible for CS Capital Grants (SFI pilot). You must not include these land parcels in a 2022 CS Capital Grants application.

If you have other land that is not eligible for CS Capital Grants (SFI pilot), you can include it in a separate application to 2022 CS Capital Grants if it is eligible. Read Section 3 of the 2022 CS Capital Grants manual for more information.

The capital items you can apply for in CS Capital Grants (SFI pilot) will depend on which standard(s) are in your SFI pilot standards agreement. Each standard has specified capital items you can choose from. This is explained in section 2.1 of this supplement.

The available capital items are split into three groups:

- Boundaries, Trees and Orchards
- Water Quality
- Air Quality

The maximum grant available for any CS Capital Grants (SFI pilot) application is £60,000. However, there is a limit of £20,000 within each item grouping as shown below. These limits are applied separately if you also apply for 2022 CS Capital Grants on land that is not eligible for CS Capital Grants (SFI pilot).

Group	Limit
Boundaries, Trees and Orchards	£20,000 maximum
Water Quality	£20,000 maximum
Air Quality	£20,000 maximum

For both CS Capital Grants (SFI pilot) and 2022 CS Capital Grants, you can submit an application for the eligible land parcels you manage under each Single Business Identifier (SBI). An SBI can have an agreement under CS Capital Grants (SFI pilot) and 2022 CS Capital Grants at the same time, as they are separate offers. You cannot apply for capital items on land parcels in an existing capital grants agreement until the capital works are completed and you have submitted your final claim.

You can submit a CS Capital Grants (SFI pilot) application from 8 February 2022. Applications will remain open until the funding is allocated. If we are oversubscribed and it is necessary to close applications, we will publicise this date, including on GOV.UK, giving you 6 weeks' notice.

It is only possible for you to apply for CS Capital Grants (SFI pilot) online in the Rural Payments service. You can access the application via the 'Environmental Land Management' area in the Rural Payments service. Read section 4 of this supplement for information on how to apply.

If your application is successful, we will offer you a 2-year, standalone CS Capital Grants (SFI pilot) agreement. This agreement is separate to your SFI pilot standards agreement, with its own terms and conditions. If you accept the agreement offer, you will enter into an agreement with RPA. The terms of your CS Capital Grants (SFI pilot) agreement will apply.

Your CS Capital Grants (SFI pilot) agreement will usually start from the first day of the following calendar month after you have accepted the agreement offer. The exact start date of the agreement will be set out in the Agreement Document.

Once your CS Capital Grants (SFI pilot) agreement starts, you can begin your capital items work, including ordering and paying for materials. Any capital items work you begin before your CS Capital Grants (SFI pilot) agreement starts will not be eligible for this capital items funding.

You may need to keep evidence and provide it when requested. Read section 6 of this supplement, the scheme [Terms and Conditions](#) and check the GOV.UK [Countryside Stewardship grants](#) (known as grants finder) for the evidence and record-keeping requirements of grants before you apply for them.

2.1 Capital items available

2.1.1 Less restrictive use of capital items in CS Capital Grants (SFI pilot)

There are 28 capital items available to SFI pilot participants to support delivery of the SFI pilot standards.

Some of these capital items are available in both CS Capital Grants (SFI pilot) and 2022 CS Capital Grants but have a less restrictive use when applied for under CS Capital Grants (SFI pilot). There are also some capital items that are usually only available in CS Higher Tier.

The 28 capital items available in CS Capital Grants (SFI pilot) are comprised of:

- 23 capital items available in both CS Capital Grants (SFI pilot) and 2022 CS Capital Grants. However, where these capital items are applied for under CS Capital Grants (SFI pilot) there are differences in how or where some of these capital items

can be used. These differences mean the use of the affected capital items is less restrictive in CS Capital Grants (SFI pilot) than CS Capital Grants.

- 5 capital items which are not available in 2022 CS Capital Grants. They are usually only available in the CS Higher Tier, with supporting advice. This is different for CS Capital Grants (SFI pilot). SFI pilot participants can apply for these items in CS (SFI pilot) Capital Grants without advice. These capital items are: Fencing supplement for difficult sites (FG5), Deer fencing (FG9), Temporary deer fencing (FG10), Deer pedestrian gate (FG16), Deer vehicle gate (FG17).

Where there is a difference in how or where a capital item can be used in CS Capital Grants (SFI) pilot, that only applies if:

- you are an SFI pilot participant;
- you are applying for a CS Capital Grants (SFI pilot) agreement; and
- the capital item is located on a land parcel that is either in your SFI pilot standards agreement or is eligible arable land or improved grassland (0.1ha - 0.5 ha) that is being used to support delivery of the Farm woodland standard's optional action to 'Expand your woodland'. This land will not be in your SFI pilot standards agreement but is adjacent to established woodland included in the Farm woodland standard. To find out what eligible improved grassland is, read [the Farm woodland standard guidance](#) on GOV.UK.

The information below identifies where there is a difference for capital items available in CS Capital Grants (SFI pilot) compared with 2022 CS Capital Grants. These differences only apply to CS Capital Grants (SFI pilot), not 2022 CS Capital Grants.

2.1.2 Capital items available for each SFI pilot standard

Each SFI pilot standard has specific capital items identified as being available to support its delivery. Which capital items you can apply for depends on the SFI pilot standard(s) you have in your SFI pilot standards agreement. There is more information below on which capital items are available for each SFI pilot standard.

You can only apply for the identified capital items on land parcels entered into the relevant SFI pilot standard. For example, you can only apply for Resurfacing of gateways (RP1) on a land parcel entered into the Arable and horticultural soils standard or the Improved grassland soils standard.

The only exception to this is the Farm woodland standard. The 13 capital items identified as being available for the Farm woodland standard can only be used on land parcels used to deliver the 'Expand your woodland' optional action. This action can only be undertaken on arable land or improved grassland (between 0.1 ha and 0.5 ha) adjacent to established woodland included in the Farm woodland standard. In this case, you need to apply for TE4 (Supply and plant a tree) in order to apply for the other capital items available to support the Farm woodland standard.

2.1.3 Maximum funding limits

The available capital items are split into 3 groups - Boundaries, Trees and Orchards; Water Quality; and Air Quality. You can apply for a maximum of £60,000 funding in your CS (SFI pilot) Capital Grants application, with a limit of £20,000 per group.

If you apply for both CS Capital Grants (SFI pilot) and 2022 CS Capital Grants, these funding limits apply separately.

2.1.4 Supporting advice

None of the capital items available in CS Capital Grants (SFI pilot) require Catchment Sensitive Farming (CSF) approval or supporting advice.

2.1.5 Choosing capital items

Use [Countryside Stewardship grants](#) (known as grant finder) on GOV.UK which gives a description and essential requirements for each capital item. This includes more information on differences in use of the available capital items in CS Capital Grants (SFI pilot), where relevant, as well as evidence requirements. Also read section 5 of this supplement for more information.

The table below shows:

- which capital items are available under each SFI pilot standard
- which of the 3 groups applies to the capital item (Boundaries, Trees and Orchards, Water Quality and Air Quality)
- if there is a difference in the use of a capital item under CS Capital Grants (SFI pilot) compared with 2022 CS Capital Grants.

SFI pilot standard	Option code	Option title	Group	Different to 2022 CS Capital Grants
Arable and horticultural soils	RP1	Resurfacing of gateways	Water Quality	Yes
Arable and horticultural land	WB1	Small wildlife box	Boundaries, Trees and Orchards	Yes
	WB2	Medium wildlife box	Boundaries, Trees and Orchards	Yes
	WB3	Large wildlife box	Boundaries, Trees and Orchards	Yes
Improved grassland soils	RP1	Resurfacing of gateways	Water Quality	Yes
Improved grassland	FG1	Fencing	Water Quality	Yes

SFI pilot standard	Option code	Option title	Group	Different to 2022 CS Capital Grants
	FG2	Sheep netting	Water Quality	Yes
	FG3	Permanent electric fencing	Water Quality	Yes
	FG4	Rabbit fencing supplement	Water Quality	No
	FG5	Fencing supplement – difficult sites	Boundaries, Trees and Orchards	Yes
	FG12	Wooden field gate	Boundaries, Trees and Orchards	No
	WB1	Small wildlife box	Boundaries, Trees and Orchards	Yes

SFI pilot standard	Option code	Option title	Group	Different to 2022 CS Capital Grants
	WB2	Medium wildlife box	Boundaries, Trees and Orchards	Yes
	WB3	Large wildlife box	Boundaries, Trees and Orchards	Yes
Water body buffering	FG1	Fencing	Water Quality	Yes
	FG2	Sheep netting	Water Quality	Yes
	FG3	Permanent electric fencing	Water Quality	Yes
	FG12	Wooden field gate	Boundaries, Trees and Orchards	No

SFI pilot standard	Option code	Option title	Group	Different to 2022 CS Capital Grants
	LV3	Hard bases for livestock drinkers	Water Quality	Yes
	LV5	Pasture pumps and associated pipework	Water Quality	Yes
	LV6	Ram pumps and associated pipework	Water Quality	Yes
	LV7	Livestock troughs	Water Quality	Yes
	LV8	Pipework associated with livestock troughs	Water Quality	Yes
Hedgerows	TE4	Supply and plant tree *please note: we may add TE1 (Planting standard hedgerow tree) and will update you as soon as possible.	Air Quality	Yes

SFI pilot standard	Option code	Option title	Group	Different to 2022 CS Capital Grants
	TE5	Supplement for use of individual tree-shelters	Air Quality	Yes
	BN11	Planting new hedges	Boundaries, Trees and Orchards	No
	BN7	Hedgerow gapping up	Boundaries, Trees and Orchards	No
	FG1	Fencing	Water Quality	Yes
	FG2	Sheep netting	Water Quality	Yes
	BN5	Hedgerow laying	Boundaries, Trees and Orchards	No

SFI pilot standard	Option code	Option title	Group	Different to 2022 CS Capital Grants
	BN6	Hedgerow coppicing	Boundaries, Trees and Orchards	No
	BN10	Hedgerow supplement – top binding and staking	Boundaries, Trees and Orchards	No
	WB1	Small wildlife box	Boundaries, Trees and Orchards	Yes
	WB2	Medium wildlife box	Boundaries, Trees and Orchards	Yes
	WB3	Large wildlife box	Boundaries, Trees and Orchards	Yes
Low and no input grassland	FG1	Fencing	Water Quality	Yes

SFI pilot standard	Option code	Option title	Group	Different to 2022 CS Capital Grants
	FG2	Sheep netting	Water Quality	Yes
	FG3	Permanent electric fencing	Water Quality	Yes
	FG4	Rabbit fencing supplement	Water Quality	Yes
	FG5	Fencing supplement – difficult sites	Boundaries, Trees and Orchards	Yes
	FG12	Wooden field gate	Boundaries, Trees and Orchards	No

SFI pilot standard	Option code	Option title	Group	Different to 2022 CS Capital Grants
Farm woodland These capital items are only available on eligible land being used for the 'Expand your woodland' optional action.	TE4	Supply and plant a tree* * Please note: you need to apply for TE4 in order to apply for the other capital items available in the Farm woodland standard	Air Quality	Yes
	BN13	Top wiring – stone wall	Boundaries, Trees and Orchards	Yes
	FG1	Fencing	Water Quality	Yes
	FG2	Sheep netting	Water Quality	Yes
	FG4	Rabbit fencing – supplement	Water Quality	No

SFI pilot standard	Option code	Option title	Group	Different to 2022 CS Capital Grants
	FG5	Fencing supplement for difficult sites	Boundaries, Trees and Orchards	Yes
	FG9	Deer fencing	Boundaries, Trees and Orchards	Yes
	FG10	Temporary deer fencing	Boundaries, Trees and Orchards	Yes
	FG12	Wooden field gate	Boundaries, Trees and Orchards	No
	FG14	Badger gate	Boundaries, Trees and Orchards	Yes
	FG16	Deer pedestrian gate	Boundaries, Trees and Orchards	Yes

SFI pilot standard	Option code	Option title	Group	Different to 2022 CS Capital Grants
	FG17	Deer vehicle gate	Boundaries, Trees and Orchards	Yes
	TE5	Supplement for use of individual tree-shelters	Air Quality	Yes

2.2 Agreement period

Read section 2.2 of the 2022 CS Capital Grants manual.

2.3 How applications are assessed

Read section 2.3 of the 2022 CS Capital Grants manual.

2.4 What the grant does not cover

Read section 2.4 of the 2022 CS Capital Grants manual.

3 Who can apply and what land is eligible

You must read and meet the requirements detailed in this section as these are mandatory for all CS Capital Grants (SFI pilot) Agreement Holders.

You must also read and meet the requirements in the [2022 CS Capital Grants manual](#) where identified below as relevant.

3.1 Eligible land

3.1.1 What land you can enter into the scheme

To be offered a CS Capital Grants (SFI pilot) agreement you must have an SFI pilot standards agreement. If your SFI pilot standards agreement ends for any reason, your CS Capital Grants (SFI pilot) agreement will also end (read section 7.1.1 of this supplement).

You can only apply for CS Capital Grants (SFI pilot) on land parcels that are:

- included in your SFI pilot standards agreement or
- arable land or improved grassland (between 0.1 ha and 0.5 ha) that is being used to support delivery of the Farm woodland standard's optional action to 'Expand your woodland'. This land will not be in your SFI pilot standards agreement but is adjacent to established woodland included in the Farm woodland standard. To find out what eligible improved grassland is, read [the Farm woodland standard guidance](#) on GOV.UK.

You must have management control of the relevant land parcels for 5 years from the CS Capital Grants (SFI pilot) agreement start date or have your application countersigned by the landlord (read section 3.2.1 of this supplement). You must also have management control of both sides of any hedgerows. If you only have management control of one side of a hedgerow that is in your SFI pilot standards agreement, that hedgerow is not eligible for CS Capital Grants (SFI pilot).

3.1.2 Land parcels and boundaries which are not eligible

The following are not eligible for CS Capital Grants (SFI pilot):

- Land (including boundaries) not included in an SFI pilot standards agreement or being used to support delivery of the Farm woodland standard's optional action to 'Expand your woodland'
- Land in a Site of Special Scientific Interest or Scheduled Monument (including the boundaries of these sites)
- Land where you do not have management control for 5 years from the CS Capital Grants (SFI pilot) agreement start date and are not able to have your application countersigned by the landlord (read section 3.2.1 of the 2022 CS Capital Grants manual)
- Land which you occupy under a tenancy, including the Agricultural Holdings Act 1986, the Agricultural Tenancies Act 1995 (a Farm Business Tenancy) or equivalent, and you don't have security of tenure for at least 2 years from the CS (SFI pilot) Capital Grants agreement start date
- Hedgerows where you do not have management control of both sides of the hedgerow. You cannot apply for BN5 (and the BN10 supplement), BN6, BN7 or BN11 if you only have management control of one side of a hedgerow in the Hedgerows standard
- Land that is already included in certain other schemes or under obligation (read section 3.3 of this supplement)

3.2 Management Control: eligibility and scheme rules

The management control requirement under CS Capital Grants (SFI pilot) is different to your SFI pilot standards agreement.

For CS Capital Grants (SFI pilot) you must have management control of:

- all the land and all the activities needed to meet the requirements of the capital items you select for 5 years from the CS Capital Grants (SFI pilot) agreement start date, including the durability requirement (read section 2.2 of the 2022 CS Capital Grants manual).
- both sides of a hedgerow if it's being used for CS Capital Grants (SFI pilot). If you only have management control of one side of a hedgerow in the Hedgerows standard, that hedgerow is not eligible for CS Capital Grants (SFI pilot).

If you do not have full control of the land and all such activities, you must get the written consent of all other parties who have management control of the land and activities for 5 years from the start of the CS Capital Grants (SFI pilot) agreement. Use the [CS land ownership and control form](#) to do this.

3.2.1 Tenants

The management control requirement under CS Capital Grants (SFI pilot) for land occupied under a tenancy, including the Agricultural Holdings Act 1986, the Agricultural

Tenancies Act 1995 (a Farm Business Tenancy) or equivalent is different to the management control requirement for your SFI pilot standards agreement. Read section 3.2.1 of the 2022 CS Capital Grants manual.

3.2.2 Landlords

A landlord cannot apply for CS Capital Grants (SFI pilot) on land let to a tenant. This is because a landlord could not include land let to a tenant in an SFI pilot standards agreement.

3.2.3 Partnerships

If you are in a business partnership with an SFI pilot standards agreement, you can apply for CS (SFI pilot) Capital Grants. The person signing the CS Capital Grants (SFI pilot) application must have the appropriate permission levels in the [Rural Payments service](#).

3.2.4 Licensors

A licensor was eligible to include land entered into a licence arrangement in an SFI pilot standards agreement. Therefore, if you are an SFI pilot participant you can apply for CS Capital Grants (SFI pilot) on eligible land parcels entered into such a licence arrangement.

It is the licensor's responsibility to make sure that the licensee does not breach the terms of the CS Capital Grants (SFI pilot) agreement.

3.2.5 Licensees

A licensee cannot apply for CS Capital Grants (SFI pilot) on land they only access under a licence arrangement. This is because that land was not eligible for an SFI pilot standards agreement.

3.2.6 Land owned by public bodies

Public bodies (such as local authorities or government departments) cannot apply for CS Capital Grants (SFI pilot). This is because they were not eligible to apply for an SFI pilot standards agreement.

3.3 Land receiving other funding or under other agreements or obligations

You cannot use a grant for capital works which you are required to carry out under other legally binding obligations or for which you are receiving or have received funding from other sources. We will carry out checks to make sure that capital works are not funded twice from public money.

You must make sure that any work proposed for this grant does not breach the conditions of any other agreement. The most common examples are listed below.

It is only possible to apply for CS Capital Grants (SFI pilot) on land parcels in an SFI pilot standards agreement (and eligible land being used to deliver the 'Expand your woodland' optional action under the Farm woodland standard but is not in an SFI pilot standards agreement). Land in an existing agri-environment agreement is not eligible for the SFI pilot. It is also not eligible for CS Capital Grants (SFI pilot).

3.3.1 Applying for CS Capital Grants (SFI pilot) where someone else is claiming Basic Payment Scheme (BPS) on the same land ('dual use')

An explanation of 'dual use' can be found in section 3.3.1 of the 2022 CS Capital Grants manual.

Dual use is not possible in the SFI pilot or the CS Capital Grants (SFI pilot) scheme. Only the SFI pilot participant is eligible to use a land parcel in their SFI pilot standards agreement to claim BPS.

3.3.2 Environmental Stewardship

Land parcels in an existing Higher Level Stewardship (HLS) agreement are not eligible for CS Capital Grants (SFI pilot).

3.3.3 Countryside Stewardship

Land parcels in an existing Countryside Stewardship agreement are not eligible for CS Capital Grants (SFI pilot).

3.3.4 Environmental Land Management schemes Sustainable Farming Incentive pilot

SFI pilot participants can enter land parcels into a CS Capital Grants (SFI pilot) agreement that are:

- in an SFI pilot standards agreement; or
- arable land or improved grassland (between 0.1 ha and 0.5 ha) that is being used to support delivery of the Farm woodland standard's optional action to 'Expand your woodland'. This land will not be in an SFI pilot standards agreement but is adjacent to established woodland included in the Farm woodland standard. To find out what eligible improved grassland is, read [the Farm woodland standard guidance](#) on GOV.UK.

3.3.5 English Woodland Schemes

Land parcels covered by a multi-annual English Woodland Grant Scheme (EWGS) agreement, England Woodland Creation Offer (EWCO), Farm Woodland Payment (FWP), Farm Woodland Premium Scheme (FWPS) and Farm Woodland Scheme (FWS) are not eligible for CS Capital Grants (SFI pilot).

3.3.6 Farming Recovery Fund

Land parcels covered by the Farming Recovery Fund are not eligible for CS Capital Grants (SFI pilot).

3.3.7 Inheritance tax or Capital Gains exemption

Read section 3.3.7 of the 2022 CS Capital Grants manual.

3.3.8 Capital Grants under Countryside Productivity, Growth Programme, LEADER, Water Environment Grant, Farming in Protected Landscapes, Farming Investment Fund, Woodland Carbon Fund, HS2 Woodland Fund and England Woodland Creation Offer

Read section 3.3.8 of the 2022 CS Capital Grants manual.

3.4 Business Viability Test

Read section 3.4 of the 2022 CS Capital Grants manual.

4 How to apply

This section gives the information you need to apply for CS Capital Grants (SFI pilot).

4.1 CS Capital Grants (SFI pilot) application route: step by step guide

Step 1 – Before you apply

- You need to be registered on the Rural Payments service. As an SFI pilot participant, you should already be registered – read section 4.2 of this supplement.
- Make sure that you and the land you wish to enter into CS Capital Grants (SFI pilot) are eligible - read section 3 of this supplement.
- To include land parcels in your CS Capital Grants (SFI pilot) application, they must be registered on the Rural Payments service, so they show on your digital maps. The land parcels in your SFI pilot standards agreement should already be registered. If you need to request mapping updates, fill in an RLE1 form and send it to us with sketch maps (read the guidance and download an RLE1 form from GOV.UK – search ‘RLE1 form’).
- Check and update your permissions in the Rural Payments service. Unlike when you applied for an SFI pilot standards agreement, you will need Countryside Stewardship (Applications) ‘Submit’ permission. Read section 4.4.1 of this supplement.
- If you would like to authorise someone else to apply on your behalf, read section 4.3 of this supplement.

Step 2 – Start to complete your online application

- Start your online application (there is guidance available to help you - read section 4.4.1 of this supplement)
- Choose which capital items to apply for – read section 5 of this supplement
- Request approval, consents and permissions (if applicable) – read section 4.6 of this supplement

Step 3 – Gather your evidence and supporting documents

- Prepare a map to send with your application – read section 4.5 of this supplement

- Get any documents you need to support your application – read sections 4.6 of this supplement and section 6.3 of the 2022 CS Capital Grants manual.
- Keep photographic evidence to support your application as we may ask to see it – read sections 6.3, 6.4 and 6.5 of the 2022 CS Capital Grants manual.
- Make sure you clearly label all photographic evidence – read section 6.6 of the 2022 CS Capital Grants manual.

Step 4 – Complete and submit the application

- Complete the remaining sections of your online application. Use the guidance to help you and read section 4.7 of this supplement
- Check your application is complete before you submit it – read section 4.7.1 of this supplement
- Submit your application online – read section 4.7.2 of this supplement
- Email or post your supporting documents – read section 4.7.2 of this supplement

4.2 Register with Rural Payments

You must be registered on the [Rural Payments service](#) before you can apply for this grant. As an SFI pilot participant you should already be registered. You can find more information on [How to register and update your details on the Rural Payments service](#) on GOV.UK.

All land parcels included in your CS Capital Grants (SFI pilot) application must be registered on the Rural Payments service. The land parcels in your SFI pilot standards agreement should already be registered. If you need to request mapping updates, fill in an RLE1 form and send it to us with sketch maps (read the guidance and download an RLE1 form from GOV.UK – search ‘RLE1 form’).

4.3 Authorise an agent (or someone else)

You can authorise an agent (or someone else) to complete and submit your application for you. This also applies to payment claims for Agreement Holders.

For an agent (or someone else) to act for you, you must give them the appropriate permission levels in the [Rural Payments service](#) on GOV.UK. To submit a CS Capital Grants (SFI pilot) application, they will need Countryside Stewardship (Applications) ‘Submit’ permission. You can only update this permission if you have ‘Business details’ Full permission. If you do not have this, ask someone who does or phone us on 03000 200 301.

Read [Give someone else permission to act on your behalf](#) on GOV.UK for more information on the different levels of permission. You should also read the information in the Permission levels screen in the Rural Payments service. This lists what is permitted at

each level. You are responsible for ensuring that permissions assigned on the Rural Payments service are made correctly and that contact details are all correct.

4.4 Application method

You can only submit your CS Capital Grants (SFI pilot) application online in the Rural Payments service. This is the same as when you applied for your SFI pilot standards agreement.

You cannot apply for CS Capital Grants (SFI pilot) by email or post, but you must send us the application map(s) or any other supporting documents by email or post as those cannot be submitted online.

If you need help to apply online, contact the Rural Payments Agency (RPA) at ruralpayments@defra.gov.uk (use 'CS Capital Grants SFI pilot' in the email subject heading). Alternatively, you can call the RPA on 03000 200 301 (Monday to Friday, 8.30am to 5pm). You will need to tell the RPA your Single Business Identifier (SBI).

If you are applying separately for 2022 CS Capital Grants on land parcels not eligible for CS Capital Grants (SFI pilot), read section 4.4 of the 2022 CS Capital Grants manual about the available application methods.

4.4.1 Online

Apply online using the [Rural Payments service](#). The service includes a 'help' link on many of the screens that will take you through each process step by step.

To apply for CS Capital Grants (SFI pilot), sign into the Rural Payments service and from your 'Business overview' page select 'Environmental Land Management'. From here, you can access the separate CS Capital Grants (SFI pilot) online application for SFI pilot participants. You will only be able to apply for the 28 capital items available in CS Capital Grants (SFI pilot).

To submit a CS Capital Grants (SFI pilot) application, you must have Countryside Stewardship (Applications) 'Submit' permission. You can check and update this permission in the Rural Payments service. From your 'Business overview' page, select 'Give people permission to act for this business'. This permission can only be updated by someone with 'Business details' Full permission for the business. You need 'Full' Business details permission to do this. If you do not have this, ask someone who does or phone us on 03000 200 301.

If you are also applying online for 2022 CS Capital Grants on land parcels not eligible for Capital Grants (SFI pilot), you will need to submit a separate application. To apply for 2022 CS Capital Grants, select 'Countryside Stewardship' from your 'Business overview' page.

This will give you access to the separate online application for 2022 CS Capital Grants. Read section 4 of the 2022 CS Capital Grants manual for more information on applying.

You must send us the application map(s) and any other supporting documents by email or post. You cannot submit these online. Read section 4.7.2 of this supplement for more information on submitting supporting documents.

4.4.2 By email or post

You cannot apply for CS Capital Grants (SFI pilot) by email or post, but you must send us the application map(s) and any other supporting documents by email or post as those cannot be submitted online. Read section 4.7.2 of this supplement for more information on submitting supporting documents.

4.5 Prepare a map to accompany your application

You must complete your application map(s) to a required standard. Please put 'CS Capital Grants SFI pilot' on your map(s). For more information about how to complete your application map(s), read the [Countryside Stewardship: How to apply for Capital Grants guide](#).

You need to submit your application map(s) by email or post. They cannot be submitted online. Read section 4.7.2 of this supplement.

4.6 Getting consent

4.6.1 Planning Consent

Read section 4.6.1 of the 2022 CS Capital Grants manual.

4.6.2 Catchment Sensitive Farming (CSF) approval

The capital items available in CS Capital Grants (SFI pilot) do not require CSF approval.

4.6.3 Other consents

Read section 4.6.3 of the 2022 CS Capital Grants manual.

4.6.4 Work on trees and hedges

Read section 4.6.4 of the 2022 CS Capital Grants manual.

4.6.5 Other considerations

Read section 4.6.5 of the 2022 CS Capital Grants manual.

4.7 Complete and submit your application

You can only submit your CS Capital Grants (SFI pilot) application online in the Rural Payments service.

You also need to email or post to us:

- the application map(s) as explained at section 4.5 of this supplement
- a CS land ownership and control form, if applicable
- any other supporting documents we ask for.

Read section 4.7.2 of this supplement for more information submitting supporting documents.

You do not need to send the following when you apply, but if required, you will need to have permission or consent in place before you carry out any work and you will need to submit this evidence when you make a claim for this work:

- Any relevant consents, permissions, exemptions or any written advice (read section 6.3.2 of the 2022 CS Capital Grants manual).
- Any evidence you need to support your application (read sections 6.3 to 6.5 of the 2022 CS Capital Grants manual), including photographs and any other evidence required for each capital item as described on [Countryside Stewardship grants](#) (known as grant finder) on GOV.UK.

4.7.1 Before you submit your application

Read this supplement and the 2022 CS Capital Grants manual where this supplement indicates that is relevant. You also need to read the [Terms and Conditions](#).

Before you submit your online application:

- double check the details in your online application summary are correct
- tick the box to confirm you agree to the terms of the declaration

- Select Submit within the 'Make/ Manage your application' section.

The party/parties who submit the online application must have the authority to act on behalf of the applicant and have the appropriate permission levels in the Rural Payments service. Read section 4.3 of this supplement.

Make sure any counter signatories' (for example, landlords) declarations, undertakings and signature(s) are provided (if applicable).

4.7.2 Submitting your application and supporting Documents

You can submit a CS Capital Grants (SFI pilot) application from 8 February 2022.

Applications will remain open until the funding is allocated. If we are oversubscribed and it is necessary to close applications, we will publicise this date, including on GOV.UK, giving you 6 weeks' notice.

Once you have submitted your application online in the Rural Payments service, your application is not complete until we have received all the supporting documents. This includes the application map(s), a CS land ownership and control form, where applicable, and any other supporting documents we ask for.

You must send us the application map(s) and any other supporting documents by email or post. You cannot submit these online. Put your Single Business Identifier (SBI) on everything you send us.

To email the application map and any other supporting documents to us, you can print and scan, or photograph them, and attach that to an email. Send your email to us at ruralpayments@defra.gov.uk. Use 'CS SFI pilot' in the email subject heading and include your SBI.

Make sure that you have the appropriate permission levels for the business and that the email address is registered in the Rural Payments service. The maximum size of emails that we can accept is 32MB. If your email exceeds this limit, please send a further email and use the same subject heading. Add the number of emails at the end of the subject heading, for example, 1 of 3, 2 of 3, 3 of 3. For security reasons, we cannot accept discs, USB pen drives or other external storage media, including external cloud storage systems.

To post the application map(s) and any other supporting documents to us, send them to:

Rural Payments Agency (CS SFI pilot)
PO Box 352
Worksop
S95 9FG

We recommend that you get proof of postage for any supporting documents you send to us by post. You should also keep a copy of any supporting documents you send to us.

4.7.3 After you apply

Once we receive your application, we will check it to confirm that:

- it meets the eligibility requirements in Section 3 of this supplement and, where relevant, the 2022 CS Capital Grants manual
- you have completed all the necessary details on the application
- you have completed the application map(s).

If you are successful, we will write to you to make you an agreement offer which cannot be amended. If you want to accept the agreement offer you must sign and return the declaration by post within 20 working days of the date we send you the agreement offer. If you do not accept your offer in time, it will be withdrawn.

If your application is unsuccessful, we will let you know why it was rejected. You will then have the right to appeal to us, as set out in section 7.7 of the 2022 CS Capital Grants manual.

You can withdraw an application at any point after submission, prior to an agreement offer being made. Once an agreement offer has been made, you can reject it.

You can find more information about entering into an agreement at section 6.1 of this supplement.

5 Choosing capital items

The information below shows where each capital item available in CS Capital Grants (SFI pilot) can be used to support the delivery of actions in the SFI pilot standards.

Also read section 2.1 of this supplement for information on the available capital items.

More detailed information (and the specific requirements for) the capital items under CS Capital Grants (SFI pilot) is available on the GOV.UK [Countrywide Stewardship grants](#) (known as grant finder).

That includes:

- a description and essential requirements for each capital item;

- more information on differences in use of the available capital items in CS Capital Grants (SFI pilot) compared with 2022 CS Capital Grants, where relevant; and
- evidence requirements.

Capital Item	Where to use this item
BN5 – Hedgerow laying	Available to help you undertake the actions in the SFI pilot Hedgerows standard
BN6 – Hedgerow coppicing	Available to help you undertake the actions in the SFI pilot Hedgerows standard
BN7 – Hedgerow gapping up	Available to help you undertake the actions in the SFI pilot Hedgerows standard
BN10 – Hedgerow supplement – top binding and staking	Available to help you undertake the actions in the SFI pilot Hedgerows standard
BN11 – Planting new hedges	Available to help you undertake the actions in the SFI pilot Hedgerows standard
BN13 – Top wiring – stone wall	Available as a standalone item to help you undertake the SFI pilot Farm woodland standard, but only if you also apply for TE4 (Supply and plant a tree) and locate the stone wall on arable land or improved grassland used for the optional ‘Expand your woodland’ action

Capital Item	Where to use this item
FG1 - Fencing	Available to help you undertake the actions in the following SFI pilot standards: Hedgerows standard Water body buffering standard Arable and horticultural land standard Improved grassland standard Low/ no input grassland standard Farm Woodland – expand your woodland optional action In the above instances, you do not have to locate the fencing in a position to prevent water pollution caused by farming.
FG2 – Sheep netting	Available to help you undertake the actions in the following SFI pilot standards: Hedgerows standard Water body buffering standard Improved grassland standard Low/ no input grassland Farm woodland standard, but only if you also apply for TE4 (Supply and plant a tree) and locate the sheep netting on arable land or improved grassland used for the optional ‘Expand your woodland’ action In the above instances, you do not have to locate the sheep netting in a position to prevent water pollution caused by farming.
FG3 – Permanent electric fencing	Available to help you undertake the actions in the following SFI pilot standards: Waterbody buffering standard Improved grassland standard Low/ no input grassland In the above instances, you do not have to locate the permanent electric fencing to prevent water pollution caused by farming.

Capital Item	Where to use this item
FG4 – Rabbit fencing supplement	Available to help you undertake the actions in the following SFI pilot standards: Improved grassland standard Low and no input grassland standard Farm woodland standard, but only if you also apply for TE4 (Supply and plant a tree) and locate the fencing on arable land or improved grassland used for the optional ‘Expand your woodland’ action
FG5 – Fencing supplement – difficult sites	Available if used with FG1 (Fencing), FG2 (Sheep netting), FG3 (Permanent electric fencing) or FG9 (Deer fencing) to help you undertake the actions in the following SFI pilot standards: Improved grassland standard Low/ no input grassland Farm woodland standard, but only if you also apply for TE4 (Supply and plant a tree) and locate the fencing (FG1, FG2, FG3 or FG9) on arable land or improved grassland used for the optional ‘Expand your woodland’ action
FG9 – Deer fencing	Available to support the SFI pilot Farm woodland standard, but only if you also apply for TE4 (Supply and plant a tree) and locate the deer fencing on arable land or improved grassland used for the optional ‘Expand your woodland’ action
FG10 – Temporary deer fencing	Available to support the SFI pilot Farm woodland standard, but only if you also apply for TE4 (Supply and plant a tree) and locate the temporary deer fencing on arable land or improved grassland used for the optional ‘Expand your woodland’ action

Capital Item	Where to use this item
FG12 – Wooden field gate	Available to help you undertake the actions in the following SFI pilot standards: Water body buffering standard Improved grassland standard Low and no input grassland standard Farm woodland standard, but only if you also apply for TE4 (Supply and plant a tree) and locate the wooden field gate on arable land or improved grassland used for the optional ‘Expand your woodland’ action
FG14 – Badger gate	Available to support the SFI pilot Farm woodland standard, but only if you also apply for TE4 (Supply and plant a tree) and locate the badger gate on arable land or improved grassland used for the optional ‘Expand your woodland’ action
FG16 – Deer pedestrian gate	Available to support the SFI pilot Farm woodland standard, but only if you also apply for TE4 (Supply and plant a tree) and locate the deer pedestrian gate on arable land or improved grassland used for the optional ‘Expand your woodland’ action
FG17 – Deer vehicle gate	Available to support the SFI pilot Farm woodland standard, but only if you also apply for TE4 (Supply and plant a tree) and locate the deer vehicle gate on arable land or improved grassland used for the optional ‘Expand your woodland’ action

Capital Item	Where to use this item
WB1 – Small wildlife box	Available to help you undertake the actions in the following SFI pilot standards: Hedgerows standard Arable and Horticultural land standard Improved grassland standard In the above instances, you do not need to seek advice from Natural England
WB2 – Medium wildlife box	Available to help you undertake the actions in the following SFI pilot standards: Hedgerows standard Arable and Horticultural land standard Improved grassland In the above instances, you do not need to seek advice from Natural England
WB3 – Large wildlife box	Available to help you undertake the actions in the following SFI pilot standards: Hedgerows standard Arable and Horticultural land standard Improved grassland standard In the above instances, you do not need to seek advice from Natural England.
LV3 – Hard bases for livestock drinkers	Available to help you undertake the actions in the SFI pilot Waterbody buffering standard. In this case, you can locate the hard base outside areas targeted for the reduction of water pollution caused by farming, with no requirement for it to be on sites where livestock have been excluded from stream or surface waters.

Capital Item	Where to use this item
LV5 – Pasture pumps and associated pipework	Available to help you undertake the actions in the SFI pilot Waterbody buffering standard. In this case, you can locate the pump and associated pipework outside areas targeted for the reduction of water pollution caused by farming, with no requirement for it to be on sites where livestock have been excluded from stream or surface waters.
LV6 – Ram pumps and associated pipework	Available to help you undertake the actions in the SFI pilot Waterbody buffering standard. In this case, you can locate the pump and associated pipework outside areas targeted for the reduction of water pollution caused by farming, with no requirement for it to be on sites where livestock have been excluded from stream or surface waters.
LV8 – Pipework associated with livestock troughs	Available to help you undertake the actions in the SFI pilot Waterbody buffering standard. In this case, you can locate the pipework outside areas targeted for the reduction of water pollution caused by farming, with no requirement for it to be on sites where livestock have been excluded from stream or surface waters.
RP1 – Resurfacing gateways	Available to help you undertake the actions in the following SFI pilot standards: Arable and horticultural soils standard Improved grassland standard In these instances, the gateway can be located outside areas targeted to reduce water pollution from agriculture.

Capital Item	Where to use this item
<p>TE4 – Supply and plant a tree Please note: for the Hedgerows standard, we may add TE1 (Planting standard hedgerow tree) and will update you as soon as possible.</p>	<p>Available without Catchment Sensitive Farming approval to help you undertake actions in the following SFI pilot standards: Hedgerows standard* Farm woodland standard, but only if you locate the tree on arable land or improved grassland used for the optional ‘Expand your woodland’ action</p>
<p>TE5 – Supplement for use of individual tree shelters</p>	<p>Available as a supplement to TE4 (Supply and plant a tree) without Catchment Sensitive Farming approval to help you undertake actions in the following SFI pilot standards: Hedgerows standard Farm woodland standard, but only if you locate the tree (TE4) on arable land or improved grassland used for the optional ‘Expand your woodland’ action</p>

6 Scheme requirements and procedures

You must read and meet the requirements detailed in this section as these are mandatory for all CS Capital Grants (SFI pilot) Agreement Holders. You must also read and meet the requirements in the 2022 CS Capital Grants manual, where identified below as relevant.

6.1 Entering into an Agreement

Read section 6.1 of the 2022 CS Capital Grants manual.

6.2 Record keeping

Read section 6.2 of the 2022 CS Capital Grants manual.

6.3 Evidence: Record keeping and environmental outcome site visit requirements

6.3.1 When is evidence required?

Read section 6.3.1 of the 2022 CS Capital Grants manual.

6.3.2 General evidence requirements for Applicants and Agreement Holders Consents and permissions

Read section 6.3.2 of the 2022 CS Capital Grants manual.

6.4 Photographic evidence

Read section 6.4 of the 2022 CS Capital Grants manual. For CS Capital Grants (SFI pilot), the guidance on the 'During work stage' only applies to the capital items listed below.

Code	Capital Item
LV3	Hard bases for livestock drinkers
LV5	Pasture pumps and associated pipework
LV6	Ram pumps and associated pipework
LV8	Pipework associated with livestock troughs

6.5 Photographic evidence quality

Read section 6.5 of the 2022 CS Capital Grants manual.

6.6 Clearly label photographs

Read section 6.6 of the 2022 CS Capital Grants manual.

6.7 Publicity requirements

Read section 6.7 of the 2022 CS Capital Grants manual.

6.8 Good reasons for a breach

Read section 6.8 of the 2022 CS Capital Grants manual.

7 Agreement Management

You must read and meet the requirements detailed in this section as these are mandatory for all CS Capital Grants (SFI pilot) Agreement Holders. You must also read and meet the requirements in the 2022 CS Capital Grants manual, where identified below as relevant.

You must only start work (this includes ordering and paying for materials) on or after the CS Capital Grants (SFI pilot) agreement start date because we will not pay for materials and work before this date.

You must keep invoices, receipts, accounts and all other relevant financial documentation, so we can check them, for at least 7 years from the end date of the agreement. These must be dated on or after the CS Capital Grants (SFI pilot) agreement start date.

Important information

Do not start work until on or after your CS Capital Grants (SFI pilot) agreement start date.

You must complete all capital works within 2 years of the agreement start date.

We must receive all claims for payment no later than 3 months after the agreement end date. We will not accept claims after this date.

When you have finished the works and you have been charged or invoiced by the contractor or supplier for the items or activities, you can submit your claim for payment.

You can only submit your claim after payment for all items or activities on which you are claiming has left your bank account and all works have been carried out.

7.1 Amendments

Read section 7.1 of the 2022 CS Capital Grants manual and section 7.1.1 of this supplement.

7.1.1. Early termination of a CS Capital Grants (SFI pilot) agreement

If your SFI pilot standards agreement is terminated meaning you are no longer an SFI pilot participant, your CS Capital Grants (SFI pilot) agreement will also be terminated. You may need to repay all or part of previous payments that you have received.

7.2 Requirements when using own labour or contractors for capital works

7.2.1 Using own labour to undertake capital works

Read section 7.2.1 of the 2022 CS Capital Grants manual.

7.2.2 Using contractors to carry out capital works

Read section 7.2.2 of the 2022 CS Capital Grants manual.

7.3 Making a claim for payment

Read section 7.3 of the 2022 CS Capital Grants manual.

7.4 Scheme checks and site visits

Read section 7.4 of the 2022 CS Capital Grants manual.

7.5 Payment reductions

7.5.1 Breaches of Agreement

Read section 7.5.1 of the 2022 CS Capital Grants manual.

7.5.2 Over-declaration of expenditure

Read section 7.5.2 of the 2022 CS Capital Grants manual.

7.6 Change of ownership

Read section 7.6 of the 2022 CS Capital Grants manual.

7.7 Disputes, appeals and complaints

Read section 7.7. of the 2022 CS Capital Grants manual.