

Basic Payment Scheme



The Basic Payment Scheme acts as a safety net for farmers and crofters by supplementing their main business income.

To qualify for this support, you must actively farm your land.

Support under the Basic Payment Scheme is available to farmers who are allocated payment entitlements.

You can apply for entitlements based on the land you farm and the activity you undertake.

The scheme also delivers environmental and other benefits by requiring you to meet certain practices and farm in a sustainable way.

Together, these are called Agricultural Practices Beneficial for the Climate and the Environment but is more commonly called Greening.

Full guidance for Greening requirements can be found in the Greening section, along with guidance from previous years.

[Greening guidance 2023](#) - Effective from 1 January 2023

[Greening guidance 2024](#) - Effective from 1 January 2024

Greening requirements will vary depending on your circumstances, but all farmers and crofters must also observe Cross Compliance requirements. These are rules that enforce laws around animal and plant health as well as sustainable agricultural practices.

[Cross Compliance](#)

Full scheme guidance

Before you apply for this scheme, you should read the full scheme guidance. If you have any questions, please check with us before you submit an application.

[Full scheme guidance](#)

If you need any help or assistance to use this guidance, you can book an appointment at your local area office.

[Book an appointment](#)

Updates

You can check previous versions of our guidance in the archive.

[Basic Payment Scheme archive](#)

[Greening archive](#)

Eligibility

You need to have an eligible business and eligible land in order to claim the money and you must prove you are actively farming every year.

Further details are available in the [Basic Payment Scheme full guidance](#) .

Young Farmer payment

If you qualify for the Basic Payment Scheme, you may also receive the Young Farmer payment (YFP). You will receive this if you:

- submit a Single Application Form
- farm a minimum of three hectares in Scotland
- are a sole trader or head of the farm business and
- are less than 41 years of age on 31 December of the first year you apply for the Basic Payment Scheme

The level of Young Farmer payment is based on a maximum of 90 eligible hectares and rate is 25% of the average value of payment entitlements held for the scheme year concerned.

For businesses which are not a sole trader where the young farmer is classed as head of the farm business, this means that the young farmer has control of the business and makes the key business decisions. The requirements for different business types is shown below:

Partnership

If you wish to apply for YFP and are a partnership, at least one member of the partnership must qualify as a young farmer, i.e. must be less than 41 years of age on 31 December in the first year you apply for Basic Payment Scheme.

The young farmers must individually hold a minimum of 25 per cent of the capital of the business.

If one or more young farmers is in partnership with other partners who do not qualify as young farmers, there must be a legal agreement which demonstrates that the young farmers have control of the business as regards day-to-day management, financial planning and long term business strategy.

The legal agreement must specify that partners who are not young farmers cannot exercise control of the business against the wishes of the young farmers.

Limited company

If you wish to apply for YFP and are a limited company, at least one member of the company must qualify as a young farmer, i.e. must be less than 41 years of age on 31 December in the first year you apply for Basic Payment Scheme.

If the limited company has shareholders who do not qualify as young farmers, the member who qualifies as a young farmer must be capable of exercising effective control of the company as the majority shareholder.

If the controlling majority is held by more than one young farmer, there must be a legal agreement that they will vote together to ensure they cannot be out-voted by other shareholders who do not qualify as young farmers.

Cross checks will be undertaken with information held on Companies House to verify information supplied regarding the make-up of limited companies. Where such checks prove inconclusive or contradictory, further documentary evidence may be requested in support of the application.

Evidence

Documentary evidence must be provided in all cases to prove date of birth, either a birth certificate, passport or driving licence.

In all cases you must also submit documentary evidence with your application to prove that the Young Farmer is head of the business or has control of the partnership / legal person. This could be one or more of:

- company Articles of Association
- company annual returns specifying shareholdings
- accountants / solicitors letter confirming partnership constitution
- business accounts which specify share of capital held by individual partners
- bank letter confirming who has authority to sign cheques
- any other documentary evidence you feel is appropriate or which we may reasonably request when considering an application.

The Young Farmer Payment is made to eligible applicants for a maximum of five years from the date of their first application submission.

Applicants who set up from calendar year 2014 onwards will be eligible to receive YFP for a period of five years from the date of first submission of an application for payment.

For example, a young farmer setting up in 2014 who submitted their first application for YFP in 2015 will continue to be eligible to apply for payments in 2016, 2017, 2018 and 2019. A young farmer setting up in 2014 who submits their first application for YFP in 2016 will continue to be eligible to apply for payments in 2017, 2018, 2019, 2020.

An eligible business can be active for many years before business members change. The Young farmer is eligible for up to 5 years from the year they took control of the business. For example a young farmer who took control in 2011 and submits an application for YFP in 2015 would be eligible up to 2016. So getting two years of YFP.

YFP must continue to be claimed annually by the eligible business and annual checks will be undertaken to ensure the business remains eligible for payment.

You can apply for the Young Farmer payment on the Single Application Form, where you will be asked to provide evidence of your eligibility. Full details of how to apply for the payment will be included in the guidance notes issued with your [Single Application Form](#) .

Applications

You can apply for your Basic Payment entitlements through your Single Application Form during the annual application window. To continue to be paid on your entitlements, you must declare eligible land through your Single Application Form each year.

You can find out more about the Single Application Form using the link below.

[Single Application Form](#)

If you submit a Single Application Form online:

- we will calculate your totals automatically
- you will reduce the chance of making mistakes
- we will provide 24-hour access and give you an instant receipt
- we will give you up-to-date information on the progress of your claim

For your application to be eligible, you must:

- be at least 16 years of age
- declare at least three hectares of eligible land in your Single Application Form
- be actively farming the land you are claiming against on 15 May
- meet cross compliance conditions on all the land declared in your Single Application Form

To receive your payment, each year you must match each entitlement you hold with an equivalent eligible hectare.

If you don't do this you will lose some or all of your entitlement, unless you can prove that an exceptional circumstance prevented you from doing so.

If you want to transfer entitlements, you must do so by completing [PF23 - Application to transfer entitlements form](#).

Payment

We will make payments between 1 December of the scheme year and 30 June the following year.

We will start to process your claim when we receive your Single Application Form, provided it is correctly completed and sent with any necessary supporting documents.

From scheme years 2015 to 2019, a choice of currency between sterling and euros has been available to businesses for BPS. From scheme year 2020 onwards we will only pay you in sterling.

We will make payments to your business' [nominated bank account using BACS](#).

We can only pay into a United Kingdom bank account held in the name of the business and you must provide your business' bank account details to allow us to pay you.

Inspections

If you receive support from this scheme you will be subject to our inspections programme.

You can find out more about how and why we carry out inspections in our dedicated section.

[Inspections](#)

As a minimum, we will check that:

- the land you claim is eligible
- the area you have claimed is correct
- you are meeting Cross Compliance rules on all of your land

Non-compliance and penalties

If we find you have not been fulfilling your obligations in return for payment, we will call this non-compliance and you could face a loss of support.

Penalties for not following the rules can result in you having to pay back some or all of your payments, a reduction in future payments or payments being cancelled entirely.

Reasons for failing to meet the scheme conditions could include:

- submitting your Single Application Form after the deadline
- breaching scheme rules, for example in relation to land declarations
- if your farming practices fail to meet cross compliance requirements

You can find more information about penalties in our guidance on completing your Single Application Form.

[Single Application Form guidance](#)

[More information about reductions and administrative penalties](#)

Appeals and complaints

If you are unhappy with a decision we have made regarding your application, you have the right to appeal.

Likewise, if you are unhappy with our service as a whole, we have a dedicated complaints procedure to help you resolve this.

[Appeals](#)

[Complaints](#)

Contact us

If you have any questions about this scheme, please get in touch. Contact details can be found in our Contact us section.

[Contact us](#)