

# National Basic Payment Support Scheme 2019

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With the ongoing uncertainties around Brexit and the real possibility of a 'No Deal' which would effectively cut all ties with the EU and bring real challenges to the rural economy the Scottish Government has launched the 2019 National Basic Payment Support Scheme (NBPSS19) loan scheme.

The loan scheme aims to help address concerns around the risk of a Brexit No Deal in October and maintain vital cash flow within the rural economy.

This year's loans will be offered at up to 95% of 2019 BPS and Greening expected payments (restricted to the scheme maximum of €150,000).

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The Scottish Government is committed to supporting farmers and crofters. With the ongoing uncertainties around Brexit and the real possibility of a 'No Deal' which would effectively cut all ties with the EU and bring real challenges to the rural economy, we have launched the 2019 National Basic Payment (NBPSS19) loan scheme.

The scheme should address concerns around the risk of a Brexit No Deal in October and maintain vital cash flow within the rural economy.

## Why are you calling it a loan when it's an advance on what I am due?

There are specific EU rules around advance payments which at this stage of processing 2019 claims would mean we could not make advance payments.

Therefore, we are making the offer of loans from domestic funding which is not constrained by EU rules.

## How will loan values be calculated?

In most cases, loan offers will be calculated at 95% of anticipated CAP Basic and Greening 2019 payment, capped at a maximum of €150,000.

## How much will farmers and crofters be entitled to receive?

The majority of businesses will be offered a loan of 95% of their anticipated 2019 BPS and Greening payment entitlement – up to the scheme limit of €150,000.

Others will be offered less on a sliding scale, based on similar factors to those used in the 2018 scheme, such as those who may not meet their Greening requirements.

## When will farmers and crofters receive their NBPSS19 loan offer letter?

We will be sending out NBPSS offer letters in batches, reflecting the large total number of BPS claimants. The first batch of loan offers should start arriving from August 2019 and further batches will be issued shortly thereafter.

[Loan offer letter example \(PDF, Size: 304.2 kB\)](#)

## How do I accept the loan offer?

In line with the approach taken to the NBPSS 2018 loan scheme, the NBPSS 2019 scheme will be an "opt in" scheme. This means that those wishing to apply for a loan will need to reply promptly once the Government has written to them, indicating that they wish to apply.

The loan offer letter provides clear guidance to support those wishing to apply for a loan.

## How many farmers and crofters are eligible?

The full extent of eligible businesses is still being confirmed, but we expect this to remain at around the same level as the 2018 loan scheme when offers were made to 17,615 businesses.

## Will anyone not be eligible for a loan?

It is likely that a small number of applicants will not receive a loan, based on due diligence undertaken on the back of claims received and in line with the Government's public finance obligations in relation to the reliability of loan recovery. This was the case for the 2018 BPS loan scheme too.

## Will farmers who claim land in Scotland as well as England and or Northern Ireland be offered a loan?

If they hold Basic Payment entitlements for the Scottish land claimed and Scotland is their Paying Agency then they may be offered a loan based on the Scottish land and payment entitlements.

Unfortunately if Scotland is not their Paying Agency then we cannot offer a loan because we cannot automatically recover the loan payment from their CAP BPS and Greening payment.

## Will farmers and crofters who have been inspected be offered a loan?

Yes, so long as they remain eligible for a BPS and Greening 2019 payment.

## Why is my loan offer in euros I usually receive my CAP BPS and Greening payment in sterling?

All payments for the CAP direct farm payment schemes are set in euros.

Under EU legislation the euro exchange rate for calculating CAP BPS and Greening 2019 payments will not be known until 30 September 2019. The rate is based on an average of the European Central Bank exchange rates set in September.

If you have chosen to receive your CAP direct farm payments in Sterling, once the euro exchange rate has been announced the euro loan amount will be converted to pounds prior to payment.

## I am transferring in payment entitlements this year – will these be included in my loan offer?

We are currently processing BPS payment entitlement transfer applications -therefore we cannot guarantee your loan offer will include these.

Any new entitlements you have leased or purchased for the 2019 BPS/Greening scheme will be included in your CAP BPS/Greening 2019 payment.

## What if I haven't received a loan offer letter?

Letters will start to be sent from the end of August 2019 and will continue to be issued as claim eligibility is confirmed.

If you are concerned about not receiving your offer letter please contact your local RPID Area Office or by emailing [nationalBPSScheme@gov.scot](mailto:nationalBPSScheme@gov.scot)

## Who can accept the terms of the 2019 National BPS Scheme?

The loan offer is being made to the business. In the majority of cases, it will be a member of the business who signs and accepts the conditions of the loan.

If the business member is not able to sign the opt-in form, then it can be signed by someone who holds the required authority from the business member(s) and accepts the responsibility for receiving the loan.

## Can an agent accept my loan offer?

The existing agent mandates held by RPID do not extend to loan payments.

The loan offer is being made to the business, in the majority of cases it will be a member of the business who signs and accepts the conditions of the loan.

If a business member is not able to sign the opt-in form, then it can be signed by someone who holds the required authority from the business member(s) and accepts the responsibility for receiving the loan. They should complete the opt in return in their own name and not the name of the company they work for.

## What happens if I miss the application deadline date shown on my offer?

You will still be able to enter the loan scheme, however we cannot guarantee when this payment will be processed. To avoid this, you should respond as soon as possible. A closing date will be announced in early 2019.

## What if I don't want a loan?

If you do not wish to accept the offer you do not need to take any action.

## What happens if I change my mind?

Please contact us as soon as possible by contacting your local RPID Area Office or emailing [NationalBPSScheme@gov.scot](mailto:NationalBPSScheme@gov.scot)

## When will farmers and crofters receive their loan payments?

We expect to start making payments in October to those who apply before the deadline included in their letter.

## How will loans be repaid?

The value of loans will be deducted from claimant's 2019 CAP BPS payment once that has been made. This is the approach taken to the previous BPS loan schemes.

## Will you charge interest?

Where loans are fully recovered from the claimant's 2019 CAP BPS payment, Scottish Government will meet interest costs in compliance with state aid rules.

## What if a loan turns out to be more than the value of the claimant's eventual BPS 2019 payment?

It is possible that in a small number of cases, we may find that you are entitled to less of a CAP Basic Payment and Greening 2019 payment than you will have received as a loan.

In such cases, we will require the difference to be repaid. In a very small number of cases, we may find that you are not entitled to any payment, in which case you would be required to repay in full the loan you have received.

If you repay within seven days, you will not be required to pay any interest on the loan.

If you have any doubt as to the value of your application for CAP Basic Payment and Greening 2019, we would encourage you to contact your local RPID area office to discuss and explore the potential implications of applying for a loan.

## Will you allow for more time if a loan repayment can't be made within 7 days?

State Aid regulations require us to charge interest on any outstanding balance. However it is very unlikely that this will be an issue for you as the maximum payment you can receive as a loan through NBPSS is 95% of your CAP BPS and Greening payment, we will automatically deduct the NBPSS payment from your CAP BPS and Greening payment.

## What is State Aid?

State Aid refers to the use of national resources to support and incentivise businesses. There are many different State Aid regulations. The regulation which applies in this instance is 1408/2013 which is the Agricultural de-minimis Regulation, as amended by 2019/316.

## What is Agricultural de minimis?

Agricultural de minimis allows farmers to receive €20,000 over a three-year fiscal rolling period. For the National Loan Schemes it is the interest foregone (calculated at market rates) and not the actual loan amount that is the State aid element.

## How do the State Aid rules affect me?

By accepting the funding, you are declaring that you have not exceeded the de minimis threshold. Failure to do so could result in the funding being recovered with interest by the European Commission.

## How do I know the amount of State Aid benefit I have received in total, in my current and two previous financial years ?

We will include an estimate on the total amount of state aid you have received from the national loan schemes in your BPS loan offer letter.

You are required to add this amount to any other de minimis payments you have received in your current and two most recent financial years.

Any payments made as de minimis awards should tell you this is a de minimis payment in the offer letter.

## What schemes are covered by Agricultural de minimis?

Some examples of schemes which come under de minimis rules are:

|                                       |   |
|---------------------------------------|---|
| Bull Hire Scheme                      | Sea Eagle Scheme                                  |
| Rural Priorities Outcome Plan         | AECS Farm Environment Assessment Payment          |
| New Entrants and Others 2013          | Weather Aid Scheme 2013                           |
| BVD Check Payments                    | Fallen Stock Fund                                 |
| Fox Control Scheme                    | Biofuels Programme                                |
| Resource Efficient Scotland           | Clyde and Avon Valley Tree Planting Scheme        |
| Dairy Farmer Island Concession Scheme | Weather Impact Support Scheme for Westray Farmers |
| Cash Flow Loan Scheme                 | National LFASS Scheme 2015                        |
| National BPS Scheme 2015              | National LFASS Scheme 2016                        |
| National BPS Scheme 2016              | National LFASS Scheme 2017                        |
| National BPS Scheme 2017              | National LFASS Scheme 2018                        |
| National BPS Scheme 2018              |   |

This list is not exhaustive and other schemes may also be subject to de minimis.

## Where can I get help and support?

Customers can contact their local RPID Area Office or email [NationalBPSSScheme@gov.scot](mailto:NationalBPSSScheme@gov.scot)

## When will BPS 2019 payments be made?

We are making good progress in our handling of CAP BPS and Greening scheme payments, and are on track to commence payments earlier than we have done in previous years.

