# Scottish Upland Sheep Support Scheme full guidance

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## Table of Contents

Introduction
Eligibility
Claiming subsidy
Claim period
Withdrawals
Eligibility checks
Sheep inspections
Penalties
Declarations and undertakings
Payments
Our targets
Information about you and your payments
Appeals and complaints
Legal base
Download guidance

## **Introduction**

These notes cover the Scottish Upland Sheep Support Scheme. Please read them carefully so you understand the rules of the scheme.

If you have any questions or concerns, please get in touch with your local area office.

#### Contact us

#### **Overview of scheme**

- this scheme gives direct support to help maintain sheep flocks in farm businesses reliant on poorer quality rough grazing found in Scotland's Basic Payment Region three. It has an annual budget of €8 million. Payments in sterling will depend on the exchange rate in force at the time
- eligible animals must be retained on your holding from 1 October in the year of claim to 31 March in the following year
- we pay on ewe hoggs born on Scottish holdings which rely on poor quality rough grazing found in Scotland's Basic Payment Region three.
- Businesses that rely on poor quality rough grazing are defined as those which have: a) 80 per cent or more of their agricultural land in Scotland's Basic Payment Region three and b) less than 200 hectares of good quality agricultural land in Scotland's Basic Payment Region one
- claims can be made between 1 September and 16 October, 2015. Animals claimed after 30 September will be eligible for the 2016 scheme, subject to eligibility
- you must maintain a flock register and keep it up to date. In addition, you must comply with the Sheep and Goats (Records, Identification and Movement) (Scotland) Order 2009

#### **Registering with Rural Payments and Services**

To apply for this scheme, you must register with our new system. Even businesses who were previously registered with us must re-register.

You can find out more about how to register here

### **Eligibility**

#### **Producers and agents**

Individuals, companies, a partnerships, or a group of these can all claim from this scheme.

You can give an agent authority to act for you and sign your claim form. If you use an agent, you must authorise them to act for you.

You can do this online by creating an account with Rural Payments and Services and logging in.

Alternatively, you can download and complete Form PF05 – Business Mandate.

#### PF05 – Business mandate

You can also get this form from your local area office.

#### Holdings

Your holding is all the production units that you manage. Only production units in Scotland are eligible for this scheme. You are eligible to apply providing at least 80 per cent of the eligible area of your holding is in Payment Region Three and you have less than 200 hectares in Payment Region One.

You can find out more about the payment regions below.

#### Regionalisation

#### **Single Application Form**

To claim for this scheme, you must complete a Single Application Form each year. If you do not do this, your claim will not be valid and we will not make a payment. The Main Location Code you use on your claim form should be the same as the one on your Single Application Form.

#### Animals

We pay on ewe hoggs borne and maintained on land designated as Payment Region three for the purposes of the Basic Payment Scheme. The animals must be home-bred, meaning you cannot purchase or transfer animals from another holding. There is an upper payment limit of one ewe hogg to every four hectares.

#### **Cross Compliance**

To be eligible for this scheme you must keep your land in Good Agricultural and Environmental Condition (GAEC) and meet the legal requirements of keeping sheep as part of our Statutory Management Requirements (SMRs).

You can find out more about Cross Compliance below.

**Cross Compliance** 

Back to top

## **Claiming subsidy**

#### Maximum number of claims

There is no limit to the number of claims you can make.

#### **Claiming online**

Using our online service is the easiest and quickest way to submit your claim. It helps stop mistakes and reduces the administration costs of the scheme.

Even if you have no access to the internet, you may be able to make use of computers in your local area office.

#### More information can be found in our customer services section

#### Claiming offline

You can still claim by post using:

• Scottish Upland Sheep Support Scheme claim form – coming mid 2015

You can also access copies of the claim form from your local area office and completed forms should be sent back to the area office.

We will only accept and acknowledge your claim form if you or your agent has:

- filled in your Main Location Code, business name and address in section one
- filled in the numbers claimed box and location box(es) in section two
- signed and dated the form in section three. If your claim form has separate pages all must be signed and dated. This may be the case if you print it yourself

Back to top

## Claim period

Claims can be made from 1 September, 2015 and there is no limit to the number of claims you can make until the close of the application period on 16 October, 2015.

## **Withdrawals**

You can write to us to withdraw an entire claim or individual animals at any time. But not if we have told you we will be inspecting your holding, or have told you about any errors in your claim.

## Eligibility checks

We will check all the animals you claim with the database recording sheep movements, SCOTEID.

## **Sheep inspections**

We will inspect the sheep you claim under the scheme as part of our existing Livestock Inspection programme.

We will check that you have met the scheme's rules and rules are implemented and enforced by the Sheep and Goats (Records, Identification and Movement) (Scotland) Order 2009.

Detailed guidance can be found in our inspections section.

#### Sheep and goat identification

We may not warn you about any inspection we plan to carry out and we may inspect your holding more than once a year.

We will not pay your subsidy and you could face prosecution if you:

- refuse to let us inspect your holding
- prevent our inspector from coming onto your holding
- do not give reasonable help to the inspector

At an inspection we will check:

- all sheep on your holding and compare your flock register against ScotEID
- your animals are eligible for the scheme
- supporting documents, such as purchase and sales receipts
- ScotEID have been told about all animals movements

## Penalties

#### General

You will lose some or all of your payment if you do not meet the rules of the scheme and the undertakings you give.

You may be prosecuted if you knowingly make a false statement to receive payment for yourself or for someone else.

So it's important to make sure you understand your responsibilities we would advise you to seek professional advice if you need it.

#### Scheme penalties

You may face a penalty if you claim for animals that do not meet the rules of the scheme.

If we find a difference between the number of animals you claim in a scheme year and the number of animals that are eligible, we will reduce your payment by a percentage error rate.

To find the percentage error rate, we divide the number of animals found as not eligible by the number of animals remaining eligible. We have five levels of penalties.

• **level one** – where there are three or fewer penalty animals, we will reduce your payment by the percentage error rate

Penalty levels two, three or four apply when the number of penalty animals is four or more.

- **level two** if the percentage error rate is not more than 10 per cent, we will reduce your payment by the percentage error rate
- **level three** if the percentage error rate is more than 10 per cent but not more than 20 per cent, we will reduce your payment by twice the percentage error rate
- **level four** if the percentage error rate is more than 20 per cent, we will not pay you under that year's scheme

False Declaration

• **level five** – if you make a false declaration, we will not pay you under that year's scheme. We will also take an equal amount from future payments under the scheme

#### For example:

If you claim 100 animals but 10 of these are not eligible, the percentage error calculation would be:

10 (animals not eligible) ÷ 90 (remaining eligible animals) x 100 = 11.1 per cent

This is a level three penalty. This means that we pay premium on 90 animals and reduce the payment by 22.2 per cent.

#### Penalties for not following Cross Compliance

You may face a penalty:

- if you do not keep your land in Good Agricultural and Environmental Condition (GAEC)
- if you do not keep to the Statutory Management Requirements (SMR), which include the animal identification regulations

More information can be found in our Cross Compliance section.

#### Penalties for using banned substances

We may exclude you from the scheme for a year if we find:

- that you have used banned substances (for example, hormones) on your animals or we find these substances on your premises
- we find residues of substances in your animals (for example, medicines) which you have used illegally, or we find these substances stored illegally on your premises

If we exclude you from the scheme for using banned substances and you repeat this offence, we may exclude you for up to five years.

If you prevent us from inspecting your holding or taking samples to check for banned substances, we may exclude you from the scheme.

#### **Returning your Single Application Form late**

If we receive your Single Application after the deadline we will reduce your payment. You can find out more about the Single Application Form and how to complete it online below.

Using our online service is the quickest and easiest way to submit your form each year.

#### Single Application Form

#### Back to top

## Declarations and undertakings

You must read the declarations and undertakings at section three of your claim form carefully before you sign the form.

## Payments **Payments**

#### General

We can pay you in sterling or euros. We will pay you in sterling unless you tell us on your Single Application Form to pay you in euros.

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. You must provide your business bank account details to allow us to pay you.

#### Payments by BACS

If we already hold bank account details for your business we will use those.

If you want to change your bank account details, or provide them for the first time, you need to fill in and return the form below.

A paper copy of this form is also available from your local area office. Please keep your BACS details up to date to avoid payment delays.

- PF03 Register your bank details form sterling
- PF04 Register your bank details form euros

#### Payment rates

The payment rate for eligible animals is not fixed. The rate will vary each year depending on the total number of eligible animals claimed in the calendar year.

We pay a flat rate of around €100 per eligible ewe hogg.

Payments in sterling will depend on the exchange rate in force at the time but, based on the 2014 exchange, these rates are around £78.00

#### **Financial Discipline**

If the overall European Union budget for market support measures and direct payments is in danger of being exceeded, there is a mechanism (Financial Discipline) which reduces payments being made across all European Union member states.

This provision is designed to protect European Union taxpayers from budget increases. If we are required to implement the Financial Discipline, we will provide further information with your payment.

## Our targets

We can only process your claim if you fill it in correctly and include all the documents we need to support it.

We aim to:

- acknowledge your claim by letter within 14 days
- to pay all eligible claims by 30 June following the end of each scheme year

## Information about you and your payments

How we manage your information is set-out in our Privacy Policy, which you can read below.

#### **Privacy Policy**

## Appeals and complaints

If you are unhappy with a decision we have made regarding your claim or if you are unhappy with the service we have provided you with, you can make use of our appeals and complaints procedures.

You can find out more about both below.

- Appeals
- Complaints

## Legal base

Our legal authority for this scheme is in two parts.

- firstly, European Parliament and the Council Regulation 1307/2013 that deals with the basic rules of the scheme
- secondly, European Parliament and Council Regulation 1306/2013 that deals with requirements that are more general. Both regulations are supplemented with other regulations

Copies of all these are available on the European Union website . If you would like to know the full range of regulations, speak to your local area office.

#### Contact us

We aim to provide as much guidance as possible on the scheme. But these notes do not provide a full statement of the law, something which only the European Court of Justice can give.

If you have any legal questions, you should get appropriate legal advice from a solicitor.

Back to top

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