

Understanding your Single Payment Scheme Claim Statement

DECEMBER 2009

Contents

A. What is the Claim Statement?	2
B. What does the Claim Statement show? (Includes example Claim Statement)	2 6
C. Penalties	9
D. How to contact us	12

A. What is the Claim Statement?

Your Single Payment Scheme Claim Statement gives the current position of your Single Payment Scheme claim, at the date shown on your statement. We send you a Claim Statement after we make each Single Payment Scheme payment to you for a particular scheme year, and after we send your remittance advice (which shows the value of an individual payment we have made to you).

We have written this guidance to help you understand the information in your Claim Statement. Use it with any Claim Statements we send to you for 2005 to 2009 scheme years, which look like the example we have shown on pages 6 and 7.

There is separate guidance for the Entitlements Statement which we will send to you with that statement.

B. What does the Claim Statement show?

In the example of the Claim Statement on pages 6 and 7, you can see that it has four sections:

- Name, address and date
- Part A: Claim Summary
- Part B: Claim Calculation
- Part C: Claim History
- Part D: Claim Land Details, (we can only show this on statements for 2009 and later scheme years).

Name, address and date

Here we include:

- Your name and address. Where you have completed an *Agent/Partnership Authorisation* form (SP9), we will use the name and address of the agent.
- The date we show will be the date the information on your statement was produced. (This is the date we took the information from your record and not the date we printed your statement.)

Part A: Claim Summary

Here we include:

- Single Business Identifier (SBI), we use this unique number to identify your business.
- Name of business.
- Scheme year the claim was for.

- Claim number, we show this number on your remittance advice at the start of the invoice number.
- Date of calculation, this is the date we worked out and authorised your claim.
- Total claim value, this is the total value of your claim on the 'date of calculation', after we have made any deductions.
- Balance, this is the amount that either we will pay to you, or you may need to repay to us, depending on your claim value and payments that you have already received.
- Type of payment, here we show either balance or full.

Part B: Claim Calculation

SPS Claim

Here we list the number of Single Payment Scheme entitlements you have claimed against (activated) in the scheme year, for payment. It is broken down into each type of entitlement and includes the number and value of each type of entitlement. Where you hold entitlements of different values, we will show these on separate lines. We have shown the types of entitlement below:

- Non SDA.
- Non SDA Set-aside (2005 to 2008 scheme years only).
- Non SDA Special.
- SDA.
- SDA Set-aside (2005 to 2008 scheme years only).
- SDA Special.
- SDA Moorland.
- SDA Moorland Special.
- Cross border claims will also show entitlements in Northern Ireland, Scotland or Wales.

For English entitlements, the Unit Value will be the combined value of the area flat rate for the scheme year and, if it applies, any historic reference amount shown in your Entitlements Statement. We show the Unit Value of the entitlements in Euros and Sterling. We show the Sterling Unit Value to five decimal places to help reduce any rounding differences as entitlements are calculated in Euros. If you have asked us to pay you in Euros, we will not show the Sterling column and we will show the Balance in Euros. We show the exchange rate in the Notes section of your statement.

Set-aside entitlements have the same value as the flat rate in the relevant English area. From 2009 all Set-aside entitlements have been converted to Normal entitlements.

If you have entitlements that contain a historic part (element), we calculate these each year using the following proportions of the total Single Payment Scheme funds:

Year	2005	2006	2007	2008	2009	2010	2011	2012
Flat Rate (%)	10	15	30	45	60	75	90	100
Historic (%)	90	85	70	55	40	25	10	0

Dairy

For entitlements including dairy reference amounts there was a further increase to the value in 2006 because of an increase in dairy premium.

Sugar

We include the available sugar funding for 2007 onwards in the main Single Payment Scheme payment, we do not pay it separately. (We did not include any sugar reference amount in the 2006 Unit Value we showed on your statement. We made a separate sugar payment to eligible claimants based on their contracted sugar tonnage for the 2005/06 marketing year.)

Additional Aid Claim

Here we include any aid you claimed for the following schemes:

- Protein Crop Premium.
- Area Payment for Nuts.
- Aid for Energy Crops (this ends in the 2009 scheme year).

We list the total area paid for each scheme. This may be less than the area you applied for on your Single Payment Scheme application because we may have applied a scale back. For example, we reduced areas claimed under the 2007 Aid for Energy Crops Scheme to 70.337% because the European Union-wide limit (ceiling) was broken. If you claimed 100ha you would only have been paid on 70.337ha. There is no scale back for Aid for Energy Crops for 2009.

Reductions and penalties

In section C of this guidance we give more information on the following:

- SPS Area Reductions.
- Additional Aid Area Reductions.
- Penalties on Area Reductions.
- Late Penalties.
- Other Penalties.

Other payments

Details of payments for Multi-Annual Set-aside Agreements; the last agreement ended in 2007. Hill Farm Allowance and environmental scheme payments are not shown on the Single Payment Scheme Claim Statement.

Modulation

Modulation allows direct payments to be reduced. The amount raised by National modulation and contributions from the Government are used to fund the Rural Development Programme for England, including agri-environment schemes.

All payments you receive under the Single Payments Scheme, Area Payments for Nuts, Protein Crop Premium, Multi-Annual Set-aside Agreements and Aid for Energy Crops will be reduced for modulation.

From 2006 the modulation rate is a percentage of the payment, after any reductions, for example penalties (except where cross compliance rules are broken). We show the rates for the scheme year on your statement. In 2005 we calculated the rate as a percentage of your payment after any area reductions, but before we made any other deductions.

Modulation rates for scheme years 2005 to 2008:

Scheme Year	2005	2006	2007	2008
European (%)	3	4	5	5
National - England (%)	2	6	12	13

Progressive Modulation (2009 onwards)

From 2009 the total modulation rate will be 19% but will be split between European and National modulation depending on the value of your claim after we have made any reductions for irregularities and penalties. European modulation does not apply to the first €5,000 of your payment.

Progressive Modulation has been divided into three bands:

	Band 1	Band 2	Band 3
Claim Value	€5,000 or less	Over €5,000 to €300,000	Over €300,000
European (%)	0	7	11
National - England (%)	14	12	8
Totals (%)	14	19	19

Example Claim Statement

Single Payment Scheme 2009

Claim Statement



Incorporating Area Payment for Nuts, Protein Crop Premium, and Aid for Energy Crops Schemes, but not Hill Farm Allowance

A FARMER
A FARM
ANYTOWN
ANYCOUNTY
AA1 290

Date: 04 December 2009

XXXXXXXXXXXXXXXXXXXX

We have given an explanation of Part A on page 2.

Part A: Claim Summary

SBI: 987654321
 Name of business: A FARMER
 Scheme year: 2009
 Claim number: 1234567890
 Date of calculation: 01 December 2009
 Total claim value: £17,572.93 (see Part B)
 Type of Payment: Full

We have given an explanation of Part B on pages 3, 4, 5 and 8.

We will show these in Euros if you have asked us to pay you in Euros.

Part B: Claim Calculation

	Quantity or Rate	2009 Unit Value (€)	2009 Unit Value (£)	Payments (£)	Deductions (£)	Balance (£)
SPS Claim						
Non-SDA	6.29ha	190.47	173.19437	1,089.39		
Non-SDA	72.38ha	302.60	275.15418	19,915.66		
				21,005.05		21,005.05
Additional Aid Claim						
Protein Premium	8.10ha	55.57	50.52860	409.29		21,414.34
Modulation						
European: Band 1	0.00%				0.00	
European: Band 2	7.00%				1,180.75	
National – England: Band 1	14.00%				636.51	
National – England: Band 2	12.00%				2,024.15	
					3,841.41	17,572.93

This section shows the entitlements which you have activated to claim payment.

Notes

1. The exchange rate from Euro (€) to Sterling (£) for SPS 2009 is 0.909300.
2. The exchange rate from Euro (€) to Sterling (£) for the protein premium is 0.909300.

These notes are relevant to your own claim.

987654321
01 of 01

(barcode)

Please note that these are example figures only. As each claim line is calculated in Euros, there may be some slight rounding differences.

Part C: Claim History

Date	Invoice Reference	Payment Type	Claim Value (£)	Invoice Value (£)	Net Transactions (£)
4 December 2009	98765432109876543	Full	17,572.93	17,572.93	17,572.93
SPS Claim Value					17,572.93
Total Payments					17,572.93
Balance on this SPS Claim at this date					0.00

We have given an explanation of Part C on page 8.

We have given an explanation of Part D on page 9.

We will show these in Euros if you have asked us to pay you in Euros.

Part D: Claim Land Details

Field Name	Land Parcel Reference	Part Field	Area Claimed	Area Ineligible	Area Determined
Non-SDA					
Topfield	XX9876 5432		12.23	0.00	12.23
Village	XX8765 4321	A	6.29	0.00	6.29
	XX8765 4321	B	3.20	0.00	3.20
Riggs	XX6543 2109		4.00	0.00	4.00
Drovers	XX5432 1098		18.51	0.00	18.51
South	XX4321 0987		7.58	0.00	7.58
Bottom	XX3210 9876		9.20	0.00	9.20
Northend	XX2109 8765		7.82	0.00	7.82
Parks	XX1098 7654		2.74	0.00	2.74
Eastland	XX0987 6543		8.10	0.00	8.10
Entitlements: 78.67			79.67	0.00	79.67
Protein Crop Premium					
Eastland	XX0987 6543		8.10	0.00	8.10
			8.10	0.00	8.10

English region

This is the name you included on your SPS application form (SP5).

Totals for each region.

This will be the suffix you included on your SPS application form (SP5).

This is the Area Claimed less the Area Ineligible.

We show any ineligible area here found during an inspection or a check against other information.

The bands for modulation are set in Euros. The modulation is deducted in Euros from the Euro value of your claim. If you have asked us to pay you in Sterling you need to change your balance figure to Euros to allow you to check the deductions.

We show the National modulation rates for England. Different rates apply for Northern Ireland, Scotland and Wales.

Cross compliance penalties

We have given more information in section C of this guidance.

Modulation refunds (for 2005 to 2008 only)

For 2005 to 2008 scheme years we deducted European and National modulation from the whole of your claim. The scheme rules said we must repay the European modulation for the first €5,000 of your claim and we should repay you before 30 September in the following year.

From the 2009 scheme year onwards we will not deduct any European modulation from the first €5,000 of your claim.

Notes

We will give other useful information in the Notes section. For example, we will show the exchange rate for the scheme year.

Exchange rate (set on 30 September for each scheme year):

Year	2005	2006	2007	2008	2009
Rate (€1)	£0.68195*	£0.67770	£0.69680	£0.79030	£0.90930

*(Single Payment Scheme only, separate rates for Additional Aid claims)

Part C: Claim History

Here we include any payments we have made to you for your Single Payment Scheme claim for the scheme year shown. The Invoice Reference is the same number that we show in the description section of the relevant remittance advice. This part will show any ex gratia or partial payments as well as any overpayments after we have recalculated your claim.

This part also shows the balance of your Single Payment Scheme claim at the date shown on your statement. For example, where a further payment is due to you, or where we have found an overpayment. We show any amounts here which you have repaid to us for overpayments for this claim.

Three year penalty

We only show this section when we have applied a three year penalty to your claim.

We have given more information in the fourth and fifth bullet points under Penalties on Area Reductions which starts on page 10.

Associated Payments

We show other payments for your claim in this part. For example, any ex gratia or interest payments which we have made.

Part D: Claim Land Details

Here we list all of the land which makes up your claim. The land details are split into regions and Additional Aid schemes (where they apply). We show the areas you have claimed for each land parcel, and where we find any areas are not eligible for payment under the scheme (ineligible), as a result of an inspection or a check against other information, we show this reduced area (the Area Determined).

We only show Part D: Claim Land Details on the first Claim Statement we produce for the 2009 and later years.

We include three key items:

- Number of Entitlements; this is the total of all of your entitlements for the region.
- Total Area Claimed; is the total area of land that you have claimed using codes that show the land meets the scheme rules for payment (eligible land codes) for each region.
- Total Area Determined; this is the recorded total area for the land parcels we have listed less the area found to be ineligible (this is taken from checks against other information and inspections).

We pay a claim based on the lowest number of Entitlements, Total Area Claimed and Total Area Determined for each region. We show the amount(s) in Part B of your Claim Statement. In the example Claim Statement on pages 6 and 7 we show this as 78.67 entitlements and 79.67 eligible hectares, we can only pay you for 78.67 entitlements.

C. Penalties

We apply penalties to your Single Payment Scheme (and other related schemes) application for several reasons. For example, when we receive your application after the deadline, errors in your application, or where you do not meet cross compliance rules (or, if they apply, Set-aside management rules). We explain

penalties and how we apply them in the relevant *Single Payment Scheme Handbook and Guidance for England*.

The size of the penalty depends on the problem we find. For example, the size of a land penalty depends on the amount of land that you claimed which is not valid. The size of a late submission penalty depends on the number of days after the deadline on which we receive your application.

In Part B of your Claim Statement we show any penalties and any reductions which we have applied to your claim.

Detailed description of penalties and deductions

We only show the following penalties and reductions on your Claim Statement if they apply to you.

Area Reductions

We use the following descriptions on your Claim Statement:

- SPS Area Reductions. (There is a separate line for deductions we make for each of the English regions.)
- Additional Aid Area Reductions. (There is a separate line for deductions we make for each of the Additional Aid schemes such as, Protein Crop Premium, Area Payment for Nuts and/or Aid for Energy Crops.)

We use these descriptions to show the financial effect of deducting areas we find are not valid (for example, land that is not eligible for the scheme) from the area you have claimed on your application.

Penalties on Area Reductions

If the area not valid for payment which we deduct from your claim is greater than certain threshold levels, we apply an additional penalty. We show a separate line on your statement for each crop group which is affected such as, Single Payment Scheme Crop Group, Protein Crop Premium, Area Payment for Nuts and Aid for Energy Crops.

If you have broken any of the following threshold levels we will explain this in the Notes on your Claim Statement:

- If the area not valid for payment which we have deducted, for any particular crop group is above 3% or 2ha, but no more than 20%, then the penalty is double the invalid area.
- If the area not valid for payment which we have deducted for any particular crop group is above 20%, then we will not pay you for the crop group concerned.

- For 2005 to 2008 if the area you declared on your application is greater than the overall area (all crop groups) actually found by more than 30%, we will not pay you for the Single Payment Scheme or other schemes covered by your application for that scheme year.
- For 2005 to 2008 if the area you declared on your application is greater than the overall area (all crop groups) actually found by more than 50%, we will not pay you for that scheme year. And for the next three years we will reduce the amount we pay you by the value of the area which you over declared. We will stop making these reductions at the end of the three year period or earlier if the full amount over claimed is paid before the three year period ends.
- From the 2009 scheme year if the area not valid for payment which we deduct for any particular crop group is greater than 50% of the area found, we will not pay you for that crop group. And for the next three years we will reduce the amount we pay you for the Single Payment Scheme, Area Payment for Nuts, Protein Crop Premium or Rural Development Programme for England schemes, by the value of the area which you over declared. We will stop making these reductions at the end of the three year period or earlier if the full amount over claimed is paid before the three year period ends.

Late penalties

We use the following descriptions on the Claim Statement:

- Claim Submission.
- Land Parcel.

These penalties are for when we receive your application late, or make late changes (or additions) to a land parcel. When we receive your application after the deadline we calculate the penalty at 1% for each working day between the application deadline (normally 15 May) and the latest date we can accept your application (late submission date)(normally 9 June). We refuse applications we receive after this latest date for submission. We show the penalty percentage we apply in the Quantity or Rate column on your Claim Statement. For 2005 only, the penalty for late submission was 4% per working day.

We calculate penalties on late land parcel changes which we receive after the deadline at 1% for each working day between the latest date on which we can accept changes (normally 31 May) and the latest date we can accept your application (late submission date)(normally 9 June). We cannot accept changes we receive after this latest date for submission of applications. We show the penalty percentage we apply in the Quantity or Rate column on your Claim Statement. We will show the Ordnance Survey National Grid reference of the affected land parcel in the Notes on your Claim Statement.

Other penalties

We use the following description on the Claim Statement:

- Non Declaration Penalty.

We apply a non declaration of land penalty if you do not declare all the agricultural land. For a difference of up to 3%, we do not apply a penalty. For differences of more than 3%, we apply a penalty of 1% to 3% of the payment, depending on the percentage you do not declare.

- Cross compliance penalties.

We apply a cross compliance penalty if you do not meet cross compliance rules (including, if they apply, Set-aside management rules). We apply a penalty as a percentage of the total claim value (this is the claim value after we have applied any area deductions, other penalties and modulation).

D. How to contact us

If you think your Claim Statement is wrong write or send an e-mail to us with details. Please include 'Single Payment Scheme Payment' as the heading and remember to give your SBI, business name and scheme year in any correspondence.

If you have any questions about this guidance, please contact our Customer Service Centre. It is open from 8.30am to 5.00pm, Monday to Friday. We will ask you for your SBI when you call.

Further information about the Single Payment Scheme is available on our website.

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217