

Single Payment Scheme  
Application to establish  
new entitlements (SP20) guidance  
(Permanent Fruit and Vegetables, Nursery Crops  
and Vines)

JUNE 2009



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## *Here is a reminder of some important points when applying for new entitlements*

Don't forget to sign your *Application to establish new entitlements* (SP20) form. If you don't sign it, we will not be able to process it and you will not get the entitlements you have applied for.

Read this guidance and use the checklists we have provided in paragraphs F17 – F19. This should help you to remember everything.

**To apply for new entitlements you must complete and send us your SP20. We must receive it by midnight on 13 August 2009.**

**It is your responsibility to make sure that your SP20 reaches us by 13 August 2009. If you are posting it to us you must remember to put the correct amount of postage for the size and weight on your envelope. The envelope may need more postage than the usual first or second class delivery charge, especially if you are including supporting documents. If you do not pay enough postage and the application is delivered late by Royal Mail, we will use the date that it arrives on our premises as the lodgement date of that application.**

We recommend that you use a form of postage that will give you proof we have received your SP20. You should also keep the 'proof of postage' given to you by the Post Office and make sure that it clearly shows under their stamp, that the item you have sent to us was your SP20 application.

**You must make sure that your business and your land are registered with us before you send us an SP20. If you do not tell us your valid farm based Single Business Identifier on your SP20, we will reject your SP20. Read paragraphs F3 – F7. If you have not registered your land with us this may delay us in processing your SP20. Read paragraphs F8 – F9.**

**You cannot use land which was eligible to establish entitlements in 2005 to apply for new entitlements, even if that land was not actually used to establish entitlements in 2005.**

If your business structure has changed (for example, it has merged or split) you need to show this in Part C on your SP20 as the change can affect the number of new entitlements we can allocate to you.

If you want to apply for additional new entitlements under the National Reserve or hardship, you must give us sufficient evidence by the deadline (13 August 2009). We will reject your National Reserve and/or hardship applications without the necessary supporting documents. (Read sections D and E very carefully.)

**Once you have sent us your SP20 and we confirm that we have received it, you may not hear from us until January/February 2010 when we will start to issue the Entitlements Statements. Your Entitlements Statement will confirm your allocation of new entitlements.**

## Important note about payment

**The SP20 is not a claim for payment. If you want to claim for payment on the new entitlements you are applying for, you must complete and send us a *Single Payment Scheme 2010 Application for the Single Payment in England* (SP5) form. The first time you will be able to claim for payment on your new entitlements will be in the 2010 scheme year. We must receive applications for the Single Payment Scheme 2010 by 17 May 2010. Read paragraphs A4 – A5.**

*Some dates are really important – if you miss a deadline, it can affect the allocation and payment of your entitlements. Read the dates below so you know what you need to do.*

## Key dates

Date	Event
2009	
13 August (midnight)	Last date for us to receive your <i>Application to establish new entitlements</i> form (SP20). Applications which we receive after this date (13 August) will incur late application penalties. We must also receive any supporting documents, such as proof to support your National Reserve or hardship application, by this date.
7 September (midnight)	Last date for the application penalty period, which runs from midnight 13 August. We will reject any SP20s, or supporting documents (such as proof to support your National Reserve or hardship application) which we receive after 7 September.
2010	
1 January	Start of the Single Payment Scheme year. From this date you must meet all relevant cross compliance rules.
January/February	We will send out Entitlements Statements (if your application for new entitlements has been successful, this will confirm your allocation of new entitlements). You can transfer new entitlements to another farmer for the 2010 scheme year.
March	We will send out the <i>Single Payment Scheme 2010 Application for the Single Payment in England (SP5)</i> form for you to claim for payment on the entitlements that we have allocated to you.
17 May	Last date for us to receive your 2010 SP5 (the first time you can claim on new entitlements).
December	Single Payment Scheme 2010 payment window opens.

# A Introduction

- A1. Farmers who were using land in 2008 to grow permanent fruit and vegetables (including commercial orchards), nursery crops and vines may now be eligible to apply for new Single Payment Scheme entitlements. They can then use these new entitlements to claim for payment for the first time in the 2010 scheme year.
- A2. This guidance explains who is eligible to apply for the new entitlements and describes how to apply for them. This is for land in England only. For land in Wales and Northern Ireland those agricultural departments ran their own application processes. Scotland did not run an application process for new entitlements.
- A3. The new entitlements application process which we describe in this guidance allows you to apply for new entitlements by the deadline of 13 August 2009. It is not a claim for payment. Read paragraph A5.

## *How to apply for new entitlements and claim for payment*

- A4. To apply for new entitlements you must complete and send us an SP20, which we must receive by midnight on 13 August 2009. You must prove that you are entitled (by completing and submitting an SP20) before you can claim for payment. **You will not receive any payment by only completing and sending us an SP20.** If we do give you some entitlements you must claim on them in each scheme year you want to receive payment, and the first time you will be able to do this is in the 2010 scheme year.
- A5. If you want to claim for payment for the 2010 scheme year you will need a **Single Payment Scheme 2010 Application for the Single Payment in England (SP5) form**, which we will send to you in March or April 2010. If you do not receive an SP5, it is your responsibility to ask us for one. The last date for us to receive your SP5 will be 17 May 2010. Read Annex A for an overview of the Single Payment Scheme.

## *Disclaimer*

- A6. This guidance shows the RPA's interpretation of the Single Payment Scheme legislation at the time of going to print. It does not give a definitive statement of the law. This can only be given by courts.
- A7. RPA reserves the right to review its position if circumstances change. For example, if the European Union issues new guidance or RPA's interpretation of the legislation is revised. You may therefore wish to seek independent legal advice before making any changes to your own farming arrangements. RPA is unable to advise individuals or their legal representatives on specific circumstances related to their farming businesses.

# B Who can apply for new entitlements?

## Farmers

- B1. To apply for (establish) entitlements and claim for payment under the Single Payment Scheme, you must be a farmer. This means a natural or legal person, or a group of natural or legal people, whatever legal status is given to the group and its members by national law, whose holding is in the European Union and who exercises an agricultural activity or is responsible for the land being kept in Good Agricultural and Environmental Condition. This includes legally constituted bodies such as a partnership, company or trust.
- B2. Exercising an agricultural activity means producing, growing or rearing agricultural products, including harvesting crops or keeping animals for milking, breeding or other farming purposes, or maintaining the land in Good Agricultural and Environmental Condition. Read *The Guide to Cross Compliance Handbook for England* for the Good Agricultural and Environmental Condition rules (you can get a copy by telephoning our Customer Service Centre, read section K).

## If you are involved in more than one business

- B3. You may be involved in more than one farming business within the UK and these are separate legal entities (such as a limited company or a partnership), but it is the relationship between the different businesses that determines if you can make a separate application for each one. Depending on how the businesses are structured and your involvement in them, it is possible that we should treat them as one business under the Single Payment Scheme. You must tell us if you are involved in any other business which we have not yet assessed.
- B4. If you have previously had a separate business assessment carried out under the earlier schemes or the Single Payment Scheme and you have not changed how your business is formed, the decision made then should still apply. If the decision then was that you should include the businesses on one application, you should include those businesses on one application for new entitlements.
- B5. If you tell us that you are involved in other farming businesses, we will need to decide whether they can be treated separately under the Single Payment Scheme, and we will send you a questionnaire asking for details including:
- the legal status of the businesses;
  - the names and responsibilities of those involved (including percentage share holdings if appropriate);
  - the extent to which the businesses are run separately on a day to day basis;
  - whether there are separate farm plans and accounts;
  - the extent to which there is independence of decision making; and
  - where the overall economic control and benefits lie.
- B6. None of these factors is conclusive in itself, and we may ask you to provide more information such as partnership agreements, accounts, Certificates of Incorporation or Articles of Association. It is your responsibility to prove to us that your businesses should be separate under the Single Payment Scheme.

## Agents

- B7. If you are signing as an agent or partner, you must be authorised (empowered) to make the application for new entitlements. If you are not already empowered to submit applications for the business, you must complete and send us a valid *Agent/Partnership Authorisation (SP9)* form with your SP20.

You can print a copy from our website at >Single Payment Scheme>Forms and Guidance>Agent Authorisation Form SP9. You can also get an SP9 by contacting our Customer Service Centre (read section K).

- B8. If you have previously sent us an SP9, the end date has not expired and there have been no changes, you do not need to send us a new one. You may have been empowered on a CReg 01, in which case, you do not need to send us an SP9 as long as there have been no further changes since you sent us the CReg 01.

# C What land can you use to apply for new entitlements?

## *Reference period*

- C1. Eligible crops need to have been present on the land parcels on at least one day during the following reference periods:
- Land under permanent fruit and vegetables (including commercial orchards) and nursery crops - 1 January – 30 September 2008
  - Land under vines - 1 January – 31 July 2008

## *Eligibility rules*

- C2. There are three rules which you must meet to be eligible to establish new entitlements:

**a) The land parcels must not have been eligible to establish entitlements in 2005.**

Land which was eligible to establish entitlements in 2005 was any agricultural area of the holding being used as arable land and permanent pasture, except areas under permanent crops, forests or used for non-agricultural activities. If the land was eligible, but the farmer chose not to establish entitlements on this land in 2005, you cannot now use this land to apply for new entitlements. Read paragraph C4 for more details and an example.

**b) You must have been growing eligible crops on your land parcels during the 2008 reference period.**

As detailed in paragraph C1 the reference period varies depending on the type of crop you grew. The crop does not need to have been present for the whole reference period, just on at least one day during the period. Read paragraph C18 for information on situations where two or more farmers apply for entitlements on the same land. Read paragraphs C6 to C11 for a list of the eligible crops, and paragraph C1 for the reference periods.

**c) The land parcels and your holding must be a minimum size to be eligible.**

- The minimum holding size on which you can currently establish entitlements is 0.3ha.
- The minimum individual land parcel size is 0.1ha.

The minimum size on which you can claim for payment is changing for the Single Payment Scheme 2010 scheme year. Read Annex A for more details.

- C3. We calculate the number of new entitlements based on the area of land on which you grew the newly eligible crops in the relevant 2008 reference period (excluding any land which was eligible to establish entitlements in 2005).

## *Land eligible to establish entitlements in 2005*

- C4. You cannot establish new entitlements on land which was eligible to establish entitlements in 2005. This is the case whether or not you, or the farmer who held the land at that time, actually chose to establish entitlements on this land. For example, if a land parcel was used as a commercial apple orchard on 15 May 2005 (which would make it ineligible to establish entitlements at that time), and it was still an orchard during the 2008 reference period, then it would be eligible to be used to establish new entitlements. If the land parcel was used as permanent pasture on 15 May 2005 (which made it eligible to establish entitlements at that time), you cannot use it to establish new entitlements now even if you used it as a commercial apple orchard during the 2008 reference period. This is the case whether or not the land was actually used to establish entitlements in 2005. The same applies to part



land parcels. For example, if one half of a land parcel was a commercial apple orchard on 15 May 2005 and also during the 2008 reference period, but the other half of the parcel was permanent pasture on 15 May 2005 and/or during the 2008 reference period, we can only allocate new entitlements for the first of these two part land parcels.

## Example

A farmer has 5 fields (A-E) as shown below. Eligibility for the new entitlements depends on:

- a) the land use being ineligible in 2005; and
- b) the land use being eligible in 2008.

Field A 2005 – Commercial Orchard 2008 – Grass	Field D 2005 – Grass 2008 – Grass
Field B 2005 – Grass 2008 – Commercial Orchard	Field E 2005 – Commercial orchard 2008 – Commercial orchard
Field C 2005 – Forest 2008 – Vineyard	

-  Land not eligible for new entitlements  
 Land eligible for new entitlements

Field	2005 crop	2005 eligibility Yes/No	2008 crop	2008 eligibility Yes/No	Eligible for new entitlements Yes/No
A	Commercial Orchard	N	Grass	N	N
B	Grass	Y	Commercial Orchard	Y	N
C	Forest	N	Vineyard	Y	Y
D	Grass	Y	Grass	N	N
E	Commercial Orchard	N	Commercial Orchard	Y	Y

- C5. Orchards managed using low intensity methods were eligible in 2005; this means you cannot now use this land to apply for new entitlements. The term 'commercial orchard' excludes such low intensity orchards. We have given further details about what land was eligible in 2005 in paragraphs C13-C36 and C43-C66 of section C of the *Single Payment Scheme Handbook and Guidance for England 2008* (available on our website or by telephoning our Customer Service Centre (read section K)).

## Land eligible to apply for new entitlements

- C6. Eligible land can be grouped into the following categories. Land being used to grow:
- Permanent fruit and vegetables (including commercial orchards).
  - Nursery crops.
  - Vines.

## Permanent fruit and vegetable crops (including commercial orchards)

- C7. The following crops are eligible to be used to apply for new entitlements, (not all of these are commercially grown in the UK):
- apples, pears, apricots, peaches (including nectarines), cherries, plums, sloes and quinces;
  - citrus fruit, plantains, figs, pineapples, avocados, guavas, mangoes, mangosteens, papayas and locust beans;
  - mint, melissa and rosemary; and
  - nuts - almonds, hazelnuts, walnuts, chestnuts, pistachios, pine nuts, macadamia nuts, pecans, other nuts (not areca or cola nuts).
- C8. If you have other permanent fruit or vegetable crops which you think may be eligible let us know (read section K for our contact details), and we will consider them against the definitions in the European Union regulations.

## Nursery crops

- C9. These are defined as areas of young woody plants grown in the open air, on soil in greenhouses or under polytunnels for subsequent transplantation:
- vine and root-stock nurseries;
  - fruit tree nurseries;
  - ornamental nurseries;
  - nurseries of forest trees (excluding those for the holding's own use grown within woodland); commercial forest-tree nurseries, whether in woodland or outside, are included in the definition, as are non commercial forest-tree nurseries for the holding's own use grown outside woodland. Christmas trees will not usually be eligible as they are not grown for subsequent transplantation; and;
  - trees and bushes for planting in gardens, parks, at the roadside and on embankments, for example, hedgerow plants, rose trees and other ornamental bushes, ornamental conifers, including in all cases their stocks and young seedlings.
- C10. For information on plants in containers read paragraph C16. Read paragraph C17 for information on greenhouses and similar structures. Any nursery crops not meeting the above definitions are not eligible for establishing new entitlements.

## Vines

- C11. This includes all vines planted out in the field, whether they are currently productive or not. Vines grown on soil under polytunnels are also eligible.

## *Grass margins/strips*

- C12. Where during the 2008 reference period a land parcel contained a newly eligible crop, such as a commercial apple orchard, with grass margins around it, we can allocate new entitlements for the whole land parcel provided the width of the grass margin is in line with normal husbandry (and provided there are no other ineligible features in the land parcel).
- C13. If you used a land parcel during the 2008 reference period only for greenhouses growing newly eligible crops over soil, and the land in between the greenhouses was grass, then you can establish new entitlements for the whole land parcel. Where, for example, you used only half of the land parcel for the greenhouses, you can use the area of the greenhouses and grass strips between them to establish entitlements but not the remaining half of the land parcel.

- C14. In all cases you can only include the grass margins/strips in the area on which you are applying to establish new entitlements where the grass was not used to establish entitlements in 2005, and where you manage it in line with cross compliance rules. Where you have entered strips of land in the Countryside Stewardship Scheme and Entry Level Scheme these will be eligible to apply for new entitlements provided the width of the strip is in line with normal husbandry for the crop you grew. Where a land parcel which you used for eligible crops during the 2008 reference period includes an uncropped area of land, such as the corner of a field, which was too small to be used to establish entitlements in 2005, you cannot include this in the area you are using to establish new entitlements, unless it is part of a margin which is in line with normal husbandry for the crop you grew.

## *Deductions for crops which are not eligible*

- C15. Where you were using a land parcel to grow a mixture of eligible and ineligible crops (for example, in a greenhouse) during the 2008 reference period, then you must deduct the area of ineligible crops.

## *Areas of non-agricultural features*

- C16. You cannot include certain non-agricultural features of a land parcel in the area you use to establish new entitlements. The features which are not eligible include:
- areas used for car parking (even if the car parking is used for an agricultural activity, such as a 'Pick Your Own' orchard);
  - buildings, sheds, hard standing, permanent ponds, fenced-off pylons, metalled or surfaced paths/tracks/bridleways, and remnants of old field boundaries (for example, hedges and ditches) if they cannot reasonably be used for grazing;
  - areas taken up by dwellings where the primary purpose is non-agricultural, for example, pens for game rearing, (unless the pen is in place for no more than 28 days). Areas taken up by dwellings where the primary purpose is agricultural, for example, duck housing, do not need to be deducted provided that the cross compliance rules can be met on that area;
  - plants grown in pots, containers or beds are only eligible where the land on which they are positioned is eligible agricultural land, for example, soil, matting on top of soil, sand beds on soil. Where they are situated on concrete or other hard standing (or on tables above such surfaces) then they are not considered eligible;
  - areas taken up by manure, unless the manure is to be spread on the field in which it is stored and will be spread according to the annual cultivation cycle. Therefore, areas taken up by larger amounts of manure, or which are stored beyond the normal time for spreading, are not eligible;
  - areas taken up by bales of straw, silage or hay, unless they are stored in the field in which they were harvested or in the field in which they will be used. If these conditions are not met, they are not eligible; and
  - some areas of woodland bracken & scrub cover. (These are sometimes eligible – for more details see the *Single Payment Scheme Handbook and Guidance for England 2009* paragraphs C57 – C60.)
- C17. We will mark any glasshouse, greenhouse or similar structure as a Single Payment Scheme permanent ineligible feature on your Rural Land Register maps (read paragraphs F8 and F9). If you believe that the land under the enclosure is eligible, you should inform us (read section K).

## *Dual applications (where two or more people apply for entitlements on the same area of land)*

- C18. You can only establish one Single Payment Scheme entitlement for a particular area of land. If more than one farmer occupied the land during the reference period and both/all apply for new entitlements, the farmer who had the land at his disposal at the latest point in the reference period would be the one who is eligible for the new entitlements. We will not issue an entitlement for an area of land on which a dual application has been made until the dispute has been resolved. It is possible for two or more farmers to apply to establish entitlements in separate parts of the same land parcel, where the total area they establish entitlements on is not greater than the total newly eligible area of the land parcel.

# D National Reserve allocation

- D1. If the standard method of calculating your allocation of new entitlements does not accurately reflect your current business you can apply to the National Reserve to increase the number of new entitlements.
- D2. There are rules which you have to meet, therefore you should read this information carefully, to work out whether or not you can apply.
- D3. If you do want to apply to the National Reserve, you can do so on an SP20 from June 2009.
- D4. Farmers (growers) of permanent fruit and vegetables and nursery crops can apply to the National Reserve for an increased number of entitlements. Farmers of vines will be able to apply for an increased allocation of entitlements in line with eligibility requirements that will be the same as the National Reserve rules.

## *Introduction to the National Reserve*

- D5. Our standard method of calculating the number of new entitlements is based on the area of newly eligible crops you grew in the relevant 2008 reference period (excluding any land which was eligible to have been used to establish entitlements in 2005). Read paragraph C1 for details of the reference periods. If you think that this will give you a number of entitlements which does not properly reflect your current business, you can apply to increase the number of new entitlements. Some rules apply.
- D6. You may qualify for extra new entitlements from the National Reserve under two different categories, depending on your circumstances:
  - Investors.
  - Transfer of leased land.
- D7. If you qualify for extra new entitlements under more than one category, and/or under the separate hardship rules (read section E) you will only receive one allocation, either from the National Reserve or under the hardship rules. We will give you the allocation that offers you the largest number of entitlements.
- D8. When calculating the number of extra new entitlements you may be eligible to receive from the National Reserve, we will not take account of land which was eligible to have been used to establish entitlements in 2005. This applies even if it was not actually used to apply for entitlements in 2005.
- D9. Paragraphs D10 – D12, D16 and D17 explain the qualifying rules for an allocation from the National Reserve. Paragraphs D13 – D15 and D18 also explain how we will calculate the number of extra new entitlements you receive.

## *Investors*

### **Eligible investments**

- D10. You may qualify for an allocation of new entitlements from the National Reserve if by 1 November 2007 (which is the date given in the European Union regulations):
  - you bought land, or took out a lease of six or more years on land, to increase the total area of newly eligible crops you grow (above the total area you grew during the relevant 2008 reference period). You do not have to use the land bought/leased to grow newly eligible crops; your increase in newly eligible crops may have been on some of your other land; or
  - you leased land for less than six years to increase the total area of newly eligible crops you grow.

The increased area must be at least 10% greater than the area you used to grow newly eligible crops during the relevant 2008 reference period. This is to avoid normal annual fluctuations. If you meet this, we will give you entitlements based on all of the increased land (including the area below the 10%); or

- you invested to increase your production capacity, to increase the total area of newly eligible crops you grow (above the total area you grew during the relevant 2008 reference period). This might include, for example, buying stock of newly eligible crops.

## Ineligible investments

D11. The following investments are not eligible:

- Investment in land which is used for forests or non-agricultural purposes.
- Investment in upgrading facilities for environmental protection, health and safety, product quality, legal obligations or input reduction (including labour input).
- Investment in machinery, plant and equipment.
- Investments beginning after 1 November 2007 (including part investments in a rolling programme).
- Investments not supported by suitable evidence.

## Proof of investment

D12. You need to send us proof of your investment by the deadline for applying for new entitlements (13 August 2009). Where we ask for original documents, for example, proof that you have bought or leased land, we will accept certified copies. If you do send original documents, we recommend you send them by registered post. This proof must include:

*For all investments:*

- Proof, for example, cropping plans, to show that the land you bought or leased, or your other eligible investment has led/will lead to an increase in the total area of newly eligible crops you grow.
- If the investment has not yet led to the expected increase in the total area of newly eligible crops you grow, you must also give us an investment plan, and proof that you had the finance to complete the investment, for example, letter of offer of finance or proof of your own capital. The investment plan must have been written at the time the expansion ideas were being planned and should give details on the scale and timing of the investment. It should also show how the investment would lead to an increase in the total area of newly eligible crops you grow. Where you do not have a written investment plan, we will consider other contemporary written proof on its merits, but this would still need to show the scale and timing of the investment and how the investment would lead to an increase in the total area of newly eligible crops you grow.

*For investments relating to land purchase/lease:*

- Original documents or a certified copy confirming that you bought or leased land and that this was completed by 1 November 2007 and showing the area and identity of the fields involved.
- For cases of increase to your total area based purely on short-term lets, you must give us extra proof showing the size and timing of the investment/increase, for example, a contemporary investment or development plan to show that the investment was not a 'one off' or related to a short-term, opportunist reaction to the market.

*For other eligible investments:*

- Proof that an investment took place by 1 November 2007 which increased your capacity to grow newly eligible crops, for example, receipts for stock of newly eligible crops.

- You will also need to send us proof that this investment was not reflected in the area of newly eligible crops you grew during the 2008 reference period, for example, proof that you did not use this investment for the benefit of land which you have declared on the SP20 Part B, but did use it to make different land eligible, as declared on the SP20 Part F.

## How we calculate the number of entitlements to be allocated

- D13. If your application to the National Reserve is successful, we will give you a number of entitlements based on the increased area of newly eligible crops you now grow (above the total area of newly eligible crops you grew in the 2008 reference period). You will receive one entitlement per hectare of extra land you use to grow newly eligible crops.
- D14. Where the total area of newly eligible crops you now grow does not reflect the investment you made, we will base the number of new entitlements on the increased area of newly eligible crops you have shown should be taken into account.
- D15. In all cases, we will only consider newly eligible crops you have grown on land which was not eligible to have been used to establish entitlements in 2005.

## *Transfer of leased land*

### Eligibility rules

- D16. You may qualify for extra new entitlements from the National Reserve if you meet **all** of the following:
- you received/will receive land by 13 August 2009 that was being used during the relevant 2008 reference period to grow newly eligible crops but was leased to a third party, and the lease was put in place by the person from whom you received the land;
  - you received the land by sale/transfer or lease for six or more years, free of charge or at a symbolic price or by inheritance, for example, it was not received as part of a commercial arrangement;
  - you received the land from a farmer who retired from farming or died before 13 August 2009; and
  - the land was not eligible to have been used to apply for entitlements in 2005. (This applies whether or not it was actually used to apply for entitlements.)

### Proof

- D17. You need to send us proof by the deadline for applying for new entitlements (13 August 2009) that you meet the rules at paragraph D16. Where we need original documents, for example, proof that you have bought or leased land, we will accept certified copies. If you do send original documents, we recommend you send them by registered post. This proof must include **all** of the following:
- proof that you have received/will receive land by 13 August 2009. For example, a copy of a legal document in the form of a will, deeds of transfer, sales contract, six year (minimum) lease or signed statement from a solicitor providing legal confirmation of transfer;
  - proof that you received/will receive the land free of charge or at a symbolic price or by inheritance, rather than through a normal commercial purchase or lease;
  - proof of the associated lease to a third party which confirms which land was leased during of the reference period, and the lease was put in place by the person from whom you received the land; and
  - confirmation of all field numbers and areas involved in the lease.

## How we calculate the number of entitlements to be allocated

D18. If your application to the National Reserve is successful, we will give you entitlements based on the number of hectares which meet the rules described in paragraph D16.

## *How to apply to the National Reserve*

D19. You can apply for an extra allocation of new entitlements from the National Reserve on the SP20. You must complete the SP20 Parts D and F and send it to us, together with all supporting proof, by 13 August 2009. Read section F.

D20. We must receive supporting documents (including continuation sheets and supporting documents for National Reserve and hardship applications) by 13 August 2009 to avoid late application penalties. If you send us your SP20 by 13 August 2009 you cannot send supporting documents after the deadline without having to withdraw and re-submit your application, and therefore incur late application penalties. Read paragraphs G1 - G3. We will reject any supporting documents we receive after 7 September 2009.

# E Hardship

- E1. We will normally calculate your entitlements based on the area of newly eligible crops you grew in the relevant 2008 reference period (excluding any land which was eligible to have been used to establish entitlements in 2005). However, in cases of 'force majeure' and exceptional circumstances, the regulations allow us to use your eligible area in 2007 instead.
- E2. If you qualify for an allocation of new entitlements under the hardship rules and under the National Reserve (read section D) you will only receive one allocation, either from the National Reserve or under the hardship rules. We will give you the allocation that offers you the largest number of entitlements.

## *Force majeure and exceptional circumstances*

- E3. If during 2008, the area of your production was adversely affected by unforeseeable circumstances that were beyond your control, and which you could not reasonably have avoided, you can apply to benefit from provisions in the regulation regarding force majeure and exceptional circumstances. If accepted, this would allow us to calculate your number of entitlements using the previous year's area when your production was unaffected. Each case will be treated on its own merits, but examples of the type of circumstances intended to be covered by this are:
- Death or long term professional incapacity of the farmer.
  - Severe natural disaster affecting the agricultural land of the holding, for example, flooding.
- E4. We can explain the impact of changing the eligible area with an example. Assume that a farmer had 20 hectares of vineyards in 2007 and in 2008 a severe storm devastated the field and reduced the area of eligible crops to 8 hectares for 2008. Normally the farmer would only be allowed the 8 eligible hectares in 2008. However, if the farmer applied successfully to have the 2007 area used instead they would receive the 20 hectares shown in 2007.
- E5. You will need to provide proof that the event has occurred and that it resulted in your production being adversely affected.

## *How to apply for hardship*

- E6. If you believe that any of the above situations apply to you, you must complete the SP20, Parts E and F and send it to us with the relevant supporting documents by 13 August 2009.
- E7. We must receive supporting documents (including continuation sheets and supporting documents for National Reserve and hardship applications) by 13 August 2009 to avoid late application penalties. If you send us your SP20 by 13 August 2009 you cannot send supporting documents after the deadline without having to withdraw and re-submit your application, and therefore incur late application penalties. Read paragraphs G1 - G3. We will reject any supporting documents we receive after 7 September 2009.

# F Application to establish new entitlements form (SP20)

**The deadline for us to receive applications with no penalty for new Single Payment Scheme entitlements is midnight 13 August 2009.**

## *Before you complete your SP20*

- F1. Before you complete the SP20 you must make sure that you have a valid farm based Single Business Identifier (SBI) and have registered your land with us. If you do not, then your application will be invalid and we may reject it.
- F2. If you have not already done so you must:
- register yourself and your holding on our Customer Register by completing a *Customer Registration Form* (CReg 01) (read paragraphs F3 – F7); and
  - register your land on our Rural Land Register by completing a Request for changes to the *Rural Land Register and for the Transfer of Entitlements* (RLE 1) form (read paragraphs F8 – F9).

## **Customer registration**

- F3. Our Customer Register links information about our customers, their relevant business activities and places of business. It gives each business a Single Business Identifier and gives each person associated with a business a unique Personal Identifier (PI). If you have land which needs to be registered then you will also be given a County/Parish/Holding number.
- F4. You can apply for a Single Business Identifier and a County/Parish/Holding number by telephoning our Customer Service Centre (read section K) and selecting the option for Customer Registration. You will speak to a registration advisor who will arrange for a CReg 01 and guidance on how to complete the form to be sent to you. You can also apply for a Single Business Identifier and a County/Parish/Holding number by printing a copy of the CReg 01 from our website (read section K), completing it and sending it to us. Once we have received your CReg 01, and recorded the information, we will write to you to give you your Single Business Identifier and County/Parish/Holding number.
- F5. We cannot give you any new entitlements unless you have a Single Business Identifier and we cannot send you maps of your land parcels unless you have a County/Parish/Holding number. Once we have accepted and confirmed your customer registration details it will be quicker and easier to fill in scheme paperwork as we will print your Single Business Identifier and business name onto most forms we send to you.
- F6. If you have not already contacted our Customer Service Centre to apply for a Single Business Identifier and County/Parish/Holding number you should do so as soon as possible. If you have not asked for a CReg 01 from our Customer Service Centre or printed one and sent it to us by the time you apply for new entitlements, we will not accept your SP20.
- F7. If you have changed the legal status of your business or have changed your business trading title, you must contact our Customer Service Centre and select the option for Customer Registration.

## **Land registration**

- F8. To apply under the Single Payment Scheme, you must have registered all the agricultural land on your holding on our Rural Land Register. Our Rural Land Register holds digital maps of all registered land parcels and has been designed to make the application process easier and streamline our claim processing. If you have not yet registered all your agricultural land, please ask for an RLE 1 by calling our Customer Service Centre and select the option for the Rural Land Register, or by completing the

online request for an RLE 1 on our website (read section K). Please note that we will ask you for your Single Business Identifier when you request the RLE 1 from our Customer Service Centre.

- F9. We are currently updating the Ordnance Survey mapping data we hold on our Rural Land Register, and we will digitise (map) all land registered for new entitlements, against the new data. We will send you a map(s) of the land you have registered for new entitlements, but because we are updating the Rural Land Register, you may not receive the map(s) before the 13 August 2009 deadline. It is your responsibility to tell us the correct land area(s) on your SP20, taking into account permanent and temporary Single Payment Scheme ineligible features, and any real world changes (real changes to existing and new physical features) that have occurred. The land areas you declare on your SP20 may increase or decrease slightly as a result of the Rural Land Register update. If the land area decreases or increases we will amend the land area declared on your SP20 but European Union legislation means we will not be able to allocate you more entitlements than you apply for. Read paragraphs C16 and C17 for information about areas of non-agricultural features.

## *Completing your SP20: Do's and don'ts*

- F10. Please take particular note of the following do's and don'ts when you complete your SP20.

### **Do**

- make sure that you have registered your business with us and have a valid farm based Single Business Identifier.
- send your completed SP20 in time for it to reach us by midnight on 13 August 2009 to avoid penalties from a late application. If you are posting your SP20, read paragraphs F20 – F22.
- make sure you use a new entitlements application form, SP20.
- use an original form, not a photocopy. If you need more blank field data sheets, contact our Customer Service Centre.
- include your Single Business Identifier on the SP20 and on any supporting documents.
- use CAPITAL LETTERS.
- use black ink.
- complete the field data sheets in hectares to two decimal places.
- if you make a mistake, you should strike through the previous answer at least three times and initial and date it.
- sign your SP20 at Part G.
- make sure that only one person applies for a business. For businesses, the person applying must have written authorisation from the other partner(s). Where an agent is completing the SP20 you must give written authorisation on an SP9, unless this has already been done (for example, on an existing SP9 or on a CReg 01). If you do need an SP9, contact our Customer Service Centre or go to our website. Read paragraphs B7 and B8.
- attach one of your Single Business Identifier barcode labels on any covering letter if you include one. If you don't have a Single Business Identifier barcode label, write your Single Business Identifier clearly on the letter. Also write 'new entitlements supporting information' on the letter.
- include a sketch map if you are splitting a field into two or more parts.
- place any additional pages behind the main SP20 in the envelope, along with supporting documents.
- keep a copy of your completed SP20 for your own records.

## Don't

- use pencil or felt tip pen.
- use correction fluid.
- use someone else's form, or let someone else use your form.
- use a photocopy.
- damage the barcodes.
- remove staples or unused pages from the form.
- cross through entire form pages or parts of the form.
- fold your SP20, as this may cause a delay in processing your application.
- use your own computer generated field data sheets.
- submit a covering letter unless you need to do so to provide more information to support your application.

## Errors

- F11. If you realise you have made a mistake in your form after sending it, you should tell us in writing at once. Read section G for further information.

# Single Payment Scheme

Application to establish new entitlements **SP20**



Permanent Fruit and Vegetables, Nursery Crops and Vines

Affix address label here	Date Stamp
--------------------------	------------

### Notes - Read the guidance very carefully before you start.

- The deadline for us to receive this signed application form is midnight 13 August 2009.
- Use CAPITAL LETTERS and black ink. Do not use pencil. Write only one character in the boxes provided, anything outside them may be ignored.
- To answer Yes to a question, mark a cross in the relevant box. ☒
- Do not use correction fluid. If you make a mistake, cross through, initial and date it.
- Do not strike through or remove unused pages.
- Establishing new entitlements for permanent fruit and vegetables, nursery crops and vines is a one-off exercise. You must establish (be allocated) your entitlement before you can use it to claim for payment under SPS 2010.
- If you want to claim for payment using the entitlements you are applying for in this form, you should complete and submit an SPS 2010 application form (SP5) by 17 May 2010.
- You must sign this form at Part G, or we will not process your application and you may lose your right to establish entitlements.
- Also use this form if you want to apply to the National Reserve (NR) and/or for hardship - read Parts D, E and F.
- This form only relates to land in England.

### Part A: Claimant details

This form is only for the business identified above. If the SBI or the name of the business does not relate to your business, you must contact our Customer Service Centre.

Use this section to give us your telephone contact details for new entitlements.

Phone number:

Mobile phone number:

**Business details**

We will place a label in this space, containing your business name, address and Single Business Identifier. Check that the information is correct. If the Single Business Identifier or the business name does not relate to your business, or there is no label in the space, do not use this form and contact our Customer Service Centre. If you have a blank form (there will be no area for an address label here), you must give the details in the boxes in this space.

**Notes.**

Read the notes and the rest of this guidance carefully before completing your SP20.

**Notes.**

It is your responsibility to make sure that we receive your signed application by the deadline of midnight 13 August 2009 in order to avoid late application penalties.

**Part A.**

Enter your telephone contact details for new entitlements. The details you give in this section will only be used to contact you for new entitlements. If you want to update your contact details for the Single Payment Scheme you should contact our Customer Service Centre.

## Part B: Field Data

[Read guidance sections C and F step by step guide]

In this section tell us about the land parcels you want to use to establish new entitlements.

Use Part F to tell us about land you want to declare for your National Reserve and/or hardship application(s).

We need the details below to decide whether or not your land meets the rules for establishing new entitlements.

This is not a claim for payment. If you want to claim for payment using the entitlements you have applied for in this form, you should complete and submit an SPS 2010 application form (SP5) by 17 May 2010.

	B1	B2	B3	B4	B5	
	Farmer's field name (max 8 characters)	OS Map sheet reference	National Grid field number	Total field size (ha)	Part field suffix	Part field size (ha)
1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
7	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
8	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
9	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
11	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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References on the SP20 refer to the *Application to establish new entitlements (SP20) guidance June 2009* (this booklet).

Only use Part B: Field Data to tell us about the land parcels you want to use to apply for new entitlements. You do not need to enter all of your agricultural land here. The field data sheet will not be preprinted with your land details and you will need to complete a separate line for each eligible field/part field. Do not use Part B to tell us about land you want to declare for your National Reserve and/or Hardship applications; instead use Part F.

**B3, B4, B5.**

Enter the areas for the fields or part fields noted in the columns under B2. The areas should normally be the same areas agreed between you and us in response to your RLE 1 or, if you have not yet received your Rural Land Register land parcel reference and areas, you should use the field areas that you entered on the RLE 1 you sent to us. If you think the field areas you previously agreed with us are out of date, you should enter the areas you think are correct. The sum of the part field areas you show in B5 must not be greater than the total field area you show in B3.

We cannot increase the areas you enter on your SP20 even if the field area increases as a result of our Mapping Update to the Rural Land Register (read paragraph F9).

**B2.**

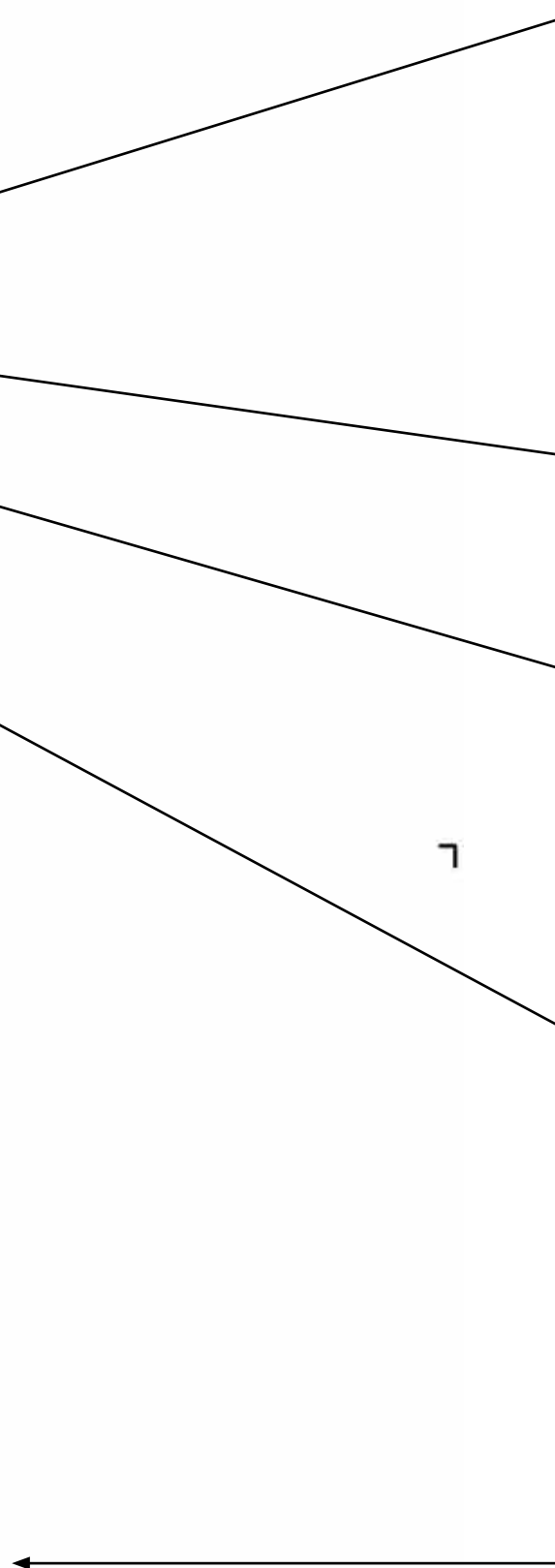
This must contain the Ordnance Survey map sheet reference number first, which is two capital letters followed by four numbers, then the National Grid field number which is four numbers. We need both of these numbers to identify the field. If you enter these wrongly, it could lead to a parcel being invalid. Enter the details of the fields containing the eligible crops you want to use to apply for new entitlements. Use the same field numbers we sent to you in response to your RLE 1 or, if you have not yet received your Rural Land Register land parcel numbers, you should use the field numbers that you entered on the RLE 1 you sent to us.

**B1.**

Use this column to record your own field names for you to identify them more easily. Please do not use more than eight characters, one per box.



B6	B7	B8	B9	
Land use 2005	Crop type 2008 (F,N or V)	Area for which entitlements to be established (ha)	Last date crop was grown on the land during the reference period	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	1
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	2
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	3
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	6
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	8
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	9
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	10
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	DDMMYYYY	11



**B9.**

Enter the last date you grew an eligible crop (read paragraphs C6 - C11) on the land during the relevant reference period (read paragraph C1). If more than one applicant farmed the land in 2008, it is the person who farmed the land on the latest date during the reference period who is eligible to apply for new entitlements on that area of land.

**B8.**

**You must show in B8, the area of land on which you want to establish new entitlements. If you do not complete this column we will not allocate any new entitlements to you.** The area can be smaller than the total or part field area (columns B3 and B5) as ineligible areas should be removed. It should not be larger than the figure you have entered in column B3. Remember that entering a figure here will not gain you any payments – you must send us an SP5 to claim for payment on the entitlements you are establishing here (read paragraphs A4 – A5 and F25 – F26). We cannot increase the area for which you are applying for new entitlements even if the field area increases as a result of our Mapping Update of the Rural Land Register (read paragraph F9).

**B7.**

Enter here which crop was being grown on the land in the relevant 2008 reference period. Either:

Permanent Fruit and Vegetables	F
Nursery crops	N
Vines	V

**B6.**

Enter here the correct land use code for the crop that was being grown on the land in 2005 using the land use codes below. Only PC1, FR1, NA1 and NT1 as 2005 land use codes will be eligible for new entitlements. (There may be exceptions under NT1, these applications will be considered separately):

Permanent Pasture	PP1
Permanent Crops (see C6 – C11)	PC1
Forests	FR1
Land in Non Agricultural Activities*	NA1
Other Crops	OT1
Horticultural Crops (non permanent)	FV1
Nuts (see C7)	NT1

\*Code NA1 should also be used for land which was not available for agricultural use in 2005, for example a car park.

You can get more continuation sheets from our Customer Service Centre if you do not have enough rows on the form to enter all your land. Mark a cross in this box if you have attached any continuation sheets to make sure that all the land is taken into account. Make sure that we receive your continuation sheets by 13 August 2009 or we will apply late application penalties to your application. Read paragraphs G1 – G3.



Read paragraphs F12 – F16. If Part C: Business changes applies to you, complete the relevant sections.

If you are using the Private Contract Clause you must provide the relevant supporting documents by the deadline for applying for new entitlements (13 August 2009). Read paragraph F13.

**C1b.**

Remember to include in Part B: Field Data, any land you have received through a Private Contract Clause.

**C2a.**

If you mark a cross in the box at C2a we may contact you for more information.

## Part D: National Reserve application

[Read guidance sections D and F step by step guide]

If you are not applying to the National Reserve, go to Part E.

You can only apply to the National Reserve under strict qualifying criteria. Check the guidance to make sure that you meet these criteria.

If you want to apply to the National Reserve under one or both of the following categories, mark a cross in the relevant box(es) below. Complete Part F and enclose supporting documents with this application. We will not be able to process your National Reserve application without the necessary supporting documents.

D1 Investors (N1)



D2 Transfer of leased land (N2)



## Part E: Hardship application (force majeure or exceptional circumstances)

[Read guidance sections E and F step by step guide]

If you are not applying for hardship (force majeure or exceptional circumstances), go to Part G.

You can only make an application for hardship under strict qualifying criteria. Check the guidance to make sure you meet these criteria.

If you want to apply for hardship, mark a cross in the relevant box below. Complete Part F and enclose supporting documents with this application. We will not be able to process your hardship application without the necessary supporting documents.

E1 Hardship (H1)



## National Reserve application (read section D)

You can only receive an allocation from the National Reserve under strict qualifying criteria. Read section D for more information. You must also give details at Part F, of the land parcels you want to use to establish extra entitlements under the National Reserve.

### D1/D2.

Complete Part D if you want to apply to the National Reserve. You must show which category(ies) you want to apply under by marking a cross in the correct box(es). **You must send us documents to support your application by the deadline. Your National Reserve application will be rejected without the necessary supporting documents.**

## Hardship application (read section E)

Read section E for details of the hardship rules. You must also give details at Part F, of the land parcels you want to use to establish extra entitlements under hardship.

### E1.

If you feel that you have been affected by hardship (a force majeure or exceptional circumstance event) then you should mark a cross in this box. **You must also send us documents to support your application for hardship by the deadline. Your hardship application will be rejected without the necessary supporting documents.**

# Part F: National Reserve and/or hardship - Field Data

[Read guidance section F step by step guide]

In this section tell us about the land parcels you want to use to establish additional new entitlements under the National Reserve and/or hardship. To apply for either, you must also complete Part D and/or Part E (as appropriate). The land you include in Part F should be in addition to any you have declared in Part B of this form.

	F1	F2	F3	F4	F5	
	Farmer's field name (max 8 characters)	OS Map sheet reference	National Grid field number	Total field size (ha)	Part field suffix	Part field size (ha)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						

If you need more blank field data sheets, contact our Customer Service Centre

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Use Part F, to tell us about the land parcels you want to use to establish extra new entitlements under the National Reserve and/or hardship rules. To apply for either, you must also complete Part D and/or Part E (as needed). The land you include in this part of the form should be in addition to any you have declared at Part B of the form.

**F3, F4, F5.**

Enter the areas for the fields or part fields noted in the columns under F2. The areas should normally be the same areas agreed between you and us in response to your RLE 1 or, if you have not yet received your Rural Land Register land parcel reference and areas, you should use the field areas that you entered on the RLE 1 you sent to us. If you think the field areas you previously agreed with us are out of date, you should enter the areas you think are correct. The sum of the part field areas you show in F5 must not be greater than the total field area you show in F3.

We cannot increase the areas you enter on your SP20 even if the field area increases as a result of our Mapping Update of the Rural Land Register (read paragraph F9).

**F2.**

This must contain the Ordnance Survey map sheet reference number first, which is two capital letters followed by four numbers, then the National Grid field number which is four numbers. We need both of these numbers to identify the field. If you enter these wrongly, it could lead to a parcel being invalid. Enter the details of the fields containing the eligible crops you want to use to apply for new entitlements. Use the same field numbers we sent to you in response to your RLE 1 or, if you have not yet received your Rural Land Register land parcel numbers, you should use the field numbers that you entered on the RLE 1 you sent to us.

**F1.**

Use this column to record your own field names for you to identify them more easily. Please do not use more than eight characters, one per box.



**F9.**

Enter one of the codes below for the category you want to apply for extra new entitlements. Either:

N1 - National Reserve Category 1 – Investors

N2 - National Reserve Category 2 - Transfer of Leased Land

H1 - Hardship

**F8.**

**You must show, in F8, the area of land on which you want to establish extra new entitlements. If you do not complete this column no extra new entitlements will be allocated to you. Read paragraph D4.** The area can be smaller than the total or part field area (columns F3 and F5) as ineligible areas should be removed. It should not be larger than the figure you have entered in column F3. Remember that entering a figure here will not gain you any payments – you must send us an SP5 to claim for payment on the entitlements you are establishing here (read paragraphs A4 – A5 and F25 – F26). We cannot increase the area for which you are applying for extra new entitlements even if the field area increases as a result of our Mapping Update of the Rural Land Register (read paragraph F9).

**F7.**

Enter here which crop was being grown on the land in 2008 or the crop you were planning to grow in 2008/2009. Either:

Permanent Fruit and Vegetables	F
Nursery crops	N
Vines	V

**F6.**

Enter here the correct land use code for the crop that was being grown on the land in 2005 using the land use codes below. Only PC1, FR1, NA1 and NT1 as 2005 land use codes will be eligible for new entitlements. (There may be exceptions under NT1, these applications will be considered separately):

Permanent Pasture	PP1
Permanent Crops (see C5 – C11)	PC1
Forests	FR1
Land in Non Agricultural Activities*	NA1
Other Crops	OT1
Horticultural Crops (non permanent)	FV1
Nuts (see C7)	NT1

\* Code NA1 should also be used for land which was not available for agricultural use in 2005, for example, a car park.

You can get more continuation sheets from our Customer Service Centre if you do not have enough rows on the form to enter all your extra land. Mark a cross in this box if you have attached any continuation sheets to make sure we take all of the land into account. Make sure we receive your continuation sheets by 13 August 2009 or we will apply late application penalties to your application. Read paragraphs G1 – G3.



You must read the declarations before signing, to understand the implications before making an application. We reserve the right to reject forms where the declarations and undertakings have been altered, or which have not been signed. If the form is not signed it cannot be treated as a valid application, and therefore will not be accepted.

### **Have you signed your form?**

If you are signing as an agent or partner, you must be authorised to make the application. If you submitted an *Agent/Partnership authorisation* (SP9) form last year for the Single Payment Scheme and no changes have taken place, you do not need to send a new one. If there have been changes, or no SP9 exists, you must send a new SP9 with this application. You may have been empowered on a CReg 01, in which case you do not need to submit an SP9 as long as there have been no changes since the CReg 01 was submitted.

## *Business Changes (SP20, Part C)*

### **Purchase of land affecting the calculation of entitlements to be established – Private Contract Clause**

- F12. The Private Contract Clause allows farmers who have sold all or part of their holding on which there is newly eligible land, to transfer to the buyer the right to apply for new entitlements on the land that was sold.
- F13. The Private Contract Clause will apply if the buyer and seller agree to a contract of sale (or amend a contract of sale) at any time between the end of the relevant 2008 reference period and 13 August 2009. And this contract shows that the buyer has the right to apply for the new entitlements on the land they bought. Usually the seller will give written permission to the buyer to apply for the new entitlements, although the seller can apply for the new entitlements. (Read paragraph F14 for more information.) In this case, if you are the buyer you (and not the seller) should include the land you have received through a Private Contract Clause, in your SP20, Part B. We will include this area when we work out your entitlements. You must send a copy of the sales contract to us by the deadline for applying for new entitlements (13 August 2009). All supporting documents are subject to the same rules as the SP20 in relation to the deadline, for example, if you submit your SP20 before the deadline you cannot then submit supporting documents after the deadline without having to withdraw and re-submit your application and incur late application penalties. We will reject any supporting documents we receive after 7 September 2009. We have to be satisfied that both the seller and the buyer are farmers within the terms of the regulations.
- F14. If you are the seller in a Private Contract Clause and you want to apply for the new entitlements instead of the buyer applying for them himself, you should tell us in a letter when you send us your SP20 and we will then transfer the entitlements to the buyer. You must be a farmer at the time of your application.

### **Other business changes**

- F15. Mark a cross in the box at C2a if:
- you have inherited all or part of a holding from a farmer who would have been able to establish new entitlements between the end of the relevant 2008 reference period and the deadline for applications for new entitlements (13 August 2009); or
  - a holding has been formed from two or more businesses, or split, between the end of the relevant 2008 reference period and the 13 August 2009. This covers business mergers and splits where at least one of the new holdings is managed by the original farmer. If this is not the case please read the section on Private Contract Clauses (paragraphs F12 – F14).

If you mark a cross in the box at C2a, we may contact you for further information. You should also complete the SP20, Part B.

- F16. If you inherited the land, or a business merger or split took place during the reference period and you were the last person to have this land at your disposal in that period, you should complete the SP20, Part B and there is no need to mark a cross in the box at C2a.

### *Points to remember*

- F17. Before you send us your SP20 please check the following:
- Have you read the declaration and signed and dated the SP20?
  - Have you included your Single Business Identifier on your SP20 and on any supporting documents?

- Have you initialled and dated all of your corrections?
- Have you taken a copy of the SP20?
- Have you included the correct amount of postage for the weight and size of your envelope?
- If needed, have you sent us an *Agent/Partnership Authorisation* form (SP9) with your SP20?

## *Personal record of the totals you have entered – For Farmer's Use only*

F18. Use the boxes below to record the total number of new entitlements you have applied for on your SP20:

■ Part B - Field Data.

■ Part F - National Reserve and/or hardship - Field Data.

## *Supporting documents (you send with your SP20)*

F19. Before you send us your SP20 check that you have included the correct supporting documents:

- Have you included the correct documents to support your National Reserve application?
- Have you included the correct documents to support your hardship application?
- Have you included contract(s) and written permission from the seller(s) for any Private Contract Clause application (where needed)?
- Have you included your sketch maps for any part fields and any other supporting documents needed?

## *Sending the SP20*

F20. It is your responsibility to make sure that we receive your correctly completed application by the deadline of midnight on 13 August 2009. If your application is received after this time we will apply penalties. Read paragraphs G1 – G3.

F21. You should make sure that you pay the correct postage for the weight and size of the envelope. We recommend that you use a form of postage that will give you proof we have received your SP20.

Send your application to:

Rural Payments Agency  
 PO Box 1058  
 Newcastle upon Tyne  
 NE99 4YQ

F22. When we receive your application, we will send you an acknowledgement within 10 working days. This acknowledgement does not mean that your application is complete or correct, only that we have received it. If you don't receive an acknowledgement, please contact us. You should keep a copy of this acknowledgement for your records.

## *How we tell you about your new entitlements*

- F23. Once you have sent us your SP20 and we have sent you acknowledgement that we have received it, you may not hear from us until January/February 2010 when we start to send out the Entitlements Statements. Our Entitlements Statement will confirm the new entitlements we have given you.

## *Withdrawal*

- F24. You can withdraw all or part of your SP20 at any time. You must do so before we tell you about any errors in your application, or about an inspection which later reveals errors in information you have withdrawn. You must make your application to withdraw in writing.

## *Claims for payment*

- F25. The SP20 is an application to establish entitlements. It is not a claim for payment under the Single Payment Scheme. Claims for payment must be made on a Single Payment Scheme 2010 application form (SP5).
- F26. The 2010 SP5 will be available in March/April 2010. If you have applied for new entitlements and are successful, we will send you an SP5, but if it does not arrive it is your responsibility to obtain one, complete it and send it to us by 17 May 2010. If you submit an SP5 you will have to meet the scheme rules and cross compliance rules from 1 January. You will need to send us an SP5 every year to continue to be paid. Read Annex A for an overview of the Single Payments Scheme.

# G Penalties for late or incorrect applications

## *Penalties for late applications*

- G1. Except in cases of force majeure and exceptional circumstances (which prevent you submitting your application – read examples below G5 – G7), if you submit your SP20 after 13 August 2009 we will reduce the payment you receive for the Single Payment Scheme 2010. If you claim using the entitlements established on your SP20, we will reduce the payment you receive for these entitlements by 3% for each working day after the 13 August 2009 deadline until we receive your SP20.
- G2. You can submit a late SP20 application up until 7 September 2009. We will reject applications we receive after this deadline; and we will not allocate any new entitlements to you. We cannot accept force majeure/exceptional circumstances for late applications received after 7 September 2009.

### *Example*

An application we receive on 1 September 2009 is 19 calendar days/12 working days late. We will reduce the payment that you receive for the new entitlements in 2010 by 36% (12 days at 3% per day = 36%) of the overall amount due for the new entitlements. (This takes account of non working days such as the weekends and a bank holiday.)

- G3. We must receive supporting documents (including continuation sheets and supporting documents for National Reserve and hardship applications) by 13 August 2009 to avoid late application penalties. If you send us your SP20 by 13 August 2009 you cannot then send supporting documents after the deadline without having to withdraw and re-submit your application, and therefore incur late application penalties. We will reject any supporting documents we receive after 7 September 2009.

## *Circumstances under which penalties may not apply*

### **Obvious errors**

- G4. We should be able to easily identify the error on the SP20, for example, a contradiction in the information supplied within another area of the application form. Mistakes that can be classed as obvious errors can be corrected without reduction at any time; provided we recognise that you acted in good faith, there is no risk of fraud and you have not already been told about the error or had your holding inspected. The onus is on the applicant to show that there has been an obvious error. The following types of mistake may be classified as obvious errors, but each case will be considered on its own merit:
- clerical errors such as missing information or, empty boxes where it is clear the information is missing from the rest of the form, or incorrect statistical information. These kinds of errors must be obvious to us from a simple examination of the SP20;
  - contradictions that come to light when we compare information in the same application, either manually or by computer. For example, arithmetical mistakes or inconsistent information (declaring the same land parcel twice in a single application or declaring the same parcel for two types of use); and
  - anomalies involving land parcel numbers or references, found when the application is cross checked against databases (for example, reversed figures (parcel number 1169 instead of 1196), mistakes in map reference numbers, or mistakes in land parcel numbers as a result of a map reading error).
- G5. If we accept an application for obvious error, we expect you to take care not to repeat the mistake in later applications. It is unlikely that we will accept the same error in future years. We have no obligation to check applications for error, this responsibility lies at all times with you or your agent.

## Changes to your SP20

- G6. You can withdraw all or part of your SP20 at any time. You must do so before we have told you about any errors in your application, or about an inspection which later reveals errors in information you have withdrawn. You must make your application to withdraw in writing. You can re-submit your SP20 application up until midnight on 13 August 2009 without penalty (we will apply late application penalties to re-submitted SP20 applications we receive after 13 August 2009 and before midnight on 7 September 2009, read paragraphs G1 – G3 above). We will reject re-submitted SP20 applications we receive after 7 September 2009. You cannot make any other changes to your SP20 once we have received it.

## Force majeure and exceptional circumstances

- G7. In limited circumstances, we may accept that you are prevented from meeting the requirements for applying for new entitlements due to force majeure or exceptional circumstances. In these cases, we may not have to apply penalties. Force majeure is explained as 'unusual circumstances, outside your control, the consequences of which, in spite of all due care, could not be avoided except at the cost of excessive sacrifice on your part'. All cases will be judged on their own merit. Please note that we cannot accept force majeure/exceptional circumstances for late applications we receive after the 25 calendar day deadline (7 September 2009).
- G8. Examples of force majeure and exceptional circumstances that may be accepted include:
- The death of the farmer.
  - A long term professional incapacity of the farmer.
- G9. If you want us to consider an event that you think amounts to force majeure or exceptional circumstances, you must write to us **within 10 working days** of your being in a position to do so. You will need to prove that the event has happened and that it resulted in your failing to meet the eligibility rules for applying for new entitlements. We will deal with these on a case by case basis.

# H Cross checks, inspections and farm records

- H1. We have to carry out cross checks to make sure the information farmers provide us with is correct. This applies to both land registration details and land use data. On the SP20 we ask for details of the land on which you want to establish entitlements. We will check the information you give us against your existing Single Payment Scheme records, and also with Natural England and the Forestry Commission's records. If we find that you have wrongly declared land parcels on the SP20, we will allocate you a reduced number of entitlements. If the information you declare on your SP20 is correct but contradicts information you previously sent us for other claims, then we may apply penalties under the relevant schemes.
- H2. We have to carry out inspections to make sure that you meet the scheme rules. This may include on the spot inspections to confirm that the information you have given in your SP20 is correct. We inspect Single Payment Scheme claims on a random and risk basis and if we find discrepancies, at a later date we may apply backdated deductions and penalties to claims based on any wrong information that you have given us. We advise you to keep records (for example, invoices from contractors, spraying records) which may confirm that you have given us complete and accurate information on your SP20. We may ask you to give us these records at a later date. If we carry out an on the spot inspection you must allow our inspection officers access to your land and farm records to confirm that you are eligible.
- H3. We will always contact you before we start an inspection. We will provide a clear explanation of why we are there, the way we will carry out the inspection, and what we will need from you. We will take the necessary precautions to prevent the risk of contamination or spread of disease from one premise to another. You will be able to accompany the inspector and, after the inspection is complete, we will give you a summary of what we have found. We will also give you the opportunity to put your own comments on a customer feedback form.

# Appeals and complaints

## *Appeals*

11. We will do all that we can to help you to understand the decisions that we make that affect the number of entitlements we have allocated to you. Please write to us if you want this information.
12. If you do not agree with the number of entitlements we have allocated to you, you should first send your reasons in writing. You should set out the facts as fully as possible and tell us your Single Business Identifier.
13. We will investigate your case and write to tell you the outcome. You should receive a reply within 15 working days. Where this is not possible, we will contact you to explain why and tell you when you can expect a reply.
14. If we decide to stand by our original decision, you can make a formal appeal under The Single Payment Scheme Appeal Procedure in England. We will send a guidance booklet, user guide and a *Stage 1 Appeal Form (SP 6)* when we write to you. The guidance booklet is also available from our Customer Service Centre or from our website (read section K).
15. To make a formal appeal, you will need to complete and return the SP6 within 60 days of receiving our decision letter. Our Customer Relations Unit will consider your appeal and write to advise you of the outcome.
16. If you are not satisfied with their decision you may progress to Stage 2 where an Independent Appeal Panel will consider your appeal and make a recommendation to the Minister. Details of how to bring your case to the panel are in the guidance booklet.
17. All correspondence relating to representations and appeals should be sent to the address below at I11.

## *Complaints and feedback*

18. If you have a complaint about how we handled your application for new entitlements you should write to the our Customer Relations Unit.
19. If you believe there has been maladministration of your case, you can ask your MP to pass your complaint to the Parliamentary Commissioner for Administration (the Parliamentary Ombudsman), who is entirely independent of Government.
110. We welcome feedback on the service we provide. If you have any suggestions as to how we can improve our service, please write to our Customer Relations Unit.
111. The contact details for our Customer Relations Unit are:  
Customer Relations Unit  
Rural Payments Agency  
PO Box 69  
Reading  
RG1 3YD  
E-mail: [customerrelations@rpa.gsi.gov.uk](mailto:customerrelations@rpa.gsi.gov.uk)

# J Freedom of information and the Data Protection Act

## *Freedom of information*

- J1. The Freedom of Information Act and Environmental Information Regulations provide a system of fully enforceable rights of access to information held by public authorities. These rights apply to all information, regardless of how old it is or who holds it. They recognise, and commit to, the public interest in openness about government. For more information on access to information, go to our website (read section K) and click on 'Access to information', or go to the website of the Information Commissioner's Office ([www.informationcommissioner.gov.uk](http://www.informationcommissioner.gov.uk)).

## *Data Protection Act*

- J2. Defra is the data controller in respect of any personal data that you provide to RPA.
- J3. Your personal data will be protected in line with the Data Protection Act 1998. We will use the data:
- to support the application to which it relates;
  - in the case of the Cattle Tracing System (CTS) to register cattle and their movements and to confirm the existence of a full animal history;
  - for the administration of the Common Agricultural Policy, and other schemes administered by RPA and to keep you informed of developments within schemes;
  - in relation to the production and safety of food;
  - in relation to the management of land and other environmental controls;
  - in relation to animal health and welfare; and
  - in relation to occupational health and welfare.
- J4. When it is necessary to do so, we may pass data to other organisations. For example:
- to HM Revenue and Customs for import or export purposes;
  - to local authorities for milk, health or cross-compliance purposes; or
  - to the Environment Agency, Natural England and the Forestry Commission for the administration of the Common Agricultural Policy.
- J5. We may also use the data we collect to produce statistics for the agricultural census. However, these statistics will not identify individuals.
- RPA may be required to release information (including personal data and commercial information) under the Environmental Information Regulations 2004 and the Freedom of Information Act 2000. We are committed to continuing our existing policy of releasing information on subsidies paid to individuals and businesses under Common Agricultural Policy schemes.
- J6. You should also note that the European regulations on the financing of the Common Agricultural Policy have changed. We are required to publish the name, town, first part of the postcode and amounts of direct payments paid to all Common Agricultural Policy beneficiaries. This information is required to be published for payments made from January 2007 for European Agricultural Fund for Rural Development (EAFRD) and October 2007 for European Agricultural Guarantee Fund (EAGF) schemes.
- J7. Defra or its agents, including RPA, may use your name, address and other details to contact you in connection with occasional customer research aimed at improving the services that we provide to you.

J8. To obtain a copy of your personal data as held by RPA, go to [www.rpa.gov.uk](http://www.rpa.gov.uk) and click on 'Access to information', then 'Personal data'. RPA's public service guarantee on data handling, which sets out your rights in respect of the handling of your personal data, is also available online, or call the RPA Customer Service Centre. Read section K.

J9 If you believe that any of the information we hold concerning you is incorrect or out of date, please provide us with the accurate information in writing together with supporting evidence (if appropriate). Send the information to:

Access to Information Helpdesk  
Rural Payments Agency  
PO Box 69  
Reading  
Berkshire  
RG1 3YD.

# K Further Information

If you have any queries about the new entitlements rules, you should contact our Customer Service Centre which is open from 8.30am to 5.00pm, Monday to Friday. We will ask you for your Single Business Identifier when you call. If you e-mail or write, give your Single Business Identifier, name of business and show that your enquiry is about new entitlements.

Customer Service Centre: 0845 603 7777  
E-mail address: [csc@rpa.gsi.gov.uk](mailto:csc@rpa.gsi.gov.uk)  
Address: Rural Payments Agency  
PO Box 1058  
Newcastle upon Tyne  
NE99 4YQ

For more information about new entitlements, visit our website ([www.rpa.gov.uk/new-entitlements](http://www.rpa.gov.uk/new-entitlements)).

For more information on the *Single Payment Scheme* read the *Single Payment Scheme Handbook and Guidance for England 2009*.

Or, visit our website ([www.rpa.gov.uk](http://www.rpa.gov.uk)) where you will also find links to pages for Customer Registration (including a printable version of the CReg 01 form), Rural Land Register, Single Payment Scheme forms and guidance and cross compliance.

Defra website is ([www.defra.gov.uk](http://www.defra.gov.uk)).

You can find the relevant European Union regulations on the European Union website (<http://europa.eu.int/eur-lex/en/>).

You can get relevant domestic legislation from the Office of Public Sector Information website ([www.opsi.gov.uk](http://www.opsi.gov.uk)) or call 0870 600 5522.

# L Glossary

County/Parish/Holding number	CPH
CReg	Customer Registration
CReg 01	<i>Customer Register; Registration Form</i> Form for registering as an RPA customer.
Defra	Department for Environment, Food and Rural Affairs
EC	European Commission
Farmer	A natural and legal person, or a group of natural or legal people, whatever legal status is granted to the group and its members by national law, whose holding is within the European Union and who exercises an agricultural activity or is responsible for the land being kept in Good Agricultural and Environmental Conditions.
Ha	Hectares
Personal data	Information which relates to a living individual.
PI	Personal Identifier. This is a unique nine digit number which is given to an individual (including agents), empowered to enact on behalf of a business.
Private Contract Clause	The Private Contract Clause is a provision within the regulations that provides for the sale of farm holdings on which there is newly eligible land, in full or in part, together with the right to establish new payment entitlements on the land which was sold.
Reference Period	The eligible crops need to be present on the land parcels on at least one day during the following reference periods: <ul style="list-style-type: none"><li>■ Land under permanent fruit and vegetables (including commercial orchards) and nursery crops: 1 January – 30 September 2008</li><li>■ Land under vines: 1 January – 31 July 2008</li></ul>
RLE 1	<i>Request to make changes to the Rural Land Register and for the Transfer of Entitlements form.</i>
RPA	Rural Payments Agency
SBI	Single Business Identifier. This is a unique nine digit number which is given to a farmer or business that is involved in an agricultural activity.
SP5	<i>Single Payment Scheme 2010 Application for the Single Payment in England</i>
SP 6	Stage 1 Appeal Pack
SP9	<i>Agent/partnership authorisation form</i>
SP20	<i>Single Payment Scheme; Application to establish new entitlements, Permanent Fruit and Vegetables, Nursery Crops and Vines form.</i>

# Annex A

## Overview of the Single Payment Scheme

Under the Single Payment Scheme you do not need to grow crops or keep livestock in order to receive aid. You must:

- meet the definition of a farmer;
- claim a hectare of eligible land on your SP5 for each entitlement you hold;
- meet cross compliance rules on all the agricultural land on your holding (whether or not you use it to support your application for payment); and
- declare all your land parcels whether or not you want to activate payment for that area.

For each hectare of eligible land you established, you will have received an entitlement to payment which can be used in each scheme year. These entitlements form the basis of the value of your application. You can only claim under the Single Payment Scheme if you have entitlements and each entitlement is supported by a hectare of eligible land. You must remember to claim upon enough eligible land to support your entitlements to be able to receive payment.

For the Single Payment Scheme, the UK is divided into four regions: England, Northern Ireland, Scotland and Wales. England is further divided into three areas:

- (Non-SDA) - England outside the upland Severely Disadvantaged Area.
- (SDA) - English upland SDA (other than moorland).
- (SDA Moorland) - English moorland within the upland SDA.

You can only claim for payment on entitlements in a specific region, if the eligible land is in that region. Land used to claim on an entitlement under the Single Payment Scheme must be at your disposal on 15 May of the scheme year and must be eligible for the Single Payment Scheme for the entire scheme year. As the Single Payment Scheme applicant you are responsible for making sure you meet cross compliance rules for the whole calendar year.

To receive payment, you must apply to the scheme once a year. Read paragraphs A4 and A5 for more information.

We give more information about the scheme in the *Single Payment Scheme Handbook and Guidance for England 2009* (including *Information for farmers and growers in England - January 2009 update*) and we give more information about cross compliance in *The Guide to Cross Compliance in England*. You can get this information from our website or by telephoning our Customer Service Centre.

We will make no payment to anyone who artificially creates the conditions required to receive payment under the scheme.

## Cross Compliance

If you claim for payment using your new entitlements under the Single Payment Scheme the cross compliance rules will apply to you. Cross compliance rules apply to you if you receive direct payments (such as the Single Payment) under Common Agricultural Policy support schemes, or if you receive payments under certain Rural Development schemes. We may reduce your payments if you do not comply with these requirements. There are three types of cross compliance rules:

- Specific European legal requirements, known as Statutory Management Requirements.
- Domestic legal requirements requiring you to keep your land in Good Agricultural and Environmental Condition.

- A requirement to maintain a level of permanent pasture not included in the crop rotation for five years or more. (This is not a requirement for individual farmers, but may be in future years.)

All agricultural activities are covered by cross compliance and you must comply with the requirements across the whole agricultural area of your holding, regardless of the amount of land you claim under the Single Payment Scheme. This includes common land over which you exercise or hold rights of common, including rights in gross. For more information, read, *The Guide to Cross Compliance in England* which we will send to you if you are a new RPA customer once you register your interest in the new entitlements. It is also available on our website at [www.rpa.gov.uk/crosscompliance](http://www.rpa.gov.uk/crosscompliance). You can find technical advice and guidance on the cross compliance rules at [www.crosscompliance.org.uk](http://www.crosscompliance.org.uk) or by calling the cross compliance advice line on 0845 345 1302.

## Minimum claim size (Single Payment Scheme)

From the 2010 scheme year there will be a new minimum total claim size for the Single Payment Scheme and other direct payments (Area Payments for Nuts and Protein Crop Premium). European Union Member States will have some choice about the new minimum claim size, but in England we must choose a minimum area which is between one and five hectares. This new minimum affects claims for payment only; it does not apply to establishing new entitlements. Defra has produced a consultation paper on these options which is available at [www.defra.gov.uk](http://www.defra.gov.uk). As soon as a decision is reached on minimum claim size we will put the details on our website.

## Types of entitlements

Within each of the three English areas, there are two types of entitlements:

- Normal.
- Special (not applicable to the new entitlements).

New entitlements allocated for land under permanent fruit and vegetables, nursery crops and vines will be Normal entitlements (which means that, under the rules that apply from 2010, you must claim for payment on them at least once every two years otherwise they will be lost to the National Reserve).

## Value of entitlements

By 2012, all English entitlements will be valued at a flat rate. The flat rate will be different in each of the three English areas. However, in the period up until 2012 the value of an entitlement is based on both:

- a flat rate; and
- where it applies, an additional amount based on subsidy receipts during the 2000-2002 Single Payment Scheme reference period.

Year	2009	2010	2011	2012
Flat rate %	60%	75%	90%	100%
Historic %	40%	25%	10%	0%

As we move towards 2012, the percentage of the Single Payment used to fund the flat rate element, increases each year as the percentage used to fund the historic element decreases, as follows

All the new entitlements to be allocated as part of this exercise will be valued at the flat rate that applies for the 2010 scheme year. The flat rates for the 2010 scheme year will not be calculated until Autumn 2010. The flat rates for the 2008 scheme year (the last rates which are available) are:

- England outside the upland SDA (Severely Disadvantaged Area) - €141.93 per entitlement;
- English upland SDA (other than moorland) - €116.21 per entitlement; and

- English moorland within the upland SDA - €20.53 per entitlement.

We estimate that for 2010 the flat rates in the three English regions will be approximately:

- England in the Non Severely Disadvantaged Area (Non SDA) - €230 per entitlement;
- English upland SDA (other than moorland) - €190 per entitlement; and
- English moorland within the upland SDA - €32 per entitlement.

Any payments that we make to you will have a percentage reduction for European and National modulation. Modulation is the transfer of funds from the Single Payment Scheme and other direct aid schemes to help fund the Rural Development Programme for England, including the agri-environment schemes. The combined European and National modulation for 2010 will be 19%.

RPA -SP20 Guidance

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[www.rpa.gov.uk](http://www.rpa.gov.uk)

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