

# Uniform Start Dates and Alignment of payments in 2015 – What you need to know

## Questions & Answers

*Reviewed March 2014*

This is a revised version of the Uniform Start Dates Q&A, previously published by Defra in May 2013, which reflects the latest situation. There are new questions and updates on existing questions.

### 1. What is changing?

From 2015 onwards, all new agri-environment agreements will have a single start date of 1 January in every year, rather than monthly start dates as at present.

From the same date, the claim periods for all current Environmental Stewardship (ES) agreements (including those which started in 2006 and those starting in 2014) will be re-aligned to a January to December year. This means that, for example, an agreement starting on 1 May and ending 30 April would be re-aligned so that the claim period is synchronised to January to December, with annual payments being for work undertaken from January to December, rather than for May to April. This will not affect the total amount you are due to receive under your agreement.

### 2. Why are we making these changes?

We are one of the few EU Member States in which agri-environment agreements do not start on a single date each year. Defra has made every effort to persuade the European Commission that our current flexible approach is within the EU rules but the Commission is strongly of the view that monthly start dates for agreements creates compliance and inspection difficulties, as regulatory checks have to be completed in annual cycles.

As a result, the Commission does not believe that our payment controls are effective enough under the current flexible system and have imposed financial penalties (disallowance) since 2010 and we are faced with the risk of further penalties for each of the years we continue with our flexible system.

We have a responsibility to ensure that our schemes are delivered in accordance with EU law and the taxpayer is effectively protected. Moving to uniform start dates will help us to avoid further disallowance in the future.

### **3. How much have we paid in financial penalties (disallowance) so far?**

We have been disallowed £1.6m for 2008 and 2009 and face the risk of continuing financial penalties until the full implementation of a uniform start date.

### **4. When will these changes come into effect?**

These changes will be made to all existing ES agreements from 1 January 2015 (except those which already have a January start date). If an agreement contains Educational Access options, some changes will be made in advance - see [further details on Educational Access](#) below. There are also changes to how [payments for the Supplementary Bird Feeding](#) option (HF24) are made.

### **5. Why 1 January and not another date?**

Aligning ES agreements to a calendar year means that they are synchronised to the EU control year of January to December and allows direct correlation with the Single Payment Scheme (SPS), thus simplifying cross checks between SPS and ES claims. Aligning to another point in the year does not achieve this.

### **6. What is alignment?**

This involves aligning agreement claim periods so that they are synchronised to January to December, as opposed to July to June as they are now.

The alignment process will be done automatically and will not involve stopping and re-starting existing agreements.

### **7. Will I still receive all of my payments?**

Yes. The total amount received for the lifetime of your agreement will be unaffected, but the timing and value of some of the payments may differ from the original schedule.

### **8. Does it affect the end date of my agreement?**

No. The end date of your current agreement will not be affected.

### **9. Which payments are affected?**

The change only affects annual revenue payments; capital items payments are unaffected and follow existing processes.

### **10. How will this affect the timing of my payments?**

**In 2015:** It will affect the timing of your payments and amount you receive in 2015.

#### **From 2016 onwards:**

An agreement will continue to receive 2 payments, but these will follow the pattern of:

- The Partial payment after the Single Annual Crosscheck (SAC) by December
- The End of Year payment by June in the next calendar year

**At the end of your agreement:** You will receive the final two payments after your agreement ends

*NB: Your total payment value over the whole agreement will be unaffected.*

## **11. What is the 'Alignment Payment'?**

For agreements that start in February to December this is a one off extra payment you will receive by May 2015 (if your agreement starts before July 2014) to cover any outstanding months to 31 December 2014 not covered by your last payment made for 2014. If your agreement starts on 1 July 2014 or later, the Alignment payment will be received between September to December 2015. All your subsequent payments will then relate to the calendar year from 1 January 2015.

## **12. How do the changes affect different categories of customers?**

### **(a) HLS agreements starting on 1 February, May, August and November in 2006, under the England Rural Development Programme (ERDP)**

This small group of less than a 1,000 HLS agreements will receive their last scheduled payment in 2014, and then receive a one off extra payment – the Alignment payment – by May 2015, to cover any outstanding months to 31 December 2014 not covered by the last payment in 2014.

Subsequent payments will then relate to the calendar year from 1 January 2015. These agreements will then pass through the Single Annual Crosscheck (SAC) in July 2015.

The next payment will be the partial payment by December 2015. The end of year payment for 2015 will be paid by June 2016.

In 2016, the final year of these agreements, the payments will be proportional to the remaining number of months of the agreement. Final year payments for all agreements will still be split into a Partial and End of Year/ final payment to ensure that each part of the payment is covered by the appropriate SAC, which is run usually in July. (See section 13 and 14 below)

These payments will follow the pattern of:

- The Partial payment after the SAC by December 2016
- The End of Year payment by June in the next calendar year 2017

### **(b) Agreements starting between February 2007 and June 2014, within the Rural Development Programme for England (RDPE)**

The effect on your payments for 2015 will depend on the month your agreement started. As a general rule:

- **Customers with agreements which start in February to June will receive a lower payment in 2015 and this will be slightly later than originally scheduled.**
- **Customers with agreements which start in July to December will receive an extra payment in 2015.**

At the end of an agreement, the two final payments will be made after the agreement has ended and will take account of the payments made in 2015.

**Please use the [Payment Timing Tool](#) to view the impact on the timing of your payments.**

### **Agreements which start in months February to June**

Existing ES agreements with these start months will receive their last scheduled payment for 2014, the partial payment, by December and then receive a one off extra payment – the Alignment payment – by May 2015, to cover any outstanding months to 31 December 2014 not covered by the last payment in 2014.

Subsequent payments will then relate to the calendar year from 1 January 2015. These agreements will then pass through the Single Annual Crosscheck (SAC) in July 2015.

The next payments you will receive is the partial payment covering the first 6 months of 2015 by December 2015 and then the end of year payment, for 2015, by June 2016

From 2016 onwards, an agreement will continue to receive 2 payments:

- The Partial payment after the SAC by December
- The End of Year payment by June of the next calendar year

### **Agreements which start in months July to December**

In 2015, ES agreements with these start months will receive their last scheduled payment for 2014, the end of year payment, by April 2015 and then receive a one off extra payment – the Alignment payment – by May 2015, to cover any outstanding months to 31 December 2014 not covered by the 2014 end of year payment.

Subsequent payments will then relate to the calendar year from 1 January 2015. These agreements will then pass through the Single Annual Crosscheck (SAC) in July 2015.

The next payment you will receive in 2015 is the partial payment covering the first 6 months of 2015 by December 2015: you will then receive the end of year payment, for 2015, by June 2016

From 2016 onwards, an agreement will continue to receive 2 payments:

- The Partial payment after the SAC by December
- The End of Year payment by June of the next calendar year

### **(c) Agreements starting between July and December 2014**

New agreements starting from July 2014 onwards will be aligned from 1 January 2015. Payments on these agreements cannot be made until they have passed through the Single Annual Crosscheck (SAC) in July 2015. Following the SAC, both the Partial and Alignment payments will be made between September and December 2015. The Alignment payment will cover the outstanding months in the 1 July to 31 December 2014 period. The end of year payment for 2015 will be issued by June 2016.

From 2016 onwards, an agreement will continue to receive 2 payments:

- The Partial payment after the SAC by December
- The End of Year payment by June of the next calendar year

### **(d) All agreements with a January start**

Agreements with a January start date for all years will be paid their end of year payment by April and partial payment by December in 2014 and 2015. There will be no need for an alignment payment as they already start on 1 January.

**Please use the [Payment Timing Tool](#) to view the impact on the timing of your payments.**

From 2016 onwards, an agreement will continue to receive 2 payments:

- The Partial payment after the SAC by December as before
- The End of Year payment by June the next calendar year

### **13. What happens when my agreement ends?**

Your final payment will be received once your agreement has ended (payments are always made in arrears). Unless an agreement ends on the 31 December, this will result in the payments in the final year being a proportional payment for the remaining number of months of the agreement: for instance, if your agreement ends on 31 March, the final payment will cover the period 1 January to 31 March. Final year payments for all agreements will however have to be split into a Partial and End of Year/ final payment to ensure that each part of the payment is covered by the appropriate Single Annual Crosscheck.

The two proportional payments will be received after the agreement has ended; the longest wait will be for those agreements which start in the first few months of the year.

### **14. Why does the final year payment have to be split into two equal amounts?**

All agreements in any calendar year have to pass through the Single Annual Crosscheck in July before the partial payment can be made. All RPA inspections need to have started (December) before the end of year payments can be made. Payments follow the pattern of 2 equal payments.

### **15. When will detailed information be provided to existing ES agreement holders?**

We will be writing to all existing ES agreement holders in March explaining the alignment process and how this may affect the timing of your payments. From late 2014 onwards, as each ES agreement is aligned, we will write to you with a revised payment schedule. In the meantime, you can use the [Payment Timing Tool](#) to check how your payment timings will be affected.

### **16. Who do I talk to if I want more information?**

For help understanding the changes or guidance on the [Payment Timing Tool](#) – ring Customer Services on 0300 060 0011.

For help with making a claim - please ring Customer Services on 0300 060 0011.

For technical details on Educational Access visits, type of visits and prescription details talk this over with your local HLS adviser.

## **Changes to Educational Access payments**

Educational Access options do not require to be changed to a 1 January claim year. They will continue to be based on the original monthly start date of your agreement.

However, in order to relate your Educational Access payments to the start date of your agreement, we need to change the payment from an annual management payment to a

capital works item. This will allow payments to be processed as normal and won't change the time frame of your Educational Access claim year.

This means that the options, HN8 Educational Access - base payment - and HN9 Educational Access- payment per visit - will no longer be treated as annual revenue payments and will be converted to a Capital Works Plan from 2014 onwards.

### **17. When will changes to my Educational Access payments happen?**

Payments for Educational Access options within existing agreements will be converted from revenue to capital works payments in summer 2014. We will write to you then to confirm the changes which have been made to your agreement.

### **18. What changes will I see in my agreement documentation?**

*Please note: the requirements for Educational Access have not changed, only how we manage the payments.*

We will not send out new agreement documentation with this change. In future if there are any further amendments you will see the changes on the agreement documents. We will send you a new capital works schedule outlining your payments for the current year including the Educational Access options.

The changes are:

- HN8 revenue Base payment will in future be referred to as HN8CW Capital works base payment.
- HN9 revenue payment per visit will in future be referred to as HN9CW, Capital works payment per visit.
- Educational Access options HN8/HN9 will be removed from Part 1b "Annual payments schedule HLS."
- Educational Access options HN8CW/HN9CW will be added to Part 4 "Capital works plan and payments"
- The prescriptions in your agreement will continue to show the old Revenue options HN8 and HN9. (Part 3 "HLS - Management of Environmental features")
- A new capital works prescription for HN8CW and HN9CW will be added into the capital works section. (Part 5 "Capital Works specifications")
- All future capital works claim forms will include HN8CW and HN9CW for each future claim year.

### **19. When will I get paid?**

You will receive the remainder of your 2013/14 payment with your current End of Year payment as long as you have provided valid Farm Visit Evaluation forms (NE-FEDV01/12).

From 2014 onwards, a partial Educational Access payment will not be included in your partial revenue payment. It will only be paid when you have sent Natural England a Capital Works claim form and valid Educational Access Visit forms. Similar to any capital works claim, this claim can be made at any time during the agreement year when the requirements have been met, and it is your choice when you submit a claim. You may

want to claim your base payment as soon as you have achieved your 4 visits and then store up the remaining visits for a final claim at the end of the year. However, you may find it simpler to claim both the Base Payment and all your visits in one claim at the end of the agreement year.

*For example:*

- i. Your Educational Access Capital Works Plan starts May every year. You host the required four payment visits within May as it is a peak time for spring visits from a local school. You know that you will host more visits later in Spring/Summer and a few more in the Autumn.
- ii. You can claim the Base Payment element as soon as you have completed the qualifying four visits.
- iii. You can then wait until the rest of the Educational Access visits for that year have been completed and claim the remainder then or at the end of your agreement year.

## **20. How do I claim?**

You will need to fill in the Capital Works Claim form (CLAIM1) and complete the Farm Educational visit Evaluation forms line in the supporting documents section. You will also add the number of visits being claimed in the Declarations section. Send this along with your completed Farm visit Evaluation forms, (NE-FEDV01/12), to Natural England Customer Services who will process the claims. The address is on the Claim form.

If you require a capital works claim form please contact Natural England Customer Services on 0300 060 0011. We will write to you near the end of your agreement year to remind you to send in the claim form and Educational Access visit forms.

## **21. Can I put in several Educational Access claims?**

Yes. You may put in either:

i) A claim for the Base payment (HN8CW) and the minimum 4 visits (HN9CW) then later a final claim for the outstanding visits (HN9CW)

Or

ii) One claim at the end of the agreement year covering the 4 qualifying visits for the Base Payment (HN8CW) and all other relevant visits (HN9CW)

## **22. Can I put in several HN9CW additional payments per visit claims in each year?**

Yes. You may present several HN9CW additional payments per visits claims in an agreement year as convenient to you.

We would however prefer all additional HN9CW claims to be put in at one time. This can be at the end of the agreement year or if you know you won't be doing any more that year, when you have completed the final visit and have the appropriate number of completed Farm Visit Evaluation forms.

## **23. Where do I send my Capital Works Claim form?**

The forms should be sent to Natural England Customer Services. The address is on the claim form.

## **Changes to Supplementary Feeding for Birds option (HF24)**

This option has been converted to a standard HLS Revenue option from 2014 onwards. It will be treated like any other revenue option in terms of claiming and payments.

You will therefore receive a payment for the option as part of your Partial and End of Year payments and you do not have to make a separate claim from 2014 onwards.

The requirements for the Supplementary Bird Feeding option have not changed: you will still be required to provide feed at the specified times of the year. Please keep records of what you have done as you may be asked to produce these if you are inspected.