

Delinked BPS Payments



Rural Payments Agency (RPA) announces delinked payment rules for England

As part of the ongoing agricultural transition in England, the Basic Payment Scheme (BPS) will be replaced by delinked payments from 2024, meaning that eligible farmers will not need to farm their land after 15 May 2024 to qualify for the remaining payments. Payments will be made for the years 2024 to 2027 based on a 'reference amount' which is calculated from the BPS payments received during 2020-2022. This briefing note summarises Defra's [guidance](#).

Who is eligible?

The Single Business Identifier (SBI) that is eligible for and claims BPS payments in the 2023 scheme year will receive the delinked payments. Any changes to the business structure after 15 May 2023 will not impact this, except in some inheritance cases. The land used to claim BPS in 2023 must be at least five hectares and needs to remain eligible for the whole scheme year and meet cross compliance rules. Farmers who have received a Lump Sum Exit Scheme payment cannot claim delinked payments or transfer their reference data.

How is the reference amount calculated?

The reference amount is calculated using the average payment received for BPS during the scheme years 2020-2022. Young farmer and greening payments are included in the reference amount, as will any over-claim reductions. However, any penalties applied for over-claims, late applications, cross compliance or greening faults will not be included. Reductions to amounts over €150,000 and progressive agricultural transition reductions for the scheme years 2021 and 2022 will also be excluded. Therefore, the 'reference data' is the BPS 2020, 2021 and 2022 payments (before some reductions and penalties) and the 'reference amount' is the sum of the reference data divided by three. Farmers should receive a statement in autumn 2023 showing their reference amount based on the reference data held at that time.

What if my business has changed during the reference period?

Many farmers will have been through business changes during the reference period - a new SBI may have been created or a business could have been merged, split, sold or a farm let. For business changes that happened during the reference period, 'reference data' can be transferred between businesses to complete the information needed to calculate the reference amount for the eligible land to allow the new business to claim a delinked payment.

The process differs depending upon whether the SBI of the old business is still open:

1. In cases where the SBI of the old business has been closed, the new business can request the transfer of reference data directly with the RPA; it will make the transfer provided the land transfer rules have also been met (see below).
2. In cases where the SBI of the old business is still open, it will be up to the owner of the reference data (the old business) to tell the RPA how much to transfer to the new business.

The transfer window for reference data will be in 2024. Specific transfer rules apply in [inheritance cases](#). The RPA has made it clear that it will not get involved in disputes between businesses over the transfer of reference data. Where land has been sold or let, the relevance of any contractual terms used will need reviewing carefully; the distinction in terminology and nature between 'reference data' and 'entitlements' may be significant.

What are the land transfer rules?

To avoid SBIs being split to reduce the progressive reductions applied, the reference data transfer must follow a transfer of land if a farmer is transferring reference data from a closed SBI, or has a reference amount over £30,000 and is transferring only part of their reference data or data to more than one business. The land transfer can be by sale or gift, or by creating, assigning, succession (for AHAs) or ending a tenancy and must have happened after 15 May 2020 and before 16 May 2023. The reference amount will not be impacted by land transfers after 16 May 2022.

How will I be paid?

Delinked payments will be made in two annual instalments during August and December. Progressive reductions will apply to the reference amount for each subsequent scheme year through to 2027, although the rates have yet to be announced. From 2024, cross compliance rules will be enforced directly rather than through BPS.

Contacts



Andrew Teanby
Associate Director
ateanby@savills.com
+44 (0) 7835 445 458

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