

Delinked BPS payments

2024 update

The Rural Payments Agency has confirmed 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 15th May 2024 to qualify for the remaining payments. Payments will be made in 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](#), which was updated in February 2024 as the window for transferring entitlements opened.

Who is eligible for delinked payments?

The Single Business Identifier (SBI) that is eligible for and claims English BPS payments in the 2023 scheme year will receive the delinked payments provided it has some reference data (see below) for the scheme years 2020-2022. Any changes to the business structure after 15th May 2023 will not impact the claim, except in some inheritance cases, meaning that claimants will not need any land or entitlements to receive delinked payments. The land used to claim BPS in 2023 must have been in England, at least five hectares and with at least five entitlements, and needs to remain eligible for the whole scheme year (i.e. May 2023-April 2024) and meet cross compliance rules. From 1st January 2024 cross compliance rules will no longer exist, much of the underlying regulation remains in place but it will be enforced via its own enforcement mechanisms rather than through BPS rules and penalties. Farmers who have received a Lump Sum Exit Scheme payment cannot claim delinked payments or transfer their reference data.

How are the payments calculated?

The delinked payment is calculated using the average payment received for BPS during the scheme years 2020-2022. Young farmer and greening payments are included in the 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 (even if no reference data is held for one or two of these years). Farmers received a statement in autumn 2023 showing their reference amount based on the reference data held at that time; if it was not received, contact the Rural Payments Agency (RPA) for a copy. If the statement is wrong, an appeal must be made using this [form](#) before 29th February 2024.

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, and allow the new business to claim a delinked payment.

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

1. In cases where the SBI of the old business has been closed or where land has been inherited, 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). A Delinked Payments Transfer Request [form](#) is available online for this.
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 Rural Payments online service can be used for this, or the RPA can be contacted directly if internet access is not an option.

The transfer window for reference data is open until 10th May 2024 and for inheritance cases until 31st December 2027. The RPA has made it clear that it is up to individual businesses to choose to transfer reference data unless certain circumstances apply, and 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 BPS 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 15th May 2020 and before 16th May 2023. The RPA will normally have evidence of the land transfer but may ask for additional evidence if needed. The reference amount will not be impacted by land transfers after 16th May 2022.

How will I be paid?

Delinked payments will be made in two annual instalments in August and December/January, and will be taxed as income. The delinked payments will be progressively decreased over the remaining years of payments to 2027 but at a rate that has not yet been announced.

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