



Better Woodlands for Wales

Improved Land Premium Terms and Conditions

Section 1: Introduction

Improved Land Premium grant aid cannot be claimed from the Welsh Assembly Government until you have successfully completed and claimed the first instalment of your New Planting grant from Forestry Commission Wales. Once the New Planting claim has been processed, you will then need to complete the Welsh Assembly Government's Single Application Form on an annual basis to receive Improved Land Premium for a maximum of 10 years.

The Improved Land Premium rules are governed by The Rural Development Programmes (Wales) Regulations 2006 ((Statutory Instrument) 2006 No. 3343 (W.304)), Council Regulation (EC) No. 1698/2005 and Commission Regulations (EC) No. 1974/2006 and (EC) No. 1975/2006 (all as amended from time to time). Copies of these Regulations are on the Welsh Assembly Government website at www.wales.gov.uk or copies can be requested at your local Welsh Assembly Government Divisional Office (please refer to Section 7 for details).

Section 2: Cross compliance

All Improved Land Premium beneficiaries must comply, where applicable, with the requirements of Cross Compliance, which is a set of Statutory Management



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Requirements and Good Agricultural and Environmental Conditions set out in the "Farmers' Guide to Cross Compliance" issued by the Welsh Assembly Government in December 2004, with updates issued in January and December 2006 and any amendments made from time to time. Beneficiaries who do not have this Guide must notify their local Divisional Office to obtain a copy and ensure a full understanding of what is required of them. Breaches of cross compliance may result in the application of penalties.

Section 3: Controls and requirements

All Rural Development area based schemes including Improved Land Premium are subject to the requirements set out below.

General requirements

You must:

- submit an annual Single Application Form declaring all your land;
- ensure that no other beneficiary or farmer is claiming European Aid for another scheme on land that you have entered into this commitment;
- not make a false or misleading statement or declaration or furnish false or misleading information intentionally or as a result of negligence;
- comply with cross compliance;
- not artificially create the conditions required to obtain the payments. If the Welsh Assembly Government establish that artificial conditions have been created no payments will be made to you;
- not have received payment from any other source regarding the management of the land in this commitment; and
- notify the Welsh Assembly Government within 21 calendar days of any changes to their commitments or land managed under this commitment.

Payment of claims

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You must submit payment claims annually on the Single Application Form. Claims for payments must be received by the Welsh Assembly Government no later than the 15th of May each year in order to avoid penalties.

Payment calculations are based on all eligible land included in your Improved Land Premium agreement and any notifications made in respect of this.

You will be paid following successful validation of:

- **all** Single Application Forms;
- **all** land declared under **all** Rural Development area based schemes; and
- compliance with **all** Rural Development area based scheme rules.

Please note that after the submission of your Single Application Form, the Rural Development Regulations permit the Welsh Assembly Government, following basic administrative validation checks (see below) to pay Rural Development area based commitments in two instalments. This option includes Improved Land Premium payments and, if enforced, you will be notified by the Welsh Assembly Government.

Administrative validation checks

The Welsh Assembly Government and other authorised persons are required to undertake checks on all your applications for support and payment of claims. These checks include:

- cross checks against all land registered on the Welsh Assembly Government land parcel identification system and the land use as declared on the Single Application Form, in order to avoid undue payments of aid; and
- compliance with long-term commitments.

Discrepancies identified from cross checks will be followed up and, where necessary, by on-the-spot inspections.

Where applicable, administrative checks on eligibility shall take into account the results of verifications carried out by other services, bodies or organisations involved in controls of agricultural subsidies.

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Inspections

You may be subject to an on-the-spot inspection each year. Inspections will be spread over the year and will cover all the commitments and obligations which can be checked at the time of the visit. Some inspections may be conducted with the use of satellite imagery.

If you refuse to allow an inspection, fail to comply with the inspection request, obstruct a person authorised to inspect or fail to give reasonable assistance; you will lose Rural Development payments for up to 2 years.

Penalties

Penalties are imposed when you either submit a late Single Application Form, over declare land or breach one or both of the Improved Land Premium scheme or cross compliance requirements.

Late claim applications

The Single Application Form can be accepted up to 25 calendar days after the closing date of the 15th May. After the closing date payments will be reduced by 1% per working day (during the 25 calendar day period). Single Application Forms received by the Welsh Assembly Government more than 25 calendar days late will be rejected and the payment claim established by the Welsh Assembly Government will be deemed null and void for the year in question.

In cases of Force Majeure the submission of Single Applications Forms after the 15th of May deadline may be accepted.

Over declaration of land

Your payments will be made in respect of the land determined for the Improved Land Premium scheme and will be calculated on areas declared by you.

Where the determined area is less than that declared on the SAF, payment will be calculated on the basis of the lesser area. However, where the difference is determined to be less than 0.1 hectares, payment will be based on the area declared.

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If the Improved Land Premium area declared by you for payment exceeds the area determined, the aid will be calculated on the basis of the area determined reduced by twice the difference found if that difference is more than either 3% or two hectares, but no more than 20% of the area determined.

If the difference is more than 20% of the area determined, no Improved Land Premium payment will be made.

If the difference is more than 50% of the determined area, in addition to receiving no payment for that claim year, you will also be excluded from receiving aid equal to the amount that corresponds to the difference between the area declared and the area determined in the next calendar year. If the full amount cannot be taken from the payments in the next calendar year, the remainder will be deducted from payments made in the following two years, as necessary.

Reductions required in the three years following the over-declaration can be taken from SPS payments and any Rural Development payment.

Intentional over-declaration of land

Land intentionally over-declared within a crop group will result in no payment for that year if the difference in the area declared and the area determined under the scheme is more than 0.5% of the area determined or more than 1 hectare.

Where the difference is over 20% of the area determined, no payment will be made in that year. Additionally, payments in the next calendar year will be reduced by an amount that corresponds to the difference between the area declared and area determined. If the full amount cannot be taken from payments in the next calendar year, the remainder will be taken from payments made in the following two years, as necessary. Reductions required in the three years following the over-declaration can be taken from SPS payments and any Rural Development payment.

A false declaration made intentionally or recklessly may also lead to criminal prosecution, the maximum sentence being an unlimited fine or two years imprisonment.

Details of applying the reduction or exclusion of the aid claimed are available on the Welsh Assembly Government website or from your local Welsh Assembly Government Divisional Office.

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Breaches to scheme management conditions

Breaches to scheme management conditions will be determined against the level of beneficiaries' negligence or intentional action. Any breaches will be assessed by severity, extent and permanence.

Breaches may be identified from administrative checks or on-the-spot inspections and will be notified to you in writing. Details of any reduction or exclusions to be applied will be notified at the payment stage.

Appropriate levels of reductions and/or exclusions (including warning letters) will be assessed against the Welsh Assembly Government's scheme breach penalties matrix. Where the Welsh Assembly Government consider a breach to be so serious that it cannot be rectified, this may result in termination of your participation in the Improved Land Premium scheme. Further more, you may be prohibited from entering another Rural Development area based scheme for up to 2 years from the date of termination.

The scheme breach penalties matrix is available on the Welsh Assembly Government website or from your local Welsh Assembly Government Divisional Office.

Powers of recovery

The Welsh Assembly Government must in certain circumstances, reduce, cancel, recover or refuse payment to you of Improved Land Premium payments.

The Welsh Assembly Government has the power to:

- revoke the approval of the Rural Development commitments in whole or in part;
- reduce or withhold any financial assistance in respect of the Rural Development commitments; and
- recover on demand the whole or any part any financial assistance already paid to you.

The Welsh Assembly Government may exercise these power where they are satisfied, as regard Rural Development commitments, that:

- any conditions relating to payments or the approval of Rural Development commitments has not be complied with in whole or in part;

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- the application to enter Rural Development Commitments was not made by an eligible beneficiary;
- the beneficiary has failed to retain and/or provide information required by the Welsh Assembly Government or has given information which is false or misleading in a material respect;
- the approved Rural Development commitments were commenced before the date on which the Welsh Assembly Government gave written permission to do so;
- any undertakings required have not been complied with;
- there is a material change in the nature, scale, costs or timing of the Rural Development commitments;
- the Rural Development commitments have not been or are not being properly carried out;
- the Rural Development commitments have not been or are being unreasonably delayed or unlikely to be completed;
- the financial assistance duplicates or would duplicate assistance provided or to be provided out of monies made available by the European Communities, the Welsh Assembly Government or a body exercising public functions within the United Kingdom. A sum duplicates financial assistance if it is, or would be, paid for the same purposes; and
- beneficiaries are in breach of any requirements subject to European Community or Welsh legislation.

Where the European Commission decides to reduce or suspend financial assistance for rural development commitments the Welsh Assembly Government may recover, reduce or withhold any financial assistance.

Applying interest

In the event that the Welsh Assembly Government may need to recover the whole or part of any sums paid, interest will be charged on the sum to be recovered calculated at the rate of 1 percentage point above the London Interbank Offered Rate (LIBOR) for the period from the day on which the payment was made until the day on which the Welsh Assembly Government recovers the amount.

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Section 4: Provisions of information and powers of authorised persons

This section informs you of your requirement to provide information to the Welsh Assembly Government. It also sets out the powers of those persons authorised to confirm compliance with scheme rules.

You must:

- supply to the Welsh Assembly Government any information about Rural Development commitments as may be required. You must supply that information within the period determined by the Welsh Assembly Government;
- permit authorised persons of the Welsh Assembly Government or its agents to enter the land under Rural Development commitments to ascertain compliance with their commitments and any claims under any other European Union agricultural scheme; and
- render all reasonable assistance to an authorised person in relation to the Rural Development commitments. If an authorised person considers it necessary, you must accompany an authorised person upon entering the land covered by Rural Development commitments.

Section 5: Criminal offences

Beneficiaries of aid under the Improved Land Premium scheme may be prosecuted by the Welsh Assembly Government in accordance with regulation 12 of the Rural Development Programmes (Wales) regulations 2006 ((Statutory Instrument) 2006 No. 3343 (W.304)) which sets out the criminal offences for which legal proceedings may be commenced against a beneficiary.

Section 6: Appeals

Appeals

The Welsh Assembly Government will try to work through any disputes that you may have. However, if the Welsh Assembly Government cannot do this and you wish to challenge a decision, you can apply to have your case reviewed under a 2 stage appeals process.

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Further details of the appeals process can be obtained from your local Welsh Assembly Government Divisional Office.

Section 7: Welsh Assembly Government contact details

Website: www.wales.gov.uk/environmentandcountryside

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