

English Woodland Grant Scheme

Operations Note 16

28th October 2008

Farm Woodland Payments & Set Aside Deductions

Purpose This note explains the interaction between set aside payments under the Single Payment Scheme (SPS) and the grant schemes for tree planting managed by the Forestry Commission (FC).

This guidance is relevant to both EWGS Farm Woodland Payments and the legacy Farm Woodland Premium Scheme.

Background Farmers are entitled to claim set aside payments on land under either:

- Farm Woodland Premium Scheme (FWPS) where applications to join were submitted on or after 1st July 1995
- England Woodland Grant Scheme's (EWGS) Farm Woodland Payment (FWP)

Set aside cannot be claimed on land under the Farm Woodland Scheme (FWS) or FWPS applications submitted prior to 1st July 1995.

Where FWPS / FWP and set aside are located on the same area of land, the annual farm woodland grant payments must be reduced by an amount equivalent to the SPS set aside payment for that year.

Before any annual payments can be made the FC needs to:

- Determine what land is covered by set aside and FWPS / FWP schemes
- Deduct the value of the set aside payments from the FWPS / FWP claim

What we do We use information held on the Rural Land Register (RLR) to determine where these payments coincide. The check is undertaken automatically within our computer system and this identifies the parcels of land concerned. However there are limitations¹ to this approach:

- The RLR parcel is identified, but quite often neither the location of the set aside, nor the location of the farm planting within the RLR parcel

¹ Please note these limitations also applied to the manual process undertaken by Natural England to determine FWPS payments.

are known

- Only part of the area may actually be farm woodland
- There is a set aside option code (SA2) that identifies 'farm woodland on set aside land' but occasionally agreement holders have also used other set aside options to identify farm woodland on set aside land when completing their annual returns.

Because of these limitations we have agreed with the Rural Payments Agency (RPA) that wherever set aside and FWPS / FWP areas occur in the same parcel of land, we will assume that the set aside will **always** coincide with the farm planting. We base this assumption on the fact that an owner will wish to maximise their income on the land through grants or agricultural production.

This means that when deciding how much to deduct from the farm woodland payments we make a number of assumptions:

- Where the farm woodland area is greater than the set aside area we assume that the set aside area determines the level of deduction to be made
- Where the farm woodland area is less than the set aside area we assume that the farm woodland area determines the level of deduction to be made

In other words we always choose the lesser of the two areas.

This area is then multiplied by the appropriate set aside rate for the year in question to determine by how much the annual farm woodland payments must be reduced. This is why you will sometimes find that the amount you are paid is in fact lower than that claimed. The remainder will be paid at the time you receive your SPS payment.

Information is passed between the RPA and FC each week so that the latest information is always used when undertaking these checks.

Set Aside Rates There are three possible land classifications that determine the set aside rates:

- Moorland within the Severely Disadvantaged Area (SDA) which will affect farm woodland planted in the Less Favoured Area (LFA)
- Other upland within the SDA
- Land outside the SDA which is where the bulk of woodland planting is likely to be

In order to calculate any deduction we need to know what the current set aside rate is for the appropriate land classification and SPS year. . This is not always easy. Annual payments for farm woodland schemes are due in mid-October, at a time when the set aside rates are often not known. In order not to delay our payments we make a 'best estimate' to pre-determine what the likely set aside rate will be. This estimate is based on well-founded experience and the best available information.

The value of any set-aside deduction will appear on the remittance advice for the farm woodland payment.

You should be aware that payments may vary from year to year. This will be due to either the set aside rate varying, or the actual exchange rate of the Euro at the time that rates are set.

Next Steps

When the exact level of set aside payments are made known by RPA, we will undertake a reconciliation exercise with payments made. Any action taken as a result will be subject to EU 'De-minimus' limits.

Owners have the ability to appeal against the deduction of set aside from the farm woodland payments, provided the appeal is made within 12 months from date of deduction. To do so you should first write, email or ring the FC office in Cambridge. Details are:

FC Cambridge Office
Forestry Commission
Great Eastern House
Tenison Road
Cambridge
CB1 2DU

Email england-farmwoods@forestry.gsi.gov.uk
Tel: 01223 771500

If you do not receive a payment when expected, it may be because your bank details have changed, and you have failed to notify RPA of this change. Both the RPA and FC have tried to contact owners where records appear to be incorrect. You will need to contact RPA informing them of any changes that have occurred. To do this you should complete a [CREG 17](#) form and return direct to the RPA as indicated.

Queries If you have any queries about these arrangements, please contact your relevant regional FC office:

Farm Woodland Schemes in the West Midlands and East of England

Regions:

FC Worcester Office 01905 362730
Forestry Commission
Government Buildings
Block B
Whittington Road
Worcester
WR5 2FR
or email westmidlands.fce@forestry.gsi.gov.uk

Farm Woodland Schemes in the South East, North East and East

Midland Regions:

FC SE England Office 0142023337
Alice Holt,
Wrecclesham, Farnham,
Surrey,
GU10 4LF
Or email kay.potter@forestry.gsi.gov.uk

Farm Woodland Schemes in the South West, North West and York & the Humber Regions:

FC SW England Office, 01626 890666

Forestry Commission,

Mamhead Castle,

Mamhead, Nr Exeter,

Devon,

EX6 8HD

Or email fc.sweng.conc@forestry.gsi.gov.uk

Further Advice The EWGS website www.forestry.gov.uk/ewgs contains all the information needed to apply for grant support. If you do not have access to the internet, you can request any of the information from your local Forestry Commission office.

We recommend getting professional advice on woodland management and grants. A list of national and regional professional organisations is available at www.forestry.gov.uk/england-advice or from your local FC office.

Versions Version 1.0 issued 21st May 2007

Version 1.1 issued 1st June 2008 – minor changes including header

Version 1.2 issued 28th October 2008 – update office locations and text changes.