

## SPS claimants warned against fraudsters

Farmers and other Single Payment Scheme (SPS) claimants in the UK have been alerted to the risk posed by telephone fraudsters. The warning, issued by Financial Fraud Action (FFA), highlights a threat to the agricultural industry other than traditional rural crime, estimated to have cost rural business in the UK almost £45 million during 2013.

According to FFA's intelligence unit, the Financial Fraud Bureau, amounts ranging from tens to hundreds of thousands of pounds have been stolen from SPS claimants by 'Vishing' scams during recent years. This type of scam involves fraudsters telephoning a victim while pretending to be their bank, the police or another trusted organisation such as the Rural Payments Agency (RPA), and telling them that fraudulent activity has been detected in relation to their personal or business account.

Public information is used to convince targets of the fraudsters assumed identity. Fraudsters who target SPS claimants use information about payments, including payment amounts that are available to the public. For example, European legislation requires the UK and other member states to make information about beneficiaries of CAP payments publically available via their national payment agencies. Websites such as Farmsubsidy.org also publish information about CAP subsidy schemes that can be searched by scheme type, recipient name or payment year.

Targets are usually asked to provide details that can be used by the fraudster to access their account. Alternatively, a target may be asked to transfer money to a 'safe account' or hand their cards over to a courier. Commenting in November 2014, Katy Worobec, UK Director of FFA,

advised SPS claimants to "be immediately suspicious" of telephone callers who ask for personal or financial information, or for money to be transferred into other accounts.

According to a survey commissioned by FFA and carried out by ICM Unlimited, almost six in ten (58%) people questioned in summer 2014 had received suspect calls, compared to just over four in ten (41%) during the previous summer. The amount lost to Vishing scams increased almost threefold between 2013 and 2014, rising from around £7 million to almost £24 million. The FFA found that small firms in general were being identified as a 'major' target for financial fraudsters in October 2014, particularly in sectors including agriculture, construction and manufacturing.

The FFA warning is available at: <http://bit.ly/1lqVjod>



# care needed when negotiating with mobile network operators

Landowners should be careful when negotiating lease terms with mobile network operators (MNOs), who will 'undoubtedly' be reviewing their leasing arrangements in light of the Government's plans to help eliminate poor rural network coverage, according to property specialists Strutt and Parker.

In November 2014, the Department for Culture, Media & Sport (DCMS) launched a consultation on various legislative proposals to reduce partial 'mobile not spots', meaning locations covered by just one or two of the four main MNOs operating in the UK (EE, O2, Three and Vodafone). The following month, Culture Secretary Sajid Javid confirmed that

these companies had entered into a binding deal with the DCMS that includes an agreement to spend £5 billion collectively on improving mobile infrastructure by 2017. Speaking to the Farmers Guardian, Strutt and Parker's Head of Telecoms Robert Paul claimed that MNOs often quote 'modernisation' when making demands of landowners and force them to sign new agreements by threatening decommissioning and loss of income. He pointed out that they are only obliged to concede where the modernisation work is required by law, adding "landowners are often unaware of their rights when it comes to dealing with telecoms." Mr Paul continued: "Landowners may be under the



*impression there is an obligation for them to permit access or provide additional ground space to operators, although this is not always the case."*

Read more about Mr Paul's warning at: <http://bit.ly/1zWj94M>

Read more about the agreement with MNOs at: <http://bit.ly/1KFTLc3>

# farm incomes boosted by campsite bookings

The number of campsite bookings taken by farms increased by 85% in 2014 compared with 2013, according to data provided by outdoor accommodation specialist Pitchup.com.

The data reveals that over 18,500 campsite bookings were recorded at farms across the UK and Ireland in 2014. The average farm campsite received £6,461 in total for the year, with the most successful receiving £29,000. This is more than the net income of the average farm, which is £28,000 according to the Department for Environment, Food and Rural Affairs (Defra).

Farm incomes have dropped by 26% since 1995, according to Pitchup.com, which has led many farmers to seek diversification opportunities to make their business more financially viable. Commenting on the opportunity presented by campsites, Pitchup.com founder Dan Yates said: "The set-up and running of a farm-based campsite is a relatively simple process and many farms could see their income rise dramatically."

According to figures published by VisitEngland.com, a total of around £2.4 billion is spent by British people each year on domestic camping and caravanning trips. The figures also

reveal that British people taking domestic holidays at campsites or caravan sites spend 25% more nights away on average than those staying in hotels.

Farmers wishing to set up a campsite should ensure they contact their local authority, to find out whether they require a campsite licence and whether planning permission is required.

Find out more at: <http://bit.ly/1FQsLGK>





## in brief...

### **New funding for promoting food products abroad**

Food producers will be able to apply for funding towards the cost of marketing their produce abroad, as part of a campaign announced by the Rural Payments Agency (RPA). The aim of the 'Enjoy! It's from Europe' campaign is to raise awareness and increase sales of EU agricultural produce. Under the campaign, producers will be able to claim up to 50% off marketing costs for produce such as meat and eggs, and up to 60% for fruit and vegetables. At least 20% of the remaining cost must be paid by the applicant. The funding is provided through two schemes, including one for marketing produce within the EU, and another for marketing to the rest of the world. Applicants can apply for both schemes, but must complete two separate application forms.

<http://bit.ly/1DUakwd>

### **Welsh Basic Payment Scheme to be issued in instalments**

The Welsh Government will issue farmers with the first year's Basic Payment Scheme (BPS) payments in two instalments, it has been announced. They admitted that they will not be in a position to deliver full payment by December 2015, due to the complexity of the reformed CAP scheme, which involves transitioning to area-based payments over the course of five years. In order to calculate the new BPS payment rates, officials must gather data on the number of farmers who qualify, the number of eligible hectares of land and each farmer's chosen application method. Due to these complications, farmers will receive 80% of the total value of the BPS from December 2015, with the remaining balance being paid by May 2016 after the full entitlement values have been calculated.

<http://bit.ly/145dfFr>

### **Pesticide rule changes due from November**

Certificates of competence for using professional pesticides on crops will become compulsory for all farmers, including those who were previously exempt from certification, under rule changes coming into force from 26th November 2015. Individuals born before 31st December 1964 have previously been permitted to use professional pesticides without obtaining a competency certificate, due to rules called 'Grandfather Rights'. However, from 26th November, anyone wishing to purchase professional pesticides must hold a recognised certificate, such as the PA1, PA2 or PA6. In order to become certified, individuals must complete a Level 2 City & Guilds qualification, with the specific qualification required depending on the type of equipment to be used, and whether work will be carried out on the individual's own land or that of others.

<http://bit.ly/1IGZcDP>

### **Maintenance payments to increase for organic farmers**

Farmers will receive higher maintenance payments for farming organically under the new Countryside Stewardship scheme. Maintenance payments for rotational land owners will be set at £70 per hectare under the new scheme, up from £18 per hectare previously. Meanwhile, farmers with improved permanent pasture will receive £40 per hectare, up from £17. However, payments for converting to organic production will be reduced from January 2016, when the new rural development payment programme starts. Chief Executive of licensing body Organic Farmers and Growers, Roger Kerr, has welcomed the changes, stating that the initial plan for high conversion rates and low maintenance payments 'would have unbalanced existing organic producers and risked encouraging people to convert to organic to make money before

leaving at the earliest opportunity.'  
<http://bit.ly/1AbrUYP>

### **Rise in total farming incomes**

The Total Income from Farming (TIFF) in the UK grew by 15% in 2013 compared with 2012, reaching £5.63 billion, according to new figures released by the Department for Environment, Food and Rural Affairs (Defra). It is estimated by Defra that the TIFF is now around 174% higher than it was in 2000. The increase in the TIFF correlates with increasing prices of produce, with total livestock value increasing by over 8% during 2013 to reach £14.24 billion. Meanwhile, the total value of milk rose by almost 12% to reach £4.27 billion, and the value of crops rose by almost 5% to reach £9.39 billion, although the value of wheat was in decline.

<http://bit.ly/1wUDZRS>

### **Government urged to strengthen active farmer rules**

The Scottish Tenant Farmers Association (STFA) has appealed to the Scottish Government to revise their definition of active farmers, to prevent non-farming landlords who rent their land to others from receiving payments under the CAP scheme. Under current rules, farmers are able to rent out their land on a seasonal basis, while continuing to be classified as active farmers and receiving financial support. The STFA has therefore urged for the rules to be strengthened, so that proof of the farmer's main income coming from agriculture is required. The STFA has also called for increased proof of farmers occupying and managing land themselves. Commenting on the issue, STFA chairman Christopher Nicholson said: "We can see no justification for anyone to be in receipt of support unless they are actually engaged in farming activity on that land."

<http://bit.ly/1AWjN7G>

# insolvency increase for food producers

The number of food growers and manufacturers facing insolvency has increased by 28% in the last year, according to data provided by Companies House.

The data revealed a leap from 114 food producers facing insolvency in 2013 to 146 in 2014. This includes farmers, growers and food processing firms, although it does not take into account sole traders who are not required to register with Companies House. The figures contradict liquidation rates across UK firms as a whole, which dropped from 16,631 in 2012 to 14,092 in 2014.

It has been suggested that the increasing number of insolvency cases among food producers may be due to the price war between UK supermarkets, which has caused retailers to drive down supply chain prices in order to maintain profit margins. In addition, food producers are reportedly facing cash flow problems due to delayed payments from retailers, and increasing requests for producers to provide financial contributions towards the marketing and shelf positioning of products.

However, Andrew Opie, Director of Food and Sustainability at the British Retail Consortium, has responded to the claims by commenting that it was *"far too simplistic to blame*



*retailers."* He added that *"retailers operate in a highly regulated supply chain with a strict code of practice governing contracts and an adjudicator appointed by Parliament specifically to ensure fair dealing"*.

Read more at:  
<http://bit.ly/1u320nZ>

## EDMUND CARR LLP Chartered Accountants

146 New London Road  
Chelmsford  
Essex  
CM2 0AW

Tel: 01245 261818  
Fax: 01245 492812  
[www.EdmundCarr.com](http://www.EdmundCarr.com)

If you would like further information on any of the articles in this newsletter please contact Ray Crace on the above telephone number or email [RCracc@EdmundCarr.com](mailto:RCracc@EdmundCarr.com)

Registered in England & Wales - Partnership no. OC333955  
Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales.



The UK200Group is a modern and proactive professional membership association of independent chartered accountants and lawyers which provides training and business services to enhance the performance of member firms. As well as being focused on the general small to medium businesses, members have specialist knowledge and experience of the agriculture, healthcare, charities, legal and property and construction sectors to provide effective support and advice in the areas of tax, financial management, business planning and legal issues.

[www.uk200group.co.uk](http://www.uk200group.co.uk)

This newsletter has been prepared for general interest and it is important to obtain professional advice on specific issues. We believe the information contained in it to be correct. While all possible care is taken in the preparation of this newsletter, no responsibility for loss occasioned by any person acting or refraining from acting as a result of the material contained herein can be accepted by the UK200Group, or its member firms or the author.

UK200Group is an association of separate and independently owned and managed accountancy and lawyer firms. UK200Group does not provide client services and it does not accept responsibility or liability for the acts or omissions of its members. Likewise, the members of UK200Group are separate and independent legal entities, and as such each has no responsibility or liability for the acts or omissions of other members.

## countryside stewardship scheme

The Department for Environment, Food and Rural Affairs (Defra) has published details of its new environmental management scheme for England. Countryside Stewardship, which will encourage diversity and focus on 'quality not quantity' as a priority. According to Farmers' Weekly, this new approach is likely to result in the amount of English farmland covered by an agri environment scheme reducing from around 70% in 2014 to no more than 40% by 2020, creating 'winners and losers' in relation to the £900 million worth of funding available. The Countryside Stewardship scheme is expected to open to applications in July 2015 and will replace Environmental Stewardship (ES), the England Woodland Grant Scheme (EWGS) and part of the Catchment Sensitive Farming (CSF) Programme.

Payments will be awarded via Countryside Stewardship agreements, available from 2016, and Countryside Stewardship capital grants, expected to be available in 2015. Higher Tier agreements will cover the most environmentally

important sites and woodlands and Mid Tier agreements will address widespread environmental issues such as water pollution.

Two types of capital grant will be available: universal grants to fund activities related to issues such as tree health, hedges and boundaries, and woodland management; and targeted grants to fund improvements to water quality. Farmers applying to the scheme will have to choose from more than 100 environmental management action 'options', such as managing hedgerows and maintaining areas of grassland with low inputs, although the exact number of options available will depend on what type of agreement or grant they are applying for. They will be able to see what the Countryside Stewardship priorities are for their own and local land during the application process, enabling them to increase their chances of a successful application by choosing options most likely to benefit their local area.

Read more at:  
<http://bit.ly/1BD8QH0>