



Cronfa Amaethyddol Ewrop ar  
gyfer Datblygu Gwledig:  
Ewrop yn Buddsoddi mewn Ardaloedd Gwledig  
European Agricultural Fund for  
Rural Development:  
Europe Investing in Rural Areas



Llywodraeth Cymru  
Welsh Government



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Welsh Government

## SECTION 4 - SCHEME RULES FARM BUSINESS GRANT – YARD COVERINGS SCHEME RULES

Important information: From 1 April 2021 for storage of manure and silage, 14 days' notice must be given to NRW before construction begins on a new or improved slurry or silage store (this change applies from 28 April 2021). Other than the requirement to notify NRW before construction of a store begins, the silage storage requirements will remain the same as SSAFO

To be eligible for Farm Business Grant – Yard Coverings:

- You must be registered with the Welsh Government and have been issued with a Customer Reference Number (CRN). Please refer to the Welsh Government website for the [how to register guidance](#) or call the Customer Contact Centre on 0300 062 5004.
- You must:
- Be a primary producer of agricultural products
  - have 3ha of eligible agricultural land registered with RPW in Wales **or**
  - be able to demonstrate over 550 standard labour hours

We will check if you have an eligible Basic Payment Scheme or Glastir Organic claim to verify:

1. You are a primary producer of agricultural products
2. You have 3ha of eligible agricultural land in Wales.

If you have not submitted claims for either of these schemes or we are unable to verify the land, you must submit documentary evidence **with your EOI** to verify that you are a primary producer of agricultural products and that you meet either the 3ha or 550 standard labour hours' eligibility criteria

- Have a business turnover of £1m or less (**in order to receive the FBG – Yard Coverings payment you must submit a letter from your accountant confirming your business turnover for the most recent financial year that accounts are available when you submit your claim**).

## SCHEME COMMITMENTS

- You must complete the claim and submit geo tagged photographs and supporting documentation which must include an accountant's letter to confirm the business turnover by the deadline date stated in the Contract.
- You must adhere to the requirements set out within the Contract.
- You must submit your claim via your RPW Online account by the date notified in your contract offer letter with all supporting evidence to be eligible for consideration for payment
- You must meet any legal obligations imposed under EU and UK law, including animal or plant health and welfare legislation.
- You must not dispose of, transfer or sell equipment purchased with grant aid during the project and for five years from the date of the approval without prior written consent of the Welsh Government. Where Welsh Government's written consent is awarded, the grant awarded must be repaid in full.
- No equipment purchased with grant aid must be disposed of, transferred or sold without the prior written consent of Welsh Government, during the project delivery and for five years from the date of the approval.
- You must comply with the rules on eligible expenditure
- You must have bought all of the items of equipment selected in your application, and those must have been bought after the date of approval.
- You must have all the items on your holding at the time you submit your claim.
- You must have all the items on your holding at the time of an inspection.
- You must confirm that none of the items covered by the application are replacements under an insurance claim.
- Items must meet the **minimum** specification described in the List of Eligible Capital Items.
- Finance agreements are acceptable under the FBG, providing you have an invoice addressed to your trading business for the items (and not the finance company).
- Second hand equipment is not eligible for FBG.

- No alterations may be made to the project, including the location of the activity, without the written approval of the Welsh Government.
- You must provide confirmation that no other public funding (whether from EU or UK sources) has been sought.
- You undertake to meet any obligations in relation to obtaining planning permission consents, where necessary.
- From 1 April 2021 for storage of manure and silage, 14 days' notice must be given to NRW before construction begins on a new or improved slurry or silage store (this change applies from 28 April 2021). Other than the requirement to notify NRW before construction of a store begins, the silage storage requirements will remain the same as SSAFO.
- If other EU or UK public funds are obtained to support the costs of a project, they will be discounted against the Farm Business Grant – Yard Coverings.
- Records concerning the application and claim for this grant, including all original invoices and any other related documents, must be retained for at least seven years after the date of approval.
- You must allow representatives of Welsh Government, the Auditor General for Wales, Audit Commission and the European Court of Auditors to inspect the project. On request, you must provide them with information and / or access to original documentation in relation to the project.  
Any publicity given to the project must make reference to the part played by both the European Union and Welsh Government in funding it.

**You should be aware that Welsh Government and the European Commission reserve the right to publish the name of your business or company, the amount of grant you were awarded and a summary of your project.**

# FARM BUSINESS GRANT – YARD COVERINGS TERMS AND CONDITIONS

## 1. DEFINITIONS

The following definitions apply in this contract:

**“Primary producer of agricultural products”** an individual, partnership or company operating a business that undertakes the production of Annex 1 agricultural products. This includes the following farming sectors:

- arable
- beef
- dairy
- goats
- horticulture (including hydroponics and aquaponics)
- pigs
- poultry
- sheep
- apiculture

**“Total business turnover”** means all business income that goes through one business account; this can include agricultural income and all income for non-agricultural diversification. Income from separate businesses is not to be aggregated for this purpose.

**“Beneficiary”** and **“Beneficiaries”** means an operator, body or firm, whether public or private, responsible for initiating, or both initiating and implementing operations or receiving support under the Contract.

**“Eligible registered agricultural land”** is defined as agricultural land located in Wales; Common land where the Beneficiary has sole registered grazing rights and which has been registered as a “sole grazed common” within the Welsh Government’s Land Parcel Identification System (LPIS).

**“Standard labour hours”** means actual hours worked in a farm business including regular work hours of full-time, part-time and part-year workers.

**“Grant Value”** means payment made to fund or reimburse expenditure on agreed items included in the pre-defined List of Eligible Capital Items set out in Annex A of the Farm Business Grant – Yard Coverings.

“**Item**” means a piece of capital equipment or machinery included in the pre-defined List of Eligible Capital Items set out in Annex A of the Farm Business Grant – Yard Coverings guidance.

“**Welsh Government Rural Communities - Rural Development Programme for Wales 2014-2020** is the mechanism by which the Welsh Ministers deliver activities under the Regulations which support the countryside and rural communities, encouraging the sustainable management of agriculture and the environment.

## **2. Claims and Payments**

### **2.1 Making Farm Business Grant – Yard Coverings Payments**

2.1.1 The Welsh Ministers shall make Farm Business Grant – Yard Coverings

Payment subject at all times to the following conditions:

- i) The beneficiary has completed and submitted a claim for Farm Business Grant – Yard Coverings by using the Capital Works Claim page on their RPW Online account in order to remain eligible for, and receive, payment.
- ii) The beneficiary shall be responsible for ensuring that they complete and submit their Farm Business Grant – Yard Coverings claim, submit receipts, invoices and geo-tagged “after” photographs for all claimed items and an accountant’s letter confirming business turnover of £1m or less claim by the date stated in the Scheme Rules.
- iii) The Beneficiary has not received payment from any other source in respect of any payment due or payment made to which the Contract relates.
- iv) The Beneficiary has not artificially created conditions required to obtain payments.
- v) The Beneficiary has not made a false or misleading statement or declaration, or furnished the Welsh Ministers with false or misleading information.
- vi) Farm Business Grant – Yard Coverings payments are calculated in accordance with the Contract Schedule, provided that all items listed have been purchased to the correct specification. Payments are made following the successful validation of the claim following administration checks.
- vii) The Beneficiary’s claim may be selected for inspection before or after the payment has been made. All the details in the beneficiary’s application, the details in the claim and the declarations that were made in submitting the application and claim will be checked at inspection. This will include a check on the business turnover figure, the dates on which the equipment was

bought, who the invoice or invoices were made out to and the specification of the equipment (where appropriate) and that all items are on the holding at the time of the inspection.

viii) All Farm Business Grant – Yard Coverings Payments are only payable in sterling by the Welsh Ministers via the BACS system.

## **2.2 State Aid**

2.2.1 Articles 107, 108 and 109 TFEU do not apply to grants provided under this scheme which are made pursuant to Regulation (EU) No 1305/2013 of the European Parliament and of the Council (Rural Development Regulations), within the scope of Article 42 TFEU.

Article 42 TFEU applies to activities in the primary production of agricultural products.

2.2.2 Grants provided under this scheme will comply with the maximum intervention rates and aid ceilings set out in Annex II of the Rural Development Regulations.

## **2.3 Incorrect claims and penalties**

2.3.1 The Beneficiary has a responsibility to make sure that the claim submitted is arithmetically correct and that it is only for eligible equipment from the approved list.

2.3.2 All of the items that were approved must have been bought after the approval date.

2.3.3 All of the items of equipment that were approved must have been bought **after the contract has been accepted.**

The beneficiary's claim is incorrect if they:

- buy items that are of the wrong kind or specification; or
- have bought items before the contract was accepted; or
- have not bought all of the items listed in the contract; or
- the items are not on their holding at the time they submit their claim; or
- not all of the items claimed are present on the holding during an inspection.

**The beneficiary must claim for all of the Primary items listed in your contract.**

## 2.4 Offences

2.4.1 Regulation 13 of the Rural Development Programmes (Wales) Regulations 2014 (No. 3222 (W.327)) establishes criminal offences and penalties in relation to certain aspects of rural development funding. That Regulation and those offences are applicable to the Farm Business Grant Scheme. Examples of offences include knowingly or recklessly providing false or misleading information in relation to rural development funding, obstructing an inspector or official, and refusing to provide information when requested to do so.

## 3. Contract Amendments

### 3.1 Changes to the Contract Terms and Conditions

3.1.1 The Welsh Ministers may need to make changes to this Contract in order to update the Contract to take account of the latest scientific advice, amend scheme rules to take account of any changes within the **Welsh Government Rural Communities - Rural Development Programme** and revise payment rates, amongst other things.

3.1.2 The Welsh Ministers will publicise the changes in Gwlad Online, on the Welsh Government's website <https://gov.wales> and where necessary contact Beneficiaries via RPW online accounts

3.1.3 The Beneficiary is required to abide by any changes made to this Contract in the event of any statutory variation or modification of the Regulations and following notification by the Welsh Ministers.

### 3.2 Termination

3.2.1 Termination by Welsh Ministers

3.2.1.1 The Welsh Ministers may terminate this Contract in the following circumstances:

- i) where the Welsh Ministers exercise their powers in accordance with Clauses 3.1, 6.4 and 6.7 and;
- ii) where in the absolute discretion of the **Welsh Government Rural Communities – Rural Development Programme for Wales 2014-2020** or any subsequent Welsh Government Rural Communities Programme period;
- iii) at the end of the current **Welsh Government Rural Communities - Rural Development Programme for Wales 2014-2020** or any subsequent Rural Communities Programme period;
- iv) where changes to the **Welsh Government Rural Communities - Rural Development Programme for Wales 2014-2020** or any subsequent Welsh Government Rural Communities Programme period;
- v) where changes to Welsh Ministers budgetary provisions necessitate amendments to the operation of the Farm Business Grant Scheme;

3.2.1.2 Where the Welsh Ministers terminate the Contract in accordance with clause 4.2.1.1 (ii), the Welsh Ministers may be required in accordance with the Regulations to prohibit the Beneficiary from entering a new undertaking or new agreement under a Rural Development area based scheme for a period not exceeding two years from the date of termination.

3.2.2 Termination by the Beneficiary.

3.2.2.1 In the event that the Beneficiary terminates this Contract prior to the expiry of the term of the commitment, subject to the provisions of clause 4.4 (Transfer or Selling Land under Contract) the Welsh Ministers, in accordance with the Regulations will take recovery action for payments made to the Beneficiary under the Contract with interest.

## **4. Inspections and Record Keeping**

4.1 The Welsh Ministers or their agents will conduct inspections which may be unannounced or within a strictly limited period of notice.

4.2 The Beneficiary shall:

i) permit duly authorised officers of the Welsh Ministers or an Authorised Person to check all the details in your Expression of Interest and Contract; the details in your claim and the declarations that you made in submitting the EoI and claim. This will include a check on the business turnover figure, that all the items are on the holding at the time of the inspection, the dates on which the equipment was bought, who the invoice or invoices were made out to and the specification of the equipment (where appropriate) for the purpose of ascertaining that the terms of this Contract have been duly complied with;

ii) render all reasonable assistance to an authorised person in relation to the Contract. If an Authorised Person considers it necessary, the Beneficiary shall accompany an Authorised Person.

4.3 The Beneficiary must make available to the Welsh Ministers any information, books of records, accounts, receipts or other data including access to computer data which the Authorised Person may reasonably request for the purpose of verifying that the terms of the Contract are being complied with.

4.4 The Beneficiary shall supply that information within the period determined by the Welsh Ministers and must permit the Authorised Person to take copies or extracts from any of those documents or records.

4.5 The Beneficiary shall retain all invoices, accounts or other documents relating to commitments after the final scheme payment including copies of original documents for at least 7 years.

4.6 The Beneficiary shall consent to the Welsh Ministers contacting other relevant authorities to seek disclosure of information pursuant to any enquiries which the Welsh Ministers may wish to make to verify information supplied by the Beneficiary.

4.7 The Beneficiary shall, on request, supply details of any payments received or due from any governmental or public body, or insurance policy, in respect of the capital items to the Welsh Ministers.

4.8 The Beneficiary shall notify the Welsh Ministers immediately upon receipt of any offer of funding or an agreement in respect of the management of any part of the capital items by any person or body other than the Welsh Ministers.

4.9 The Beneficiary shall allow Welsh Ministers' officials, an Authorised Person or third party contractor's access to the location of the capital items for the purpose of monitoring and evaluating scheme outcomes at any time during the Contract term.

4.10 The Beneficiary and Welsh Ministers agree that any conduct which amounts to a refusal to allow an inspection, failure to co-operate with the inspection request, obstruction of an Authorised Person to inspect or failure to give reasonable assistance will be treated as a breach of Contract in accordance with Clause 6, and will result in the reduction, cancellation or recovery of payment under the Farm Business Grant – Yard Coverings and other Common Agricultural Policy schemes.

## **5. Penalties and Breaches**

5.1 The Welsh Ministers may impose penalties, possibly resulting in either full or partial refusal of payments for:

- i) breaches of the Contract (including but not limited to breaches of the Scheme Rules set out in Section 2 and Inspections and Record Keeping set out at Clause 5);
- ii) Farm Business Grant – Yard Coverings claim discrepancies and breaches

### **5.2 Scheme Breaches**

5.2.1 The Welsh Ministers may identify ineligible expenditure via administrative checks, satellite imagery or on farm inspections and will notify the Beneficiary in writing.

5.2.2 The Welsh Ministers shall notify the Beneficiary of the details of any reduction or exclusions to be applied at payment stage.

5.2.3 The Welsh Ministers shall refuse or withdraw in full the support claimed where the eligibility criteria are not met.

5.2.4 The Welsh Ministers shall refuse, or withdraw in full or in part the support claimed where the Beneficiary does not comply with the commitments contained in this Contract.

5.2.5 The Welsh Ministers shall refuse, or withdraw in full, the support where it is established that the Beneficiary provided false evidence for the purpose of receiving the support, or failed to provide the necessary information due to negligence.

5.2.6 If the Beneficiary makes a false declaration or fails to notify the Welsh Ministers of a material change they may be liable to prosecution.

### **5.3 Recovery of Payments**

5.3.1 The Welsh Ministers are required in certain circumstances to recover payments in whole or in part and may exercise these powers in line with Regulation 10 of The Rural Development Programmes (Wales) Regulations 2014 SI No 3222 (W. 327) as amended.

### **5.4 Applying Interest**

5.4.1 In the event that Welsh Ministers need to recover sums paid the Beneficiary shall repay the amount in question plus, where applicable, interest.

5.4.2 The Welsh Ministers shall calculate interest for the period elapsing between the payment deadline for the Beneficiary indicated in the recovery order, which shall not be set at more than 60 days, and the date of either repayment or deduction.

5.4.3 The Welsh Ministers shall calculate the rate of interest applicable in accordance with the LIBOR rate on that day plus 1%.

## 6. Appeals Procedure

- 6.1 In the event that the Beneficiary wishes to challenge a decision of the Welsh Ministers in relation to their Farm Business Grant – Yard Coverings Contract or Payment, they may apply in writing within 60 days of the date of the letter notifying the Beneficiary of the Welsh Minister's decision. Details of the two stage appeals process can be obtained from the Rural Payment Wales Customer Contact Centre.
- 6.2 If a Beneficiary is dissatisfied with the way their case has been handled a complaint can be made under the Welsh Governments Complaints policy and procedure. Advice can be obtained from the Rural Payment Wales Customer Contact Centre.

## 7. Data Protection: Privacy Notice

7.1. This notice informs the Beneficiary about the Welsh Ministers' use of the information held and obtained in relation to this Contract or any other document which is used, created or obtained in connection with this Contract.

It also explains the Welsh Government's processing and use of your personal data and your rights under the General Data Protection Regulation.

The data controller for the information submitted as part of this Contract is the **Welsh Government, Cathays Park, Cardiff, CF10 3NQ.**

The data protection officer for the same information is the **Data Protection Officer, Welsh Government, Cathays Park, Cardiff, CF10 3NQ. Email: DataProtectionOfficer@gov.wales**

7.2 The information will be processed and managed by the Welsh Government in accordance with its obligations and duties under the following European Regulations:

- Council Regulation (EU) No 1306/2013
- Commission Regulation (EU) No 640/2014
- Commission Regulation (EU) No 809/2014
- Commission Regulation (EU) No 907/2014
- Commission Regulation (EU) No 908/2014
- Council Regulations (EU) No 1305/2013
- Commission Regulation (EU) No 807/2014

- Commission Regulation (EU) No 808/2014
- General Data Protection Regulation (EU) No 679/2016

7.3 The information will primarily be used for the purposes of verifying compliance with the Contract and processing applications for payment. However, the Welsh Government may also make use of the information supplied for other purposes, which will include those connected with its functions and duties under the Common Agricultural Policy of the European Community and with its statutory environmental obligations.

7.4 The lawful basis for the processing is that it is necessary for the performance of a task carried out in the exercise of official authority vested in the Welsh Government.

The Welsh Government collects personal data to identify the Beneficiary's location and farm business(es). The Welsh Government does not collect any special category data.

The data is processed through an automated process of business rules that use the Customer Reference Number (CRN) as a primary key for the majority of reports.

The beneficiary's information will be stored in accordance with the Commission Implementing Regulation (EU) No 908/2014, "Conservation of Accounting Information".

### **Reasons for sharing personal data**

The information may be also be used for the following purposes:

- compilation of reports of aggregated data and/or summary statistics to be made publicly available
- informing decisions relating to policy changes and funding including research studies conducted on behalf of the Welsh Government to inform Monitoring and Evaluation of Rural Development Schemes
- identification of landowners/users in events of emergencies, e.g. disease control and breach control
- The information we have collected from you may be shared with fraud prevention agencies who will use it to prevent fraud and money-laundering and to verify your identity.
- disclosure to regulatory authorities, such as HM Revenue and Customs, Local Authorities and the Police
- publication of certain information and responding to requests for information.

## **The Publication and Disclosure of Information**

The information will be managed and used by the Welsh Government in accordance with its obligations and duties under the:

- Freedom of Information Act 2000
- Data Protection Legislation
- Environmental Information Regulations 2004
- Commission Regulation (EC) No 908/2014

7.5 The beneficiary's information, including personal information, may be the subject of a request by another member of the public. When responding to such requests the Welsh Government may be required to release information, including the beneficiary's personal information.

7.6 Commission Regulation (EC) 908/2014 requires the Welsh Government to publish details of the amounts paid to CAP beneficiaries. Data will be published for all beneficiaries on a searchable website, and will include the name and locality of the farmer/land manager and details of the amounts and schemes for which subsidy has been paid. However, for those receiving less than the equivalent of €1,250 in subsidies the name will be withheld. The data will be published annually on 31st May and remain available for two years from the date it is published. The information will be available on the Defra website at: [www.cap-payments.defra.gov.uk](http://www.cap-payments.defra.gov.uk)

## **Rights under the General Data Protection Regulation (GDPR)**

The GDPR gives individuals rights in respect of the personal data held on them. These rights include:

- the right to be informed (this notice)
- the right to ask for and receive copies of the personal data that the Welsh Government holds about them, although the Welsh Government can sometimes withhold some data or not provide copies
- the right, in some circumstances, to prevent or restrict the Welsh Government processing personal data
- the right, in some circumstances, to have wrong data rectified
- the right, in some circumstances, to have data erased (to be forgotten).

If you wish to exercise any of your rights under the GDPR, you should contact the Welsh Government at the address provided at the beginning of this notice.

7.7 Individuals also have the right to ask the Information Commissioner, who enforces and oversees the GDPR, to assess whether or not the processing of their personal data is likely to comply with the GDPR. The Information Commissioner can be contacted at:

## **8. Interpretation**

8.1 The paragraph headings are inserted for convenience of reference only and shall not in any way affect the construction meaning or effect of anything contained in this Contract or govern the rights and liabilities of the parties.

## **9. Fettering of Discretion**

9.1 Nothing in this Contract shall fetter or otherwise constrain the Welsh Ministers in the exercise of their functions under the Regulations.

9.2 In the event of a conflict between the terms of the Contract and the Regulations and to the extent that any clauses of this Contract are incompatible or inconsistent with the Regulations, the Parties agree that the provisions of the Regulations will apply.

## **10. Public Liability and Third Party Insurance**

10.1 In addition to any existing legal right of access any persons may have to the Contract Land, where the Beneficiary, has agreed as part of the Contract that the public may have access over the Contract Land, that Beneficiary undertakes to hold an adequate policy of public liability and third party insurance throughout the term of the Farm Business Grant Contract.