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Cash-starved farmers dealt BPS bridging loan blow

Thursday 28 April 2016 17:05 Philip Case (<http://www.fwi.co.uk/author/philip-case-2/>)

Cash-starved farmers who received government hardship payments have been told they are not eligible for a bridging loan to cover 50% of their outstanding BPS claims.

The decision, made by the Rural Payments Agency (RPA), is the latest in a series of blunders, which have dogged the delivery of the 2015 Basic Payment Scheme in England.

In an e-bulletin sent to land agents this week, the RPA stated: "If your client has already received a hardship payment, they won't get a bridging payment."

See also: [RPA announces BPS bridging payments for farmers](http://www.fwi.co.uk/business/rpa-announces-bps-bridging-payments-for-farmers) (<http://www.fwi.co.uk/business/rpa-announces-bps-bridging-payments-for-farmers.htm>)

One common land claimant, based in the South East, who has been experiencing extreme cashflow problems, applied to the RPA's hardship fund for support two weeks ago.

The farmer, who does not want to be named, was sent a payment for less than £4,000 from the agency with no remittance advice.

His land agent, Townsend chartered surveyors, contacted the RPA who said the payment was sent from its hardship fund and not to cover his agri-environment scheme claim, as he had previously thought. This was later confirmed following the receipt of a generic remittance slip.

The farmer, who has still not been paid his BPS claim, drew some comfort from the RPA's announcement on 19 April that it would pay bridging loans to those in England still waiting for their money.

But after months of being left in the dark over when he will receive his payment, the RPA has told him he is now not eligible to receive a bridging loan because he has already benefitted from its hardship fund.




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Contact us

Are you a farmer who is still waiting for your BPS payment? Have you accessed the hardship fund and been told you cannot get a bridging loan? Tell us your story. Contact the newsdesk now on 020 8652 4921 or email philip.case@rbi.co.uk (<mailto:philip.case@rbi.co.uk>)

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Inbox

 Rural Payments Agency

25 April 2016
SBI: [106738379](#)

Dear Sir or Madam

Basic Payment Scheme (BPS) 2015: we are making a payment to you

While we are now processing the final claims under the Basic Payment Scheme (BPS) 2015, this is taking longer than we had anticipated, particularly because of the complications caused by a new inspection regime and changes to how commons claims are processed. I would like to apologise for any uncertainty or anxiety this may have been causing you.

To provide some financial relief to those farmers still awaiting a payment, we are now introducing 'bridging' payments. This means that if we aren't able to finish processing your claim (and therefore make a full payment) this month, we will make a payment to you worth around half of your total claim value.

We will make this payment by the end of April – although it can take up to 5 days to reach your bank account. We will then aim to pay the rest of what you are eligible for as soon as we have finished processing your claim, and by the end of June at the latest.

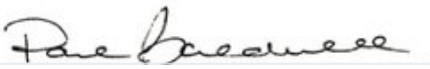
What is a 'bridging' payment?
A bridging payment includes 'de minimis state aid' and as such becomes repayable once we make a full BPS payment. This means that when we make a full payment from EU funds, we will automatically hold back the amount we have already paid. There is more information about state aid and the terms and conditions of bridging payments on GOV.UK.


BPS 2016 – apply by [16 May](#)

Everything you need to apply for 2016 is now available. If you want to apply for BPS 2016 and haven't already done so, please remember that the application deadline is [midnight on 16 May 2016](#). If you're not sure of the correct information to apply for, claim payment for what you believe you are entitled to, based on the evidence you have.

More information on what to claim for is in our Hints and Tips document, which you can find on GOV.UK at www.gov.uk/rpa/bps2016. All the other information you need for BPS 2016 is also available on this page.

Yours faithfully



 **Guy Smith**
[@essexpeasant](#) [Follow](#)

The [@Ruralpay](#) tell me I will be paid my BPS EU funded money by June 30th. Now getting worried we might have left.

7:21 PM - 25 Apr 2016

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Worst-off farmers 'excluded from loans'

Hugh Townsend, of Townsend chartered surveyors, based in Exeter, said: "We received an e-bulletin from the RPA explaining that everybody who has received a hardship payment would not be eligible for a bridging loan because they have already had some form of help."

“Our client received under £4,000 and would have received more than 10 times this amount from the bridging loan scheme. He would never have accepted the sum if the RPA advised him he would not have been eligible for a bridging loan.”

He added: “The reason why farmers like my client make applications for hardship payments is because they are really struggling.”

“Therefore, it seems hard to believe that the worst-off farmers are being excluded from this loan scheme – they surely are the ones that need money most.”

Mr Townsend said his client, whose 2015 claim included common land, did not know when he would receive his full BPS payment. The RPA’s current stated position is all BPS payments will be paid by the end of June.

But it was disappointing that farmers applying for hardship support had not been made aware this would affect their eligibility to receive subsequent bridging payments, Mr Townsend added.

Charles Smith, chief executive of the Farming Community Network (FCN) charity, said a significant number of farmers who were facing extreme hardship, including those at the limit of their overdrafts, had accessed the RPA’s hardship fund.

He added: “Farmers faced with particular hardship have called us and we are working with the RPA to try to release a proportion of their expected BPS payment in order to relieve that hardship.”

“In this particular case, the amount paid is very low. We are working with the RPA to try to find a top-up which reflects more closely the expected proportion of the payment.”

Bridging loans for those ‘yet to receive any money’

A spokesman for the RPA said: “We know these payments are important for farmers.

“Bridging payments are for those remaining farmers who have yet to receive any money.

“We are continuing to working seven days a week to complete our processing of remaining 2015 claims.

“We’ve paid out over £8m hardship funds to about 500 farmers and continue to work closely with the FCN.”

Are you a farmer who is still waiting for your BPS payment? Have you accessed the hardship fund and been told you cannot get a bridging loan? Tell us your story. Contact the newsdesk now on 020 8652 4921 or email philip.case@rbi.co.uk (<mailto:philip.case@rbi.co.uk>)

Read more on: BPS (SFP) (<http://www.fwi.co.uk/business/bps/>)

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