

Delinked payments update as interest from buyers increases



> Delinked payments will replace BPS payments in England in 2024 and will reduce each year until these payments finish

Steve Parsons / PA

BUYING interest is so far being driven by smaller claimants wanting to top up the value of what they receive over the next four years. Most calls are from farmers interested in buying enough reference data to get them up to the £30,000 band, which is where the higher reductions to payments start to apply.

Prices are ranging from 20p to 25p on the pound, based on the total reference data, rather than the reference "amount", which is calculated as the average across the reference period and on which delinked BPS payments will be made.

For example, if Farmer A has total reference data of £30,000 to sell, this equates to a reference amount of

The English market for Basic Payment Scheme (BPS) delinked data is hotting up as the transfer deadline fast approaches says WMN's land agent and surveyor expert, **Hugh Townsend**

£10,000 a year across the three reference years of 2020, 2021 and 2022. At the purchase rate of 25p in the pound, Farmer B would need to pay £7,500 (25% of £30,000) for the right to receive Farmer A's delinked payment until the end of the transition period in 2027. In 2024, we know the reduction is 50% on claims up to £30,000, so the buyer in this example should get £5,000 back in the first year.

From then on there is an element of risk as we don't have a confirmed figure for the remaining years reductions. Based on equal reductions, we think people will be making back £1.20 for every £1 of averaged reference data they buy, although this is regarded as trading income and subject to tax.

The transfer window closes on May 10, 2024 and will not be available in future years (although special

arrangements will apply in certain inheritance cases where they have up until 2027).

Any purchaser has to be eligible to receive a delinked payment, which means they must have made a Basic Payment Scheme (BPS) claim in 2023. However, you do not need to have claimed BPS in 2023 in order to sell your reference data to someone else.

Delinked payments will be made



twice a year, in August and December each year until 2027. If the seller's own reference amount is greater than £30,000, they can only sell all of it in one lot to one purchaser.

We have purchasers seeking lot sizes of up to £90,000 total data (so a farm which had an average annual BPS claim of £30,000). With prices of 25p to £1 of total data this would represent a payment of £22,500 to the vendor.

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