

Agricultural Development Scheme

PENALTIES

The payment of the maximum amount of support that you may claim from the Agricultural Development Scheme is dependent on meeting a number of Scheme conditions and the requirements of other, existing legislation. Failure to meet these conditions or comply with legislation can result in a penalty being applied to your payment, thus reducing it. In some circumstances, you may receive no payment at all and face prosecution.

The areas of the Agricultural Development Scheme (ADS) which are subject to penalties:

1. Late submission of your ADS application form

Penalties will be applied to applications received after the end of the application period, please refer to table 2.3 in Chapter 2. No payments will be made if an application is received 28 days after the closing date (11th May).

2. Permitting entry and inspection

The ADS requires you to allow entry by an authorised person to:

- inspect all or any part of the land whether it is farmed or not farmed and which forms part of the ADS application or is at the applicant's disposal;
- check that you have complied with undertakings given by you in relation to the Scheme; and
- determine the classification of the land to which an application relates

3. Over or under declaring the total amount of land at the disposal of the applicant

It is your responsibility to ensure that you supply accurate information so you must check that you have accurately assessed the eligibility of your land and that you take steps to remedy any errors.

The tables below show the penalties for mis-declaration of land, which have been extracted from Schedule 1 of the Agricultural Development Scheme 2015.

- a. Penalties for the over or under declaration of land at the applicant's disposal (total of eligible and ineligible land).

Area mis-declared	Penalty
Less than 3% and not exceeding 3 acres	No penalty
3% to 20% or more than 3 acres	1% reduction in total ADS payment
More than 20% and not exceeding 50%	5% reduction in total ADS payment
More than 50%	10% reduction in total ADS payment



b. Penalties for the over declaration of eligible land

Area mis-declared	Penalty
Less than 3% up to 2 acres	No additional penalty (payment reduction only to ensure correct payment)
Over 3% or more than 2 acres	A penalty amounting to twice that of the value of the area over claimed up to a maximum of 100% in the Scheme year.

c. Penalties for under declaration of eligible land

Area mis-declared	Penalty
More than 10%	½ of the value of the under declared area (i.e. if eligible area was under declared by 20% the penalty would be 10% of total payments)

d. Penalties are applied on a whole farm basis, with over and under declarations on specific fields being netted against each other.

4. Cross Compliance

Full details of the penalties associated with failing to meet Cross Compliance Standards are given in Chapter 6. Penalties can range from a warning letter to 100% in a Scheme year or exclusion from the Scheme, depending on the intent, extent, severity, permanence or repetition of the breach.

5. Making a statement or providing information which is false or misleading with a view to obtaining a payment from the ADS

Where the Department establishes that this has happened, and no payment has yet been paid, the whole or part of the payment can be withheld. Where a payment has been made and it is subsequently found to be based on false or misleading statements, the Department has a statutory duty to reclaim the amount paid. If legal action is taken and the claimant is found to be guilty under the Act, a fine not exceeding £5,000 can be imposed.

Note that this can apply in a variety of circumstances including under and over declaring eligible acres.

Legislation which must also be complied with in order to avoid the possibility of prosecution

There is a variety of existing legislation which needs to be taken into account, especially in relation to Cross Compliance. Non-compliance may be determined following inspections and reports from other Authorities and, conversely, prosecution may result from reports made to other Authorities, following the Department's inspections.

The specific legislation of which you should be aware is outlined in Chapter 6. In addition, and where appropriate, the Department will make use of the provisions of the Agriculture and Fisheries (Miscellaneous Provisions) Act 1998 (c.7) as described in point 5 above.

