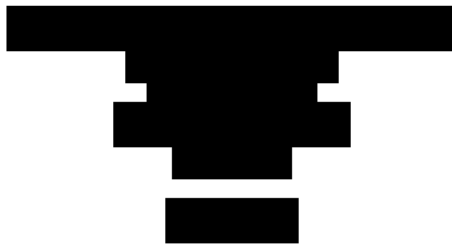


# Glastir Woodland Creation Contract



Customer Reference Number: [REDACTED]

Contract Reference: [REDACTED]

Expression of Interest (EOI) Reference Number: [REDACTED]

# GLASTIR WOODLAND CREATION CONTRACT

It is agreed as follows:

This Contract is between [REDACTED] (“you”, “your” or “the beneficiary”) and the Welsh Ministers.

The term of this Contract is:

From the date on which you sign the contract and will run for a period of 12 calendar years from 1 January in the year following completion of the capital works.

This Contract incorporates the following:

- Glastir Woodland Creation Contract Schedule(s)
- Scheme Rules
- Maintenance Payments and Premium Payments
- Technical Specifications for Capital Works
- Glastir Terms and Conditions
- Glastir Woodland Creation Contract Map(s)

The most up to date information and data available to the Welsh Ministers has been used to create this Glastir Woodland Creation Contract. It is your responsibility to ensure that the information contained within this contract is correct.

This contract is made in accordance with Rural Development Programmes (Wales) Regulations 2014 SI No. 3222 (W. 327); Council Regulation (EU) No. 1305/2013 of the Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD); Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the Common Agricultural Policy; Commission Delegated Regulations (EU) No. 807/2014 of March 2014 supplementing Regulation (EU) No 1305/2013 of the Parliament and of the Council on support for rural development by the EAFRD; Commission Implementing Regulation (EU) No. 808/2014 of 17 July laying down rules for the application of Regulation 1305/2013 of the European Parliament and of the Council on support for rural development by the EAFRD; Commission Delegated Regulation (EU) No 640/2014 of 11 March supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the Common Agricultural Policy; Commission Implementing Regulation 809/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the Common Agricultural Policy; Commission Delegated Regulation (EU) No. 907/2014 of March 2014 supplementing Regulation (EU) No 1306/2013 of the Parliament and of the Council; and Commission Implementing Regulation (EU) No. 908/2014 of March 2014 laying down rules for the application of Regulation 1306/2013 of the European Parliament and of the Council on support for rural

development by the EAFRD (“the Regulations”) all as amended from time to time.

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# SECTION 1 - Glastir Woodland Creation Contract Schedule

## General Details

**Contract Area:** 62.00

## Capital Works Schedule

This schedule shows all Capital Works included in this contract. The Sheet and Field number along with the Map ID can be used to identify the location of the Capital Works items on the Contract Map. This schedule shows the quantity and payment for each Capital Works item. The written requirements of the individual Capital Works are shown in Section 4.

The Capital Works must have been completed by 31 March 2022 and a claim must be received by Welsh Ministers by 30 April 2022.

Sheet and Field Number	Map ID	Capital Works Ref No.	Description	Quantity	Payment Rate (£)	Total Payment (£)**
SO3020 4828	GP001	801	Native Woodland Creation - Biodiversity	60.90ha	3000.00	182700.00
SO3020 4828	GP002	595	Post and wire fencing with netting	3217m	3.48	11197.98

\* This activity extends across a number of parcels.

\*\* This is the total payment value subject to administrative and on the spot checks.

## Maintenance Payments Schedule

This schedule details the area that can be claimed for the Glastir Woodland Maintenance payment. These activities are not shown on your Contract Map, but the Sheet and Field number along with the Area can be used to identify the corresponding tree planting activity on the Contract Map. The requirements for Glastir Woodland Maintenance are set out in Section 3.

The first payment must be claimed via Rural Payments Wales Online on the Single Application Form (SAF) in the first full calendar year following establishment. The Woodland Maintenance payment can be claimed for a maximum of 12 consecutive years for woodland planting and for a maximum of 5 consecutive years for Agroforestry. All subsequent payments must also be claimed annually of the SAF.

Sheet and Field Number	Activity ID	Maintenance Ref No.	Description	Area	Payment Rate (£/Unit)	Total Payment (£)**	Commitment Period (Years)
SO3020 4828	CM001	806	Native Woodland Maintenance – Biodiversity	60.90ha	60.00	3654.00	12

\*This activity extends across a number of parcels.

\*\* This is the total payment value subject to annual administrative and on the spot checks.

## Premium Payments Schedule

This schedule details the area that can be claimed for the Glastir Woodland Premium payment. These activities are not shown on your Contract Map, but the Sheet and Field number along with the Area can be used to identify the corresponding tree planting activity on the contract map. The requirements for Glastir Woodland Premium are shown in Section 3.

The first payment must be claimed via Rural Payments Wales Online on the Single Application Form (SAF) in the first full calendar year following establishment. The Woodland Premium payment can be claimed for a maximum of 12 consecutive years for woodland planting. All subsequent payments must also be claimed annually of the SAF.

Sheet and Field Number	Activity ID	Premium Ref No.	Description	Area	Payment Rate (£/Unit)	Total Payment (£)**	Commitment Period (Years)
SO3020 4828	CP001	811	Native Woodland Premium - Biodiversity	60.90ha	350.00	21315.00	12

\*This activity extends across a number of parcels.

\*\* This is the total payment value subject to annual administrative and on the spot checks.

**Field Parcels Entered Into Contract**

This table contains the Field parcels that form the contract extent for Glastir Woodland Creation.

<b>Sheet Ref.</b>	<b>Field No.</b>	<b>Field Size (ha)</b>	<b>Contract Area (ha)</b>
SO3020	4828	62.00	62.00



## Tree Species Planting Breakdown

This table details the planting breakdown of the tree species for each of the woodland activities.

Activity ID	Option	Description	Open Space (%)*
GP001	801	Native Woodland Creation - Biodiversity	0.00

Tree Species	Breakdown (%)
Willow species (Salix spp)	5.00
Sessile oak (Quercus petraea)	15.00
woody shrubs (woody shrubs)	10.00
Rowan (Sorbus aucuparia)	15.00
Wild cherry (Prunus avium)	10.00
Silver birch (Betula sylvatica)	10.00
Downy birch (Betula pubescens)	15.00
Hazel (Corylus avellana)	5.00
Field maple (Acer campestre)	15.00
Total	100.00

\* The open space column shows the percentage of open space contained within the area to be planted which is not shown on the contract map.

## SECTION 2

### SCHEME RULES

#### GLASTIR WOODLAND CREATION ELIGIBILITY RULES

To be eligible for Glastir Woodland Creation you must:

- be registered as a customer with Rural Payments Wales (RPW) and have been issued with a Customer Reference Number (CRN). You must have registered your land with the RPW Land Parcel Identification System (LPIS);
- enter a minimum of 0.25 hectares of eligible land into the scheme, with a minimum individual block of 0.1 ha;
- have full Management Control over all of the eligible land for the full term of the contract and the full commitment period;
- be a public or private land holder, municipality or an association including community groups planting on publicly owned land;
- be the sole claimant of European Aid schemes (e.g. Basic Payment Scheme and Glastir) on the land.

To be eligible for Glastir Woodland Creation, the land must:

- consist of field parcels that are 0.1ha or greater in area and be located in Wales;
- not be existing woodland;
- not be used to grow Christmas trees or a short rotation biomass crop for the duration of the woodland creation contract. Christmas trees may not be used as a nurse crop. Short rotation means less than 8 years;
- have received all necessary consents from relevant organisations e.g. Natural Resources Wales, Cadw in order to plant on designated sites in compliance with the UK Forest Standard;
- have a Glastir Woodland Creation Plan for the land under Contract that meets the UK Forestry Standard, prepared by a Glastir Woodland Management Planner who is registered with the Welsh Government.
- have been approved on the Glastir Woodland Creation Plan.

#### SCHEME COMMITMENTS

- You must remain in the Contract for the entire term of the contract.
- You must adhere to the Contract requirements set out within the Contract.

- You must comply with all legal requirements and obtain the necessary consent where appropriate. It is your responsibility to ensure all legal requirements are met and all necessary consents have been obtained prior to the commencement of any works. If the consent provider states that consent is not necessary, written confirmation must have been obtained and submitted to the Welsh Government with the Glastir Woodland Creation Plan.
- You must notify the Welsh Ministers within 30 days of any changes to their Contract land managed under this Contract by completing a Field Maintenance form and submitting it to Rural Payments Wales Via Rural Payments Wales Online.
- You must be the sole claimant of European Aid schemes (e.g. the Basic Payment Scheme (BPS) and Glastir). You must therefore ensure that the Contract Land entered into this Glastir Creation contract is not land under which any other persons, are or may be entitled to claim under any European Common Agricultural Policy schemes. Any land claimed for by two or more separate persons under different European Common Agricultural Policy Schemes (dual use of land) is ineligible land.
- All Glastir Woodland Creation operations need to be undertaken in adherence to the Glastir Woodland Creation plan which forms part of the application

## Cross Compliance

You must comply with all cross compliance requirements applicable to their commitments under this Contract on the entire area of the holding. Cross Compliance is a set of statutory requirements which must be followed for the duration of this Contract. It requires the Beneficiary to:

- keep land in Good Agricultural and Environmental Condition (GAEC) by meeting a range of standards that relate to the protection of soil, water and landscape features; and
- meet a range of Statutory Management Requirements (SMRs) covering the environment, public and plant health, animal health and welfare and livestock identification and tracing.

Full details of Cross Compliance are contained in the *Farmers' Guide to Cross Compliance* and on the Welsh Government's website <https://gov.wales/rural-grants-payments>.

## Capital Works

- Capital Works must be completed in line with the Technical Specification for Capital Works in Section 4.
- You must ensure that Capital Works have been completed by 31 March 2022.
- You must maintain:
  - Native Woodland Creation – Biodiversity (No. 801)

in accordance with the Technical Specification for Capital Works in Section 4 for a period of 12 years from 1 January in the year following completion of the capital works.

- Capital Works claims must be received by Welsh Ministers no later than 30 April 2022. For

further information regarding claiming Capital Works, refer to the Section 5 Terms and Conditions.

- Where capital works are not undertaken, or not undertaken in the year stated within the schedule and a derogation has not been granted, this may be considered as a breach of Contract and penalties may be applied in accordance with Section 5 Clause 6 of the Terms and Conditions. Any works not completed and not covered by a derogation, will not be funded and your contract may be terminated. You may also be excluded from applying to Glastir Woodland Creation for a further 2 years, you will be informed in writing where this sanction is being imposed.

### **Maintenance and Premium Payments**

- Maintenance and Premium Payments must be claimed annually via Rural Payments Wales Online on the Single Application Form and submitted to the Welsh Government by 15 May each year.
- The Maintenance and Premium payments for Native Woodland – Biodiversity, Native Woodland - Carbon and Enhanced Mixed Woodland can be claimed for twelve consecutive years. The first claim must be submitted by 15 May in the calendar year following the submission of the final claim for the planting.

### **GLASTIR TERMS AND CONDITIONS: Definitions and clauses which do not apply to this contract.**

The Glastir Terms and Conditions are included at Section 5. The following definitions and clauses do not apply to capital works under this Glastir Woodland Creation contract:

- Definitions -
  - "Management Plan"
  - "Woodland"
- Clause 3 Payments, paragraphs 3.1, 3.2.
- Clause 6 Penalties and Breaches, paragraphs 6.1 point v and vi, 6.2 and 6.3.

Where reference is made to the Annual Maintenance Payment, these clauses will also apply to Premium Payments.

## **SECTION 3**

### **Maintenance Payments and Premium Payments**

#### **Maintenance Payments**

Maintenance Payments are included in this contract. See Section 1 for details of payments and when they can be claimed. See Section 2 for details on claiming payments and Clause 6 for details of associated penalties.

The maintenance of newly planted trees that you must adhere to are set out in out in Section 4.

#### **Premium Payments**

Premium Payments are included in this contract. Premium Payments are made for taking an area of land out of agricultural production and is being used to grow trees in line with the Technical Specification in Section 4. You must not undertake any agricultural activity within the area and must exclude all livestock for the twelve calendar years following the completion of the Capital Works.

See Section 1 for details of payments and when they can be claimed. See Section 2 for details on claiming payments and Clause 6 for details of associated penalties.

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## SECTION 4

### TECHNICAL SPECIFICATIONS FOR CAPITAL WORKS

**The Capital Works included in this contract need to be completed in line with the quantity, location and timing as included in Section 1 of this contract. The following Technical Specifications include the detail of how each Capital Work must be completed.**

You should note that certain works that you are required to undertake as part of your Glastir Contract may require permissions over and above those highlighted in these Technical Specifications before commencement of works within this Contract. These may be in the form of planning permission, a certificate, consent or licence. It is your responsibility to ensure that any such requirements are complied with.

You will be responsible for ensuring that all safety requirements are observed when undertaking any work. You will also require public liability insurance cover.

## 595 POST AND WIRE FENCING WITH STOCK NETTING

This technical note describes the minimum standard of work required in order to receive payment for 'Post and Wire Fencing with Stock Netting', as specified in your Glastir Contract. Any variation must be approved by the Welsh Government.

If any of the work claimed is found to have been carried out to a different standard, without the prior approval by Welsh Government, the project may be considered ineligible. This will result in claims being withheld (or recovered) with penalties applied in line with the scheme rules, unless work is assessed to have been delivered to an equivalent standard.

### **You must adhere to the following;**

- Ensure that you have obtained, and adhere to any licenses, consents or permissions that are needed.
- Use fencing timber comprising either hardwood or pressure treated softwood.
- Ensure that timbers, wire, netting and galvanized staples consist of new materials.
- Use straining posts that are a minimum of 12.5cm cross section and at least 2m long. Straining posts must be set into the ground at a sufficient depth to ensure stability. Straining posts must be placed at either end of the fence line and at centres of 100m or less, as well as at every horizontal or vertical change of direction.
- Attach struts at each end of the fence line and at all changes of slope and direction. Struts must have a top diameter of at least 6.5cm and must be supported to prevent them splaying outwards. Use intermediate posts that are at least 6.5cm diameter (round posts and sawn timber) and at least 1.7m long. Half round posts are acceptable provided they measure at least 6.5cm from the mid point of the sawn side to the mid point of the round side. Intermediate posts must be set at centres of 3m or less.
- Attach netting to posts with galvanized staples.
- Attach wire to posts with galvanized staples with the distance from the ground to the top wire no less than 1.05m. In cases where there is heavy pressure from sheep or cattle, a second line wire on top of the netting as well as an additional wire at the bottom should be added. The top wires of any fencing erected next to public access routes must consist of plain wire or an additional line of plain wire must be affixed to the outside of the posts closest to the route in question.
- Ensure that the new fencing conforms to British Standards 1722 and 4102, as amended.

### **Do not;**

- Use trees and shrubs as strainers or fencing posts, or attach wire, staples or netting to them.

### **Additional guidance which may be useful in addition to the specifications above:**

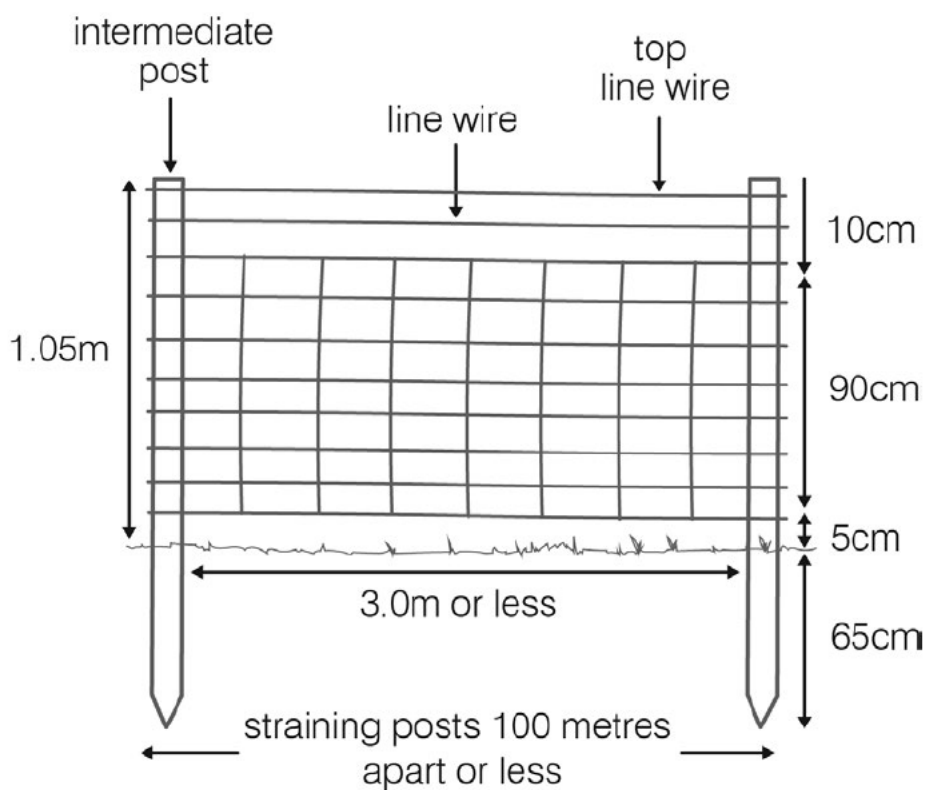
- Best practice is to set the posts at least 1 m into the ground to ensure stability.
- Diagonal struts must be supported with either a base plate or a suitably positioned intermediate post to prevent them splaying outwards.
- Ensure that you have the appropriate Flood Risk Activity Permit if you are planting or fencing near a main river, flood plain or flood defence structure. Alternatively, ensure you have the appropriate Ordinary Water Course Consent if you are carrying out works near an ordinary water course. The permit / consent (or confirmation that a permit / consent are not needed) should be retained and made available on request. See Terms and



Conditions for more details.

- Where Glastir activities include the installation of access furniture such as stiles or gates on a Public Right of Way, it is your responsibility to ensure you obtain approval under Section 147 of the Highways Act, 1980, from the appropriate Highway Authority.

**Example Diagram of Post and Wire with Stock Netting**



## **801 Planting Native Woodland - Biodiversity**

This technical note describes the minimum standard of work required in order to receive payment for new planting of native broadleaved species under the capital works planting option 'Native Woodland - Biodiversity'.

**You must also refer to the detailed re-stocking requirements forming part of this contract which are either shown at the start of this section 'Technical Specifications for Capital Works' or in the Contract Schedule.**

### **Planting Requirements:**

This capital works option requires native tree species to be planted.

Trees must be planted in a clumped distribution with variable spacing e.g. the planting should be made up of groups of between 5 to 20 trees the same species.

Woody shrub species, such as hazel, hawthorn and guilder rose, should not exceed 20% of the compartment area.

A minimum of 1600 stems per hectare must be planted and be alive or have achieved canopy closure for 12 years following the year in which the trees were planted.

The planting stock should be suitable for the provenance zone in which the planting site is located.

Areas of unplantable open ground within the woodland of 0.1ha or over must be excluded from the grant aided area.

Scattered and un-mappable open ground (i.e. less than 0.1ha) can be included within the planting area up to a total of 15% of the total area, where they are noted in the Woodland Creation Plan.

Due to Ash dieback disease (*Chalara fraxinea*), and *Phytophthora Ramorum* no ash, larch or other species at immediate risk of disease should be included in any planting mix.

No more than 10% alder should be planted in riparian areas (e.g. next to ponds, rivers and stream etc).

### **Planting Guidance**

#### **Timing**

The planting season traditionally runs from 1 October to 31 March. At higher altitudes, restocking can be extended into April. Glastir will have allocated a year or period for completion of the work.

#### **Ground Preparation**

Site preparation is optional and not funded.

## Tree Species

The species and mixtures of trees species to be planted will be dependent on environmental factors of the site. Factors such as soil types and tree growth characteristics are taken into account when selecting species. When planting mixtures, different tree species should be planted throughout the planting area in single species groups of 5-25 trees. Group size should also be taken into account.

*Due to Ash dieback disease (Chalara fraxinea, and Phytophthora Ramorum no ash or larch should be included in any planting mix for either woodlands or when establishing or restoring hedgerows. For slower growing species such as oak - plant a group of sufficient size to ensure that the trees are not shaded out by faster growing species.*

## Buying Trees

When buying large quantities of trees, a specialist tree nursery will be the best place. In most sites 40 to 60 centimeter transplants are the best option as maintenance operations are easier when the trees are visible amongst the vegetation.

Nursery trees come in different forms;

**Bare Root** - trees are lifted from the ground with bare roots and packaged together in bundles. Bare rooted stock are the most regularly used for restocking, but need to be stored and handled carefully.

**Cell Grown (Plugs)** - grown in plastic trays which create a narrow plug of fine roots and soil. These trees allow the planting season to be extended at either end as the roots can grow within the soil plug and avoid damage during planting.

**Pot Grown** - grown in an individual plant pots and are usually reserved for larger trees and some shrub or ornamental species such as holly. These are more expensive and bulky but flexible like cell grown plants.

## Tree Size

Available sizes are generally between 10 and 60cm in height. Nurseries classify trees in different bands for example 20-40cm or 40-60cm. For most restocking, a robust tree with a good root system of size 40-60cm will be suitable.

## Tree Handling

Be on hand when plants arrive so that you can ensure they are in good physical condition. **Keep the roots covered at all times before planting to prevent damage and drying out.** Whilst cold is unlikely to be harmful, hot sun and any form of drying such as an east wind, can very quickly cause damage or kill the plants. If immediate planting is not possible, dig a trench before delivery and store plants in this with the roots covered so they are kept moist and cool. Protect the plants from animals, including rabbits and hares.

## Tree Spacing

Planting under this option requires - 1,600 tree/Ha which equates to 2.5m spacing between trees.

You may need to increase the stems per hectare in parts of the site to take account of features such as unplanted ground or riparian zones. When planting areas of native broadleaved species

a more varied spacing may also be required, closer in some parts and wider in others, as long as the overall tree density of 1600 tree/ha is achieved.

### **Tree shelters**

Larger areas of planting, especially conifer mixtures, are usually planted without any further protection. Most planting sites may have rabbits, hares, deer or voles present and it is advisable to protect broadleaves with tree shelters to prevent damage. There are many different types of tree guards available, from light spiral guards secured with canes, to solid plastic shelters which require stakes and ties. Tree shelters can boost the early growth of trees, make maintenance easier and ensure the trees are not damaged by mammals or bracken.

### **Protection against Livestock**

Planting sites must be protected from domestic animals and deer by using appropriate boundary fencing

### **Maintenance of trees and shrubs**

Until the trees have grown large enough to grow on without intervention, they will need to be maintained to ensure 100% survival of the trees. The most important period is the three years after planting, but in poorer conditions or with ineffective maintenance it can stretch out to five or more years. The better the quality of the initial planting, protection and maintenance, the more likely that the trees will establish quickly.

### **Replacement trees (Beating Up)**

A planting site should be assessed for losses towards the end of the summer annually. Any dead trees should be replaced in the following autumn or spring. Look for any pattern to the losses, in terms of particular areas and species. If losses are greater than 10-15% and there is no obvious cause, you should consult your plant supplier or seek professional advice.

### **Weeding**

Weed control around trees is crucial, as competition for water and nutrients is most damaging when trees have yet to develop extensive root systems.

Tall vegetation like bracken or bramble can cause physical damage to the trees and cutting by hand or mechanically is normally required, although some overall spraying of bracken is possible. Cutting or strimming of grass simply makes it more vigorous. Spot weeding with a suitable chemical is the most effective method of control. Only properly licensed chemical products can be used and applied by qualified operators. In some instances plastic, cardboard or woven mats can be used where chemical weed control is not possible, such as organic farms.

It is recommended to graze or mow the area of grassland immediately prior to planting, so it is easier to plant the trees. If there is a thick layer of dead material it is more difficult to firm in the soil around the stem and young trees can suffer root damage. This may result in making it necessary to screef (cut away the turf, to expose the soil) an operation which will increase the labour cost of planting.

### **Guards and Shelters**

These need to be checked regularly to make sure they are secure. Vegetation will often grow up



into tubes and guards and tubes need to be kept in contact with the ground to avoid rabbits and small mammals' access to the stems. Although many products are biodegradable, they can have a negative effect on the growth and stability of the trees if left and should be removed as soon as they are not required.

Technical Notes detailing the new planting requirements will be available of the Welsh Government <https://gov.wales/farming-countryside>

## SECTION 5

### GLASTIR TERMS AND CONDITIONS

#### 1. DEFINITIONS

The following definitions apply in this contract:

**"Agricultural activity"** means the production, rearing or growing of agricultural products including harvesting, milking, breeding animals and keeping animals for farming purposes, or maintaining the land in good agricultural and environmental condition.

**"Agricultural Land"** means any area taken up by arable land, permanent pasture or permanent crops (as defined as "agricultural area") in Regulation 1307/2013 of the European Parliament and of the Council of 17 December 2013);

**"Area Related Support Measure"** means rural development measures or type of operations for which support is based on the size of the area declared and which includes commitment by a Beneficiary to deliver objectives set within the Welsh Government Rural Communities - Rural Development Programme for Wales 2014-2020;

**"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;

**"Contract Area"** means the area of the land parcel entered into the Glastir Contract;

**"Contract Land"** means the land parcels listed in the Glastir Contract;

**"Eligible 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 LPIS.

**"Field Size"** means the total size of the field;

**"Habitat"** is any vegetation which has a composition of less than 25% sown agricultural species as per the Environmental Impact Assessment (Agriculture) (Wales) (EIA) Regulations 2007.

**"Ineligible Land"** is defined as land which the Beneficiary has less than 5 years management control over or has insufficient management control to cover the full contract period; land used for development land, permanent caravan sites, car parks, gallops, airports, areas used for permanent storage, golf courses and other sporting facilities etc; registered common land with multiple graziers and land used by more than one grazier which is not registered common land; part field or land parcels; land being used by another farmer to claim European Common Agricultural Policy payments; field or land parcels located outside Wales.

**"Management Control"** means the Beneficiary has full management control of the Contract Land which is at their disposal to fulfil the Glastir contractual obligations for the Contract term;

**"Management Plan"** means requirements, the Scheme Rules requirements Cross Compliance (where applicable), Capital Works (where applicable) of this Contract.

**"Payable Area"** is defined as land which is eligible for payment and entered into a Glastir Contract, subject to all the requirements of the Contract being met;

**"Scheme Breach"** means any non-compliance with a requirement contained within this contract;

**"Transfer"** means the lease or sale or actual inheritance or anticipated inheritance of land or payment entitlements or any other definitive transfer thereof; it does not cover the reversion of entitlements upon expiry of a lease;

**"Transferee"** means the person to whom the Beneficiary transfers, sells or otherwise disposes of his land.

**"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;

**"Woodland"** means woodland mapped under Natural Resources Wales' "National Forest Inventory";

## 2 Management Control

2.1 Upon request the Beneficiary must provide evidence that they have management control of the land and that they can meet the eligibility criteria of the scheme throughout the term of the Contract.

2.2 The Beneficiary must have management control over the Contract Land for the full term of the Contract.

2.3 If it is determined that the Beneficiary does not have the required management control, the land will be withdrawn from the Contract and all payments made in relation to the land will be recovered and financial penalties may be applied.

## 3 Claims and Payments

### Making Annual Maintenance and Premium Payments

3.1 The Welsh Ministers shall make Glastir Annual Maintenance and Premium Payments subject at all times to the following conditions:

- i. that the Beneficiary has claimed for payment and where applicable declared all their agricultural land as at 15 May each year on the Single Application Form;
- ii. that the Beneficiary is not in breach of the Glastir Contract. The Welsh Ministers, before making any payment, may make enquiries as they consider necessary to establish whether the Beneficiary has complied with the Contract;
- iii. that the Beneficiary has not received payment from any other source in respect of any payment due or payment made to which the Glastir contract relates;
- iv. that the Beneficiary has not artificially created conditions required to obtain payments;

- v. that the Beneficiary has not made a false or misleading statement or declaration, or furnished the Welsh Ministers with false or misleading information, either intentionally or as a result of negligence.

All Glastir Annual Maintenance and Premium Payments are only payable in sterling by the Welsh Ministers via the BACS system.

## **Making Capital Works Payments**

3.2 The Welsh Ministers shall make Glastir Capital Works Payments subject at all times to the following conditions:

- i) that the Beneficiary has not received payment from any other source in respect of any payment due or payment made to which the Glastir Contract relates;
- ii) that the Beneficiary has not artificially created conditions required to obtain payments;
- iii) that the Beneficiary has not made a false or misleading statement or declaration, or furnished the Welsh Ministers with false or misleading information, either intentionally or as a result of negligence.
- iv) Capital works payments are calculated in accordance with the Contract Schedule, provided that the technical notes have been followed. Payments are made following the successful validation of claim including administration checks and on farm inspections.
- v) All Glastir Capital Works Payments are only payable in sterling by the Welsh Ministers via the BACS system.

## **4 Contract Amendments**

### **4.1 Changes to the Contract Terms and Conditions**

4.1.1 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.

4.1.2 The Welsh Ministers will publicise the changes in Gwlad Online, Welsh Government Website <https://gov.wales/rural-grants-payments> and where necessary will write to Beneficiaries.

4.1.3 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.

### **4.2 Termination**

#### **4.2.1 Termination by Welsh Ministers**

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



- i) where the Welsh Ministers exercise their powers in accordance with clause 3.4 and 6.4 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 Development 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 Glastir Scheme;
- vi) in the event that the Welsh Ministers accept that "*force majeure*" applies.

4.2.1.2 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.

#### 4.2.2 Termination by the Beneficiary.

4.2.2.1 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) and clause 7 ("*force majeure*") the Welsh Ministers, in accordance with the Regulations will take recovery action for payments made to the Beneficiary under the Contract with interest.

### 4.3 Derogations

4.3.1 The Welsh Ministers may, in exceptional circumstances, on receipt of a written request from the Beneficiary provide written authority to permit a temporary derogation from the requirements in the Contract.

4.3.2 The Beneficiary shall submit a written request for derogation to the Welsh Ministers prior to the event and in time for Welsh Ministers to consider the request which, if rejected, would still allow the Beneficiary to fulfil their contractual obligations.

4.3.3 The Welsh Ministers shall specify time limits for any such permitted variations.

4.3.4 The Beneficiary must not carry out any work until confirmation that a derogation request has been approved.

4.3.5 The Welsh Ministers may seek recovery of payments or the termination of this Contract in

the event that the Beneficiary fails to obtain a written derogation and varies the agreed Contract.

#### **4.4 Transferring or Selling Land under Contract**

4.4.1 The Beneficiary must notify the Welsh Ministers upon any transfer or sale of any land which forms part of the Glastir Contract, including changes to land occupation and/or tenancy, within 30 calendar days of the event. Failure to notify the Welsh Ministers within the 30 days is treated as a Glastir scheme breach and may result in a penalty.

4.4.2 The Beneficiary may be required to repay all monies already paid with interest under the Contract following a transfer, sale or disposal of the Contract Land, where the transferee does not take over the commitments of the Contract Land or where such approval is not obtained from the Welsh Ministers.

4.4.3 The Transferee may either continue with the obligations contained in the Contract for the remainder of the term of the Contract, or subject to approval by the Welsh Ministers, may apply to enter into a new Contract covering all of the new occupier's eligible land, where the transferee does not hold an existing Contract and takes on the Contract from the Beneficiary.

4.4.4 The Transferee is liable for the Contract, including all breaches identified following the transfer and resultant penalties, even where the cause of the breach occurred prior to the date of the transfer, from the date of transfer of the Contract from the Beneficiary to the Transferee.

4.4.5 In the event that the Beneficiary transfers, sells or otherwise disposes of all or part of the Contract Land and the Welsh Ministers considers that the environmental objectives of the Contract have been undermined as a consequence, this may be treated as a breach of Contract which may result in termination and all payments made to the Beneficiary being recovered with interest.

#### **4.5 Acquiring Additional Land during the Contract Period**

4.5.1 Land acquired by the Beneficiary after the Contract start date cannot be added to this Contract.

### **5 Inspections and Record Keeping**

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

5.2 The Beneficiary shall:

- i. permit duly authorised officers of the Welsh Ministers or an Authorised Person to enter the Contract Land and to inspect it at all reasonable times, 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.

5.3 The Beneficiary must make available to the Welsh Ministers any information, books of records (including where appropriate Activity and Stocking Diaries), 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.

5.4 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.

5.5 The Beneficiary shall retain all invoices, accounts or other documents relating to commitments after the final scheme payment including copies of original documents for 10 years.

5.6 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.

5.7 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 Contract Land to the Welsh Ministers.

5.8 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 Contract Land by any person or body other than the Welsh Ministers.

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

5.10 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 Glastir Scheme and other Common Agricultural Policy schemes.

5.11 Inspections may include ex-post checks for capital works items where there is a commitment which continues beyond the term of this contract.

5.12 If capital investment payments (i.e. Capital Works) over the life of the Contract are more than €50,000, the Welsh Ministers will provide the Beneficiary with a plaque which must be displayed at the holding.

## **6 Penalties and Breaches**

6.1 The Welsh Ministers may impose penalties, possibly resulting in either full or partial refusal of payments and recovery of previous payments made, for:

- i. under declared land;
- ii. over declared land;
- iii. 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);
- iv. Capital Works claim discrepancies and breaches;
- v. late submission of a Single Application Form; and



vi. breaches of Cross Compliance requirements.

## **6.2 Under Declaration of Land**

6.2.1 Failure to declare all the agricultural land/areas on the holding on the Single Application Form (including all owned and rented in land, and not solely land forming part of this Contract) may result in a reduction in the payment you will receive under this Contract payment and other Rural Development Scheme payments as applicable. The payment will be calculated on the basis of the area declared, irrespective of whether the area determined is greater.

## **6.3 Over Declaration of Land**

6.3.1 The Welsh Ministers shall apply over declaration penalties where the area declared for the area related support measure on the Single Application Form is more than the determined area.

6.3.2 The Welsh Ministers shall calculate over declaration penalties using areas declared by the Beneficiary which receive the same rate of aid (referred to as crop groups).

6.3.3 The Welsh Ministers shall calculate the aid will be on the basis of the area determined reduced by twice the difference found, if that difference is more than either 3% or 2 hectares, but no more than 20% of the area determined, if the area declared for the payment under a crop group exceeds the area determined.

6.3.4 If the difference is more than 20% of the area determined, no aid shall be granted for the crop group concerned.

6.3.5 If the difference is more than 50% of the area determined for a crop group, in addition to receiving no payment for the year concerned, the claim in the next calendar year will be reduced by the difference between the area declared and the area determined.

6.3.6 If the full amount cannot be taken from the payments in the next calendar year, the remainder will be deducted from payments made in the following two years, as necessary. Reductions required in the three years following the over-declaration can be taken from any other Rural Development Schemes or Basic Payment Scheme payments.

## **6.4 Scheme Breaches**

6.4.1 The Welsh Ministers shall apply penalties where any of the terms of this Contract are not complied with, or there has been a Scheme Breach.

6.4.2 The Welsh Ministers may identify non-compliance and/or breaches via administrative checks, satellite imagery or on farm inspections and will notify the Beneficiary in writing.

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

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

6.4.5 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.

6.4.6 The Welsh Ministers shall take account of the severity, extent, duration and reoccurrence of the non-compliance when deciding on the rate of refusal or withdrawal of support following non-compliance with any of the commitments in this Contract or the applicable scheme rules and this will also apply to any amounts already paid in previous years for the same operation.

6.4.7 Where the Beneficiary claims payment for Capital Works and the Welsh Ministers determine that part or all the costs claimed are ineligible, no payment will be made for the ineligible costs. If the amount of ineligible cost is determined to be more than 10% of the eligible cost, an amount equivalent to the value of ineligible cost will be deducted from the payment.

6.4.8 The Welsh Ministers shall refuse, or withdraw in full, the support and terminate this contract where the overall assessment based on the criteria in Clause 6.4.6 leads to the Welsh Ministers establishing a serious non-compliance.

6.4.9 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.

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

6.4.11 The Beneficiary shall be excluded from the same measure or type of operation for the calendar year of finding and for the following calendar year where the Welsh Ministers refuse or withdraw support in accordance with Clause 6.4.7 or 6.4.8.

6.4.12 The scheme breach penalties system is available on the Welsh Government's website (<https://gov.wales/rural-grants-payments>) or from Rural Payments Wales Customer Contact Centre. The scheme breach penalty system is reviewed annually and is subject to change.

6.4.13 The Beneficiary may lose some or all of their support including exclusion from the commitment in the following year where the Beneficiary fails to meet the Cross Compliance requirements (Statutory Management Regulations and Good Agricultural and Environmental Conditions), whether negligently or intentionally. Further details on the application of Cross Compliance penalties are available on the Welsh Government's website (<https://gov.wales/rural-grants-payments>), in the Single Application Form Rules booklet and from Rural Payments Wales Customer Contact Centre.

6.4.14 The Welsh Ministers will calculate any penalty imposed for a breach of Cross Compliance in accordance with the version of the Cross Compliance Penalty Matrix applicable at the time of the inspection. The Cross Compliance Penalty Matrix is subject to change. Where changes are made they will be publicised in Gwlad and on the Welsh Government's website.

## **6.5 Capital Works claim discrepancies and breaches**

6.5.1 Where Capital Works are not undertaken, or not undertaken in the year stated within the schedule, this may be considered as a breach of Contract and penalties applied in accordance with clause 6.4.

## **6.6 Applying Interest**

6.6.1 The Beneficiary shall repay the amount in question plus, where applicable, interest, if any undue payment is made.

6.6.2 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.

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

## 6.7 Recovery of Payments

6.7.1 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 The Rural Development Programmes (Wales) Regulations 2014 SI No. 3222 (W. 327) as amended.

## 7 "Force Majeure"

7.1 The Welsh Ministers may, in certain circumstances, accept that a Beneficiary was prevented from submitting an application within a specified time limit due to *force majeure* or exceptional circumstances.

7.2 The Welsh Ministers may, in certain circumstances, accept that a Beneficiary is unable to comply with their obligations and may be permitted to retain their right to aid in respect of the eligible land at the time when a case of *force majeure* or exceptional circumstances occurred.

7.3 Examples of circumstances which may constitute *force majeure* include the following:

- death of the Beneficiary;
- long term professional incapacity of the Beneficiary;
- a severe natural disaster gravely affecting the holding;
- accidental destruction of livestock buildings on the holding;
- expropriation of a large part of the holding if that could not have been anticipated on the day this Contract was signed;
- an epizootic or plant disease affecting part or all of the Beneficiary's livestock or crops respectively.

7.4 The Beneficiary must submit relevant evidence in writing to the satisfaction of the Welsh Ministers in the event of *force majeure* within 15 working days of the Beneficiary, or someone entitled on their behalf, being in a position to do so.

7.5 The Welsh Ministers shall proportionally withdraw the respective payment where the Beneficiary has been unable to fulfil a commitment as a result of *force majeure* or exceptional circumstances, for the years during which the case of *force majeure* or exceptional circumstances occurred. The withdrawal shall concern only those parts of the commitment for which additional costs or income foregone did not take place before the *force majeure* or exceptional circumstances occurred.

7.6 No withdrawal shall apply in relation to the eligibility criteria and other obligations and no



administrative penalty shall apply.

## **8 Appeals Procedure**

8.1 In the event that the Beneficiary wishes to challenge a decision of the Welsh Ministers in relation to their Glastir Contract or Payments, 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.

8.2 If a Beneficiary is dissatisfied with the way their case has been handled a formal Complaint can be made under the Welsh Government's Complaints policy and procedure. Advice can be obtained from the Rural Payment Wales Customer Contact Centre.

## **9 General Data Protection Regulation: privacy notice**

We have updated the privacy notice for our schemes and contracts.

<https://gov.wales/rural-grants-and-payments-privacy-notice>

## **10 Interpretation**

10.1 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.

## **11 Fettering of Discretion**

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

11.2 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.