

ENVIRONMENTAL FARMING SCHEME (Higher/Group level) Advice Note No. 17/02

EFS Actual cost items

Additional Capital Items

Some EFS(H) and EFS(G) Options have Additional Capital Items, also called Non-Productive Investments (NPIs), available. The costs and specifications for each Additional Capital Item are in the DAERA EFS(H) Information Sheets and/or in the EFS(H) site-specific Remedial Management Plan (ssRMP). Capital items are mostly paid on a 'standard cost' basis, though in some cases they are paid on an 'actual cost' basis.

Actual costs

Actual cost is the actual expenditure made to purchase an item or service. In some cases, it will include construction and/or installation of a capital item to a certain specification.

The following five Additional Capital Items will be reimbursed by DAERA as actual costs and will require two written quotations for each item.

- Structures/work to raise water levels
- Stock bridge
- Machinery for management of fen and reedbed tall vegetation
- Creation of wetlands
- Bankside reprofiling

The following eight Additional Capital Items will be reimbursed by DAERA as actual costs and will normally require only two price checks (for each item). However, where any individual item exceeds £5000 (inc. VAT), two written quotations must be submitted.

- Restorative pruning of traditional orchards
- Tree surgery
- Tree pollarding
- Predator perch removal
- Rhododendron and laurel control - control by stem injection
- Primary and follow-up treatments of invasive non-native plants - Japanese Knotweed
- Primary and follow-up treatments of invasive non-native plants - Giant Hogweed
- Primary and follow-up treatments of invasive non-native plants - Himalayan Balsam

Quotations/price checks for associated professional fees are detailed in the section 'Professional fees – Chartered Engineer/Hydrologist/Tree surgeon' of this document.

It will not be possible to add any additional capital items to an EFS Agreement after the EFS(H) ssRMP is submitted or at any time during the term of the Agreement.

Requirements for actual cost items at ssRMP submission

When the draft ssRMP is submitted to DAERA for approval, the following documents must be supplied in relation to Additional Capital actual cost items:

- Specification detailed in the draft ssRMP.
- Written quotation(s) and/or price checks, where applicable, submitted with the draft ssRMP.

Requirements for actual cost items at claim stage

The Agreement holder must submit the following documentation on completion of the Additional Capital Items actual cost works:

- Invoice (see Annex 3 below).
- Receipt or receipted invoice and proof of payment (see Annex 4 below).

Retention of quotations, price checks, invoices and receipts

After submission of their claim, claimants must retain, for seven financial years, the accounts and documents on which their claim was based (quotations, price checks, invoices, receipts) and make them available on request to authorised officers from DAERA, Northern Ireland Audit Office or the European Commission.

Specification for a written quotation

A quotation must include the following:

- It must be the original written quotation (not a photocopy) and include the supplier's name, address, telephone number and, where appropriate, the VAT number.
- It must show the date the quotation was issued and the time period it will remain valid.
- It must detail the goods and services to be provided, including quantities and unit costs and, if applicable, time to be spent on the work and hourly rate charged.
- The amount of VAT charged must be shown as a separate item.

An example of a written quotation is shown in Annex 1.

DAERA will evaluate the quotations and approve an amount that is considered reasonable for the work. The amount approved will normally be based on the lowest quotation.

Specification for a price check

A price check is a written record of telephone or internet prices and must include the following:

- The supplier's name and contact details.
- It must detail the unit cost of the item or service to be provided and, if applicable, the number of hours and hourly rate for the work.
- It must include the amount of VAT charged as a separate item.

An example of a price check is shown in Annex 2.

DAERA will evaluate the price checks and approve an amount that is considered reasonable for the work. The amount approved will normally be based on the lowest price check.

Specification for an invoice

An invoice must include the following:

- It must be the original invoice (not a photocopy) and include the supplier's name, address, telephone number and, where appropriate, the VAT number.
- It must show the date the work commenced and was completed.
- It must show details of the location (Farm Survey Number and field number) and area (hectares) or length (metres) or units of work undertaken.
- Type of goods and services provided, including quantities and unit costs and, if applicable, time spent on the work and hourly rate charged must be shown.
- It must include the amount of VAT charged as a separate item.

An example of an invoice is shown in Annex 3.

Specification for a receipt/receipted invoice and proof of payment

A receipt or receipted invoice and proof of payment must include the following:

- The receipt must show details of type of goods and/or services provided.
- The location (Farm Survey Number and field number) and area (hectares) or length (metres) or units of work undertaken must be shown.
- It must be properly signed by the supplier, including confirmation of status and be accompanied by the original (not a photocopy) appropriate bank/building society statement. Bank statements and electronic bank statements are acceptable where they include the name of the bank, the agreement holder's name and bank account number.
- Bank/building society balances can be blanked out.
- Cash payments are not eligible.
- The receipt must show the amount actually paid (as distinct from the amount invoiced) and indicate the amount of discount, if any, allowed.

An example of a receipt is shown in Annex 4.

Professional fees – Chartered Engineer/Hydrologist/Tree surgeon

Grant aid for approved professional fees will be available for certain capital items.

Professional duties will include:

- (1) site investigation
- (2) design and detailing
- (3) site supervision
- (4) goods and services provided
- (5) certification
- (6) Health and Safety responsibility
- (7) Professional Indemnity/Insurance in place.

For the purposes of EFS, a Chartered Engineer will be a corporate member of a recognised Engineering institution and be registered as a Chartered Engineer.

For the purposes of EFS, a Chartered Hydrologist will demonstrate an internationally recognised statement of professional competence and reputation. There are currently six Chartered status options relevant to hydrologists practising in the UK: CEng, CEnv, CSci, CMet, CGeog and MCIWEM.

Two quotations or two price checks for professional fees, where applicable, must be included as part of the ssRMP submission.

Annex 1: Example quotation

James Contractor Ltd.

Agricultural Services Company

35 Market Street
Anytown
Co. Antrim

VAT Reg. No. 12121212121212
Tel: 2500 1100

Email: James@AgriculturalServices.com
2nd January 2018

To: Joseph Farmer
22 Some Road
Anytown
Co. Antrim

Quotation for supplying equipment, materials and labour to Joseph Farmer for:

Erecting one stock bridge at Farm Survey Number 7/7/7, field 3 to the specification detailed in the Engineer's report.

Labour and machinery to prepare site for erecting one stockbridge 4 hours work @ £25.00/hour	£100.00
Construction of one stock bridge to Engineer's specification	£1250.00
Labour and machinery to install one stock bridge 6 hours work @ £25.00/hour	£150.00
Sub-total	£1500.00
VAT	£300.00
Total inc. VAT	£1800.00

Quotation valid for twelve months from date above

Signed: *James Contractor*

Date: 2nd January 2018

Annex 2: Example price check

Mr George Laurel Ltd.

Tree Surgeon

35 Main Street
Anytown
Co. Tyrone

VAT Reg. No. 13131313131313
Tel: 2800 1100
Email: George@laurel.com

To: Joseph Farmer
22 Some Road
Anytown
Co. Tyrone

2nd January 2018

Tree surgery

Complete survey and associated tree surgery on three trees at FSN 7/7/7, field 2

Tree survey and surgery on three specimen trees @ £375/tree = £1125.00

+ VAT @ 20% = £225.00

Total cost = £1350.00

Annex 3: Example invoice

James Contractor Ltd.

Agricultural Services Company

35 Market Street
Anytown
Co. Antrim

VAT Reg. No. 12121212121212
Tel: 2500 1100
Email: James@AgriculturalServices.com

To: Joseph Farmer
22 Some Road
Anytown
Co. Antrim

10th March 2018

Invoice No: 123456

Invoice for supplying equipment, materials and labour to Joseph Farmer at Farm Survey Number 7/7/7, field 3. Work commenced 20th February 2018 and was completed on 21st February 2018.

Labour and machinery to prepare site for erecting one stock bridge 4 hours work @ £25.00/hour	£100.00
Construction of one stock bridge to Engineer's specification	£1250.00
Labour and machinery to install one stock bridge 6 hours work @ £25.00/hour	£150.00
Sub-total	£1500.00
VAT	£300.00
Total inc. VAT	£1800.00

Annex 4: Example receipt or receipted invoice

James Contractor Ltd.

Agricultural Services Company

35 Market Street
Anytown
Co. Antrim

VAT Reg. No. 12121212121212
Tel: 2500 1100
Email: James@AgriculturalServices.com

To: Joseph Farmer
22 Some Road
Anytown
Co. Antrim

10th March 2018

Invoice No: 123456

Receipt for supplying equipment, materials and labour to Joseph Farmer at Farm Survey Number 7/7/7, field 3. Work commenced 20th February 2018 and was completed on 21st February 2018.

Labour and machinery to prepare site for erecting one stock bridge 4 hours work @ £25.00/hour	£100.00
Construction of one stock bridge to Engineer's specification	£1250.00
Labour and machinery to install one stock bridge 6 hours work @ £25.00/hour	£150.00
Sub-total	£1500.00
VAT	£300.00
Total inc. VAT	£1800.00

Signed: *James Contractor*

Position: Company owner

Total amount paid: £1800.00

No discount

Date paid: 11/4/18