STATUTORY INSTRUMENTS

1967 No. 1608

AGRICULTURE

AGRICULTURAL GRANTS, GOODS AND SERVICES

The Farm Amalgamations and Boundary Adjustments Scheme 1967

Laid before Parliament in draft

Made - - -	31*st October* 1967
Coming into Operation	31*st October* 1967

The Minister of Agriculture, Fisheries and Food and the Secretary of State acting jointly in exercise of the powers conferred on them by sections 26, 35, 36(2) and 40(2) of the Agriculture Act 1967(a) and of all other powers enabling them in that behalf, with the approval of the Treasury, hereby make the following scheme, a draft whereof has been laid before Parliament and approved by a resolution of each House of Parliament:—

Extent and citation

1. This scheme, which applies throughout the United Kingdom, may be cited as the Farm Amalgamations and Boundary Adjustments Scheme 1967.

Interpretation

2.—(1) In this scheme, unless the context otherwise requires—

" the Act " means the Agriculture Act 1967;

" agriculture ", " agricultural land ", " agricultural unit " and cognate expressions and references to farming shall be construed except in relation to Scotland in accordance with section 109 of the Agriculture Act 1947(b) and in relation to Scotland, in accordance with section 86 of the Agriculture (Scotland) Act 1948(c);

" amalgamation " and " boundary adjustment " have the meanings given by section 26 of the Act;

" appropriate Minister " means, in relation to England and Wales or Northern Ireland, the Minister of Agriculture, Fisheries and Food and, in relation to Scotland, the Secretary of State;

" approved " means approved by the appropriate Minister in writing, and " approve " and " approval " shall be construed accordingly;

" commercial unit " means an agricultural unit which in the opinion of the appropriate Minister is capable, when farmed under reasonably skilled management, of providing full-time employment for an individual occupying it and for at least one other man (or full-time employment for an individual occupying it and employment for members of his family or other persons equivalent to full-time employment for one man);

(a) 1967 c. 22. (b) 1947 c. 48. (c) 1948 c. 45.

" cost ", in relation to any proposal for grant in connection with an amalgamation or a boundary adjustment, does not include the cost of purchasing any land;

" full-time employment " in relation to an individual occupying a commercial unit and one other man means employment provided by such crops and livestock as would in the opinion of the appropriate Minister occupy the time of a farmer and one other man for at least 600 days in aggregate in a year on average if a system of husbandry suitable for the district is followed and the greater part of the feeding stuffs required by any livestock kept on the unit is grown there, and in relation to an individual occupying an intermediate unit means such employment as aforesaid as would, in the opinion of the appropriate Minister, occupy the time of a farmer for at least 275 days in aggregate in a year on average in similar circumstances;

" intermediate unit " means an agricultural unit which in the opinion of the appropriate Minister is capable, when farmed under reasonably skilled management, of providing full-time employment for an individual occupying it;

" land " includes any estate or interest in land;

" uncommercial unit " shall be construed in accordance with section 40(3) of the Act.

(2) Where any agricultural land in Scotland consists of or includes a croft or holding, for the purposes of determining under the preceding provisions of this paragraph whether an agricultural unit formed by that land is commercial, intermediate or uncommercial, the land shall be taken to include any right in pasture or grazing land held by the tenant or landholder whether alone or in common with others and deemed to form part of the croft or holding.

In this sub-paragraph " croft " and " holding " have the meanings ascribed to them by the Crofters (Scotland) Act 1955(a) and the Small Landholders (Scotland) Acts 1886 to 1931(b) respectively.

(3) The Interpretation Act 1889(c) shall apply to the interpretation of this scheme as it applies to the interpretation of an Act of Parliament.

Restrictions on amalgamations to which this scheme applies

3.—(1) This scheme shall not apply—

(*a*) to any amalgamation where land which is an uncommercial unit and which is comprised in the amalgamation has reverted after 4th August 1965 from being in single ownership or occupation with other land unless the appropriate Minister is satisfied that the said land has so reverted in consequence of the death or bankruptcy of the owner thereof, or has so reverted in the interests of good estate management or good husbandry or otherwise than in consequence of any act or default of the applicant for grant;

(*b*) to any amalgamation of a kind described in section 26(1)(*a*) of the Act unless the transaction relates to an uncommercial unit which in the opinion of the appropriate Minister is capable, when farmed under reasonably skilled management, of providing employment for the individual occupying it for at least 100 days in aggregate in a year on average if a system of husbandry suitable for the district is followed and

(a) 3 & 4 Eliz. 2. c. 21.
(b) 1886 c. 29; 1887 c. 24; 1891 c. 41; 1908 c. 50; 1911 c. 49; 1919 c. 97; 1931 c. 44.
(c) 1889 c. 63.

the greater part of the feeding stuffs required by any livestock kept on the unit is grown there.

(2) For the purposes of sub-paragraph (1)(*a*) of this paragraph—

(*a*) no account shall be taken of any change in ownership or occupation of any piece of land which appears to the appropriate Minister to be of little, or no, farming significance;

(*b*) in any case where the bankruptcy referred to took place in Scotland, the reference to bankruptcy of the owner shall be construed as a reference to his having become notour bankrupt or having executed a Trust Deed for behoof of his creditors.

Eligibility of proposals

4.—(1) Subject to the provisions of this scheme, grant under section 26 of the Act in respect of any expenditure shall be payable by reference to proposals applications for the approval of which have been submitted to the appropriate Minister in writing within seven years from the commencement of this scheme and have been approved by him.

(2) The appropriate Minister may as he thinks fit either refuse to approve proposals submitted to him under the last foregoing sub-paragraph or approve them wholly or in part.

(3) Any proposal for grant towards the cost of an amalgamation or boundary adjustment, being a cost of a kind described in section 26(3)(*a*) of the Act, shall not be eligible for approval unless it is submitted to the appropriate Minister before the completion of the transaction.

(4) Any proposal for grant towards expenditure of a kind described in section 26(3)(*b*) or (*c*) of the Act in connection with an amalgamation or boundary adjustment which has been completed after the commencement of this scheme shall not be eligible for approval unless—

(*a*) it is submitted to the appropriate Minister before the end of one year beginning with the day after the completion of that transaction, or

(*b*) in the opinion of the appropriate Minister it is in substitution for a proposal so submitted.

Any proposal for grant towards expenditure of that kind in connection with an amalgamation or boundary adjustment which has been completed before the commencement of this scheme shall not be eligible for approval.

(5) Each submission of proposals for approval shall be made in such form as the appropriate Minister may require and the applicant for grant shall furnish that Minister with all such particulars and information relating to the proposals as he may reasonably require.

5.—(1) Subject to the provisions of this paragraph, the appropriate Minister shall not approve any proposals for grant relating to an amalgamation unless he is satisfied—

(*a*) that the proposals are such that a prudent owner of all the land to be comprised in the resulting unit would be willing to carry them out in the interests of the full and efficient use of the land for agriculture, having regard to their cost and to all the other circumstances; and

(*b*) that the cost of the proposals will not be unreasonably high in relation to the benefit to be derived therefrom; and

(*c*) that the resulting unit will be such as can effectively be farmed as an agricultural unit.

(2) The appropriate Minister shall not approve proposals for grant relating to an amalgamation of a kind described in section 26(1)(*a*) of the Act which is designed to result in the formation or expansion of an intermediate unit unless that amalgamation appears to him to be expedient as a step towards the eventual formation of a commercial unit, having regard to—

(*a*) the size and character of the uncommercial unit which is to be the nucleus of the resulting intermediate unit;

(*b*) the amount of other land that would have to be added to that uncommercial unit to form a commercial unit;

(*c*) the suitability of the resulting unit to form the nucleus of a commercial unit.

6. The appropriate Minister shall not approve proposals for grant relating to a boundary adjustment unless he is satisfied—

(*a*) that such a transfer or exchange of land will improve the suitability of at least one agricultural unit for the full and efficient pursuit of agriculture; and

(*b*) that the proposals are such that a prudent owner of all the land which is to be the subject of the transfer or exchange would be willing to carry them out in the interests of the full and efficient use of the land for agriculture, having regard to their cost and to all the other circumstances; and

(*c*) that the cost of the proposals will not be unreasonably high in relation to the benefit to be derived therefrom.

Eligibility of expenditure

7.—(1) Grant under subsection (3)(*b*)(i) or (3)(*c*) of section 26 of the Act may be made towards the cost of any work which is approved by the appropriate Minister and is of a kind described in the Schedule to this scheme.

(2) Subject to the next following sub-paragraph, grant under subsection (3)(*b*)(ii) of the said section 26 may be made towards the cost of any improvement which is approved by the appropriate Minister and is of a kind described in paragraphs 5 to 20 of the Schedule to this scheme.

(3) The appropriate Minister shall not approve any improvement for the purposes of grant under subsection (3)(*b*)(ii) of the said section 26 unless he is satisfied—

(*a*) that the improvement is desirable as a consequence of the amalgamation; and

(*b*) that the improvement is such that a prudent owner occupier of the land comprising the resulting unit would be willing to make it, having regard to its cost and to all the other circumstances, but disregarding benefits derived from the improvement other than the benefit in the farming of the land in the resulting unit; and

(*c*) that the cost of the improvement will not be unreasonably high in relation to the benefit in the farming of the land in the resulting unit to be derived therefrom; and

(*d*) in the case of an improvement for the benefit of a resulting intermediate unit, that the improvement would continue to be of benefit to the land if that intermediate unit subsequently becomes a part of a commercial unit.

Payment of grant

8.—(1) Grant under section 26 of the Act shall be payable to the person or persons by whom or on whose behalf the transaction, work or improvement, as the case may be, is carried out, and may be paid on the completion of any such transaction, work or improvement or by instalments on the completion of parts thereof.

(2) Such grant shall be payable in accordance with the conditions, if any, subject to which proposals for an amalgamation or boundary adjustment are approved by the appropriate Minister.

(3) Grant under section 26 of the Act may be reduced or withheld where assistance in respect of expenditure for which the grant is made is or may be given otherwise than under this scheme, but so that where expenditure, or part of expenditure, is eligible for grant at different rates, grant at the higher rate shall be allowed.

(4) It shall be a condition of the making of payment of any grant under section 26 of the Act that—

(*a*) the transaction, work or improvement, as the case may be, shall have been carried out to the satisfaction of the appropriate Minister and in accordance with any conditions subject to which approval was given by that Minister;

(*b*) the claim for payment shall have been made in such form, and the applicant for grant shall have furnished such particulars and information, as the appropriate Minister may require.

Apportionment of expenditure

9.—(1) Where the appropriate Minister is satisfied that expenditure to which proposals for grant under section 26 of the Act relate does not qualify for grant because—

(*a*) it is in connection with any transaction, work or improvement, as the case may be, which is in part for a purpose other than the purpose in respect of which such a grant may be made, or it is otherwise ineligible under section 26(3) of the Act, or

(*b*) it is in connection with a transaction, work or improvement the cost of which is too great to comply with the requirements of paragraphs 5(1)(*a*) or (*b*) or 6(*b*) or (*c*) or 7(3)(*b*) or (*c*) of this scheme as the case may be, but that there will be derived from the proposals such benefit that if the transaction, work or improvement had been of less cost but still provided that benefit he would have been satisfied as to the matters set out in the said paragraphs of this scheme,

such part of that expenditure as in the opinion of the appropriate Minister represents the reasonable cost of that part of the proposals which is for a purpose for which grant may be made or, as the case may be, the reasonable cost of providing that benefit (hereinafter called " the qualifying expenditure ") shall be regarded for the purposes of sections 26 and 36(1) of the Act as being expenditure qualifying for grant under the said section 26; and in relation to any such proposals as aforesaid references in paragraphs 5, 6 or 7 of this scheme to the cost of the proposals, work or improvement, as the case may be, shall be taken to be references to the qualifying expenditure.

(2) Where expenditure to which the proposals mentioned in the last preceding sub-paragraph relate otherwise qualifies for grant under section 26 of the Act, the appropriate Minister may approve those proposals for grant subject to the provisions of that section and of this scheme as they have effect in relation to

those proposals and the amount of the grant in respect of that expenditure shall be one half of the qualifying expenditure.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 27th October 1967.

Frederick Peart,
(L.S.) Minister of Agriculture, Fisheries and Food.

Given under the Seal of the Secretary of State for Scotland on 30th October 1967.

William Ross,
(L.S.) Secretary of State for Scotland.

We approve the making of this scheme.
31st October 1967.

E. Alan Fitch,
Joseph Harper,
Lords Commissioners of
Her Majesty's Treasury.

Paragraph 7.

SCHEDULE

Works or Improvements Eligible for Grant

1. Erection, alteration, enlargement, reconditioning or demolition of permanent dwelling-houses.

2. Demolition, dismantling, removal or re-siting of any fixed equipment, plant or machinery on farms.

3. Separation of a dwelling-house and the land occupied therewith from a unit of land resulting from an amalgamation, including partitioning, fencing, the provision of independent means of access and the provision or laying on of electric light or power, gas, water and other services to the said house and land.

4. Any works incidental to any of the operations specified in paragraphs 1 to 3 of this Schedule or necessary or proper in carrying it out or securing the full benefit thereof.

5. Erection, alteration, enlargement or reconditioning of permanent farm buildings (other than dwelling-houses), and making or improvement of permanent yards, loading banks and stocks.

6. Provision of means of sewage disposal.

7. Making and improvement of roads, fords, bridges, railway crossings, creeps, piers, jetties and slips.

8. Provision or laying on of electric light or power, or gas, to farms.

9. Provision and improvement of water supply; drainage of agricultural land.

10. Provision and improvement of pens and other fixed equipment for use in connection with the sheltering, gathering, marking, dipping, spraying, treatment or feeding of sheep and cattle.

11. Construction and improvement of silos, and the provision of means of disposal of effluents from silos.

12. Making and improvement and renewal (but not repair) of permanent fences (including hedges), walls and gates.

13. Provision of cattle-grids.

14. Reclamation of waste land.

15. Provision of shelter belts.

16. Removal of hedges and banks, filling in of ditches, removal of boulders, tree roots and other like obstructions to cultivation.

17. Land levelling work, including filling in ponds and depressions which impede cultivation.

18. Protection and improvement of river banks.

19. Provision and installation of fixed plant or machinery (including fixtures and fittings) for agricultural purposes, other than plant or machinery which has been used before installation or which is installed in, or is wholly or partly for the benefit of, a dwelling-house.

20. Any operation incidental to any of the operations specified in paragraphs 5 to 19 of this Schedule or necessary or proper in carrying it out or securing the full benefit thereof.

EXPLANATORY NOTE

(This Note is not part of the Scheme.)

This scheme is made under section 26 of the Agriculture Act 1967 which authorises the making of a scheme for the payment of grants towards expenditure incurred in carrying out amalgamations of agricultural land and adjustments to agricultural units to give more satisfactory boundaries. In accordance with the Act, this scheme does not extend to any application for approval of proposals made after the expiration of 7 years from the commencement of the scheme. It applies to the whole of the United Kingdom.

The scheme provides that in an amalgamation at least one uncommercial unit, capable of providing work for at least 100 days a year for its occupier, must be absorbed to produce either a commercial unit, which is large enough to provide not less than 600 days work a year in aggregate for two or more men, or an intermediate unit, which can provide at least 275 days work a year for one man.

The scheme lays down tests to be satisfied in relation to the eligibility of proposals for grant and prescribes the kinds of work and improvements towards the cost of which, together with certain expenses incurred in land transactions, grant may be paid. It also prescribes tests by which the cost of certain transactions, work or improvements in connection with an amalgamation or boundary adjustment but not otherwise qualifying for grant under section 26 may be regarded as partly expenditure qualifying for grant and partly not.