STATUTORY INSTRUMENTS

1980 No. 103

AGRICULTURE

AGRICULTURAL GRANTS, GOODS AND SERVICES

The Farm Capital Grant (Variation) Scheme 1980

Made - - - -	30*th January* 1980
Laid before Parliament	31*st January* 1980
Coming into Operation	1*st February* 1980

The Minister of Agriculture, Fisheries and Food, the Secretary of State for Scotland and the Secretary of State for Wales, acting jointly in exercise of the powers conferred upon them by sections 28 and 29 of the Agriculture Act 1970(**a**) and the said Ministers also acting in exercise of all other powers enabling them in that behalf, with the approval of the Treasury, hereby make the following scheme:—

Citation, commencement and extent

1. This scheme, which may be cited as the Farm Capital Grant (Variation) Scheme 1980, shall come into operation on 1st February 1980 and shall apply throughout the United Kingdom.

Interpretation

2. In this scheme the expression the "principal scheme" means the Farm Capital Grant Scheme 1973(**b**), and, unless the context otherwise requires, any reference in this scheme to a numbered paragraph shall be construed as a reference to the paragraph bearing that number in the principal scheme.

Variation of paragraph 2 of the principal scheme

3.—(1) Paragraph 2(1) shall be varied in accordance with the following provisions of this paragraph.

(2) For the definition of "the appropriate Minister" there shall be substituted the following definition—

" 'the appropriate Minister' means—

(*a*) in relation to England or Northern Ireland, the Minister of Agriculture, Fisheries and Food;

(*b*) in relation to any other part of the United Kingdom, the Secretary of State.".

(3) There shall be inserted immediately after the definition of "earned income" the following definition—

" 'ECU' means the unit of account of the European Economic Community defined in Article 1 of Council Regulation (EEC) No.

(**a**) 1970 c. 40.
(**b**) S.I. 1973/1965, varied by S.I. 1976/547, S.I. 1976/1870, S.I. 1978/380, S.I. 1978/768.

3180/78(a), and any reference in this scheme to a specified number of ECU in relation to any expenditure shall be taken to be a reference to the sterling equivalent of that number of ECU applicable on the 1st January of the calendar year in which the conditions for granting aid are fulfilled.".

(4) The definition of "unit of account" shall be omitted.

Variation of paragraph 3 of the principal scheme

4. For sub-paragraph (1) of paragraph 3 there shall be substituted the following sub-paragraph—

"(1) Subject to the provisions of this scheme, the appropriate Minister may make to any person a grant towards expenditure incurred or to be incurred by him for the purposes of, or in connection with, the carrying on or establishment of an agricultural business, being expenditure which—

(*a*) has been or is to be incurred in respect of any work or facility, or any part thereof, of a kind specified in any of paragraphs 1 to 10 and 12 of Schedule 1 or, in relation to Scotland only, paragraph 11 of that Schedule in respect of which an application for approval for the purpose of grant has been received on or before 31st May 1976, or

(*b*) has been or is to be incurred in respect of any work or facility, or any part thereof, of a kind specified in any of paragraphs 1 to 17 and 19 of Schedule 3 or, in relation to Scotland only, paragraph 18 of that Schedule—

(i) in respect of which an application for approval for the purpose of grant is received by the appropriate Minister on or after 1st June 1976 and before 1st February 1980; or

(ii) which was incurred between those dates, or

(*c*) has been or is to be incurred in respect of any work or facility, or any part thereof, of a kind specified in any of paragraphs 1 to 16 and 18 of Schedule 7 or, in relation to Scotland only, paragraph 17 of that Schedule in respect of which an application for approval for the purpose of grant is received by the appropriate Minister on or after 1st February 1980, or

(*d*) has been or is to be incurred in respect of any work or facility certified under section 26(6) of the Agriculture Act 1967(b) as amended by section 32(2)(*e*) of the Agriculture Act 1970, and

(*e*) appears to the appropriate Minister to be of a capital nature, or incurred in connection with expenditure of a capital nature, and

(*f*) is approved for the purpose of grant under this scheme.".

Variation of paragraph 4 of the principal scheme

5. At the end of paragraph 4(3) there shall be added the following sub-paragraph—

"(*d*) in respect of any work or facility which is of a kind specified in paragraphs 6 to 16, 17 and, insofar as it relates to any of those

(a) O.J. No. L397, 30.12.78, p. 1. (b) 1967 c. 22.

paragraphs, 18 of Schedule 7 and which, in the opinion of the appropriate Minister, would continue to be of benefit to the land on which the said agricultural business is or is to be carried on or established if that land were to be subsequently occupied as part of a larger agricultural unit.".

Variation of paragraph 5 of the principal scheme

6. Paragraph 5(2)(*a*) shall be varied by substituting for the words "10,520 units of account" and "53,333 units of account" respectively the words "13,158 ECU" and "66,699 ECU".

New paragraph 5A of the principal scheme

7. The following paragraph shall be inserted after paragraph 5—

"5A. Where a development plan for an agricultural business has been approved under any regulations made under section 2(2) of the European Communities Act 1972(**a**) which provide for the payment of grant to a person carrying on an agricultural business as therein defined in accordance with an approved development plan, the appropriate Minister shall not approve for the purposes of grant under this scheme any expenditure (other than expenditure incurred before 1st February 1980), in respect of which the application for approval is receiving on or after 1st February 1980, for or in connection with that agricultural business unless at the time of receipt of the said application the carrying out of the said development plan has come to its end, whether by completion, variation or withdrawal of approval, or otherwise.".

New paragraph 7 of the principal scheme

8. For paragraph 7 there shall be substituted the following paragraph—

"7.—(1) The amount of grant payable under paragraph 3(1) towards expenditure—

(*a*) in respect of any work or facility specified in Schedule 1 shall be determined in accordance with the provisions of Schedule 2;

(*b*) in respect of any work or facility of a kind specified in column 1 of Schedule 3 shall, in each case, be the percentage of that expenditure, if any, specified in relation to that work or facility in columns 2 or 3 of that Schedule:

Provided that—

(i) the amount of grant specified in column 2 of Schedule 3 shall apply to expenditure in respect of any work or facility specified in relation thereto unless the applicant is eligible for the corresponding amount, if any, specified in column 3 of the said Schedule;

(ii) the amount of grant specified in column 3 of Schedule 3 shall apply to expenditure on any work or facility specified in relation thereto, if the expenditure on that work or facility is incurred or is to be incurred for the purposes of, or in connection with, the carrying on or establishment of an agricultural business or that part thereof situated in a less-favoured area which has an earned income per labour unit

(**a**) 1972 c. 68.

less than the comparable income determined in accordance with paragraph 7A, save that in a less-favoured area no such determination shall be made in respect of any work or facility specified in paragraph 18 in column 1 of that Schedule;

(*c*) in respect of any work or facility of a kind specified in column 1 of Schedule 7 shall, in each case, be the percentage of that expenditure, if any, specified in relation to that work or facility in columns 2 or 3 of that Schedule:

Provided that—

(i) the amount of grant specified in column 2 of Schedule 7 shall apply to expenditure in respect of any work or facility specified in relation thereto unless the applicant is eligible for the corresponding amount, if any, specified in column 3 of the said Schedule;

(ii) the amount of grant specified in column 3 of Schedule 7 shall apply to expenditure on any work or facility specified in relation thereto, if the expenditure on that work or facility is incurred or is to be incurred for the purposes of, or in connection with, the carrying on or establishment of an agricultural business or that part thereof situated in a less-favoured area which has an earned income per labour unit less than the comparable income determined in accordance with paragraph 7A, save that in a less-favoured area no such determination shall be made in respect of any work or facility specified in paragraph 17 in column 1 of that Schedule;

(*d*) in respect of any work or facility certified under section 26(6) of the Agriculture Act 1967 as amended by section 32(2)(*e*) of the Agriculture Act 1970 shall be determined in accordance with the provisions of Schedule 4.

(2) The amount of grant payable under this scheme towards expenditure in respect of the carrying out or provision of any work or facility which is incidental to the carrying out or provision or another work or facility of any kind specified in paragraphs 1 to 11 of Schedule 1, or of any kind specified in paragraphs 1 to 18 of Schedule 3, or of any kind specified in paragraphs 1 to 17 of Schedule 7, or necessary or proper in the carrying out or provision of that other work or facility or for securing the full benefit thereof, shall be calculated at the rate of grant appropriate to that other work or facility in accordance with the provisions of Schedule 2, Schedule 3, or Schedule 7, as the case may be.

(3) In such cases and subject to such conditions as the appropriate Minister may from time to time determine, the amount of any expenditure towards which grant is payable under this scheme shall, if the applicant for grant so elects, be taken for the purpose of determining the amount of the grant as such standard amount as the appropriate Minister may from time to time fix with the approval of the Treasury.".

Variation of paragraph 8 of the principal scheme

9.—(1) Paragraph 8 shall be varied in accordance with the following provisions of this paragraph.

(2) Paragraphs 8(2) shall be varied by substituting for the words "42,060 units of account" the words "52,599 ECU".

(3) There shall be added immediately after sub-paragraph 8(2) the following new sub-paragraph—

"(3) Where at the date on which a claim for a grant under this scheme is received by the appropriate Minister, being a claim relating to an application for approval of expenditure incurred or to be incurred for the purpose of grant for or in connection with an agricultural business on or after 1st February 1980, which application was received on or after that date—

(*a*) the amount of the expenditure included in the said claim and towards which grant is payable, or

(*b*) the aggregate of the amount of that expenditure and the amount of any other expenditure towards which a grant has been paid or is payable in respect of that agricultural business under this scheme or any other scheme made under section 29 of the Agriculture Act 1970, or under any regulations made under section 2(2) of the European Communities Act 1972 which provide for the payment of grant to a person carrying on an agricultural business as therein defined in accordance with an approved development plan, the latter expenditure being expenditure—

(i) approved for the purpose of grant as the result of an application received by the appropriate Minister on or after 1st February 1980;

(ii) incurred or to be incurred on or after 1st February 1980; and

(iii) in respect of which a claim for payment of grant has been received by the appropriate Minister either in the period beginning with 1st February 1980 and ending with the date of receipt of the said claim, or during the period of 6 years ending with the date of receipt of the said claim, whichever period is the shorter,

exceeds 160,000 ECU, the appropriate Minister shall not pay grant towards so much of that expenditure or, as the case may be, so much of the aggregate of that expenditure as exceeds that figure.

(4) The provisions of the Schedule to this scheme shall be added to the principal scheme as Schedule 7.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 29th January 1980.

(L.S.)

Peter Walker,

Minister of Agriculture, Fisheries and Food.

George Younger,
Secretary of State for Scotland.

29th January 1980.

Nicholas Edwards.
Secretary of State for Wales.

29th January 1980.

We approve,

Peter Morrison,
J. A. Douglas-Hamilton,
Two of the Lords Commissioners of Her Majesty's Treasury.

30th January 1980.

SCHEDULE *Paragraph 4*

PROVISIONS TO BE ADDED AS SCHEDULE 7 TO THE PRINCIPAL SCHEME

"SCHEDULE 7 Paragraphs 3(1)(*c*), 4(3)(*d*), 7(1)(*c*) and 7(2)

Eligible Works and Facilities and Rates of Grant

	Column 1 Work of Facility	Column 2 Standard Rate of Grant Per cent.	Column 3 Less-favoured Area Rate of Grant Per cent.
1	Provision, replacement, improvement, alteration, enlargement or reconditioning of permanent buildings (except living accommodation, buildings designed and intended for horticultural use or for any use mentioned in paragraph 11, and works and facilities specified in paragraphs 2 and 3 of this Schedule), bulk dry stores, yards, loading platforms, ramps or banks.	22.5	22.5
2	Provision, replacement, improvement, alteration, enlargement or reconditioning of silos.	22.5	22.5
3	Provision, replacement, improvement, alteration, enlargement or reconditioning of permanent buildings for cattle (except for any use mentioned in paragraph 11 of this Schedule); dairy and parlour buildings and associated collecting yards.	22.5	22.5
4	Provision, replacement or improvement of systems for disposal of farm waste.	22.5	22.5
5	Provision, replacement or improvement of facilities for the supply of electricity or gas for agricultural purposes.	22.5	22.5
6	Provision, replacement or improvement of facilities for the supply of water.	22.5	50*
7	Field drainage, including under-drainage and ditching.	37.5	70*
8	Provision or improvement of farm flood protection works; protection or improvement of river banks.	22.5	50*
9	Provision, replacement or improvement of roads, hardstanding, fords, bridges, culverts, railway crossings, creeps, piers, jetties or slips.	22.5	50*
10	Provision, replacement or improvement of sheep grids or cattle grids.	22.5	50*
11	Provision, replacement or improvement of pens, dips, stells or other facilities designed and intended for use in connection with the gathering, treatment or feeding of sheep or cattle or for sheltering them in periods of adverse weather but not for in-wintering.	22.5	50*

SCHEDULE—*continued*

	Column 1 Work or Facility	Column 2 Standard Rate of Grant Per cent.	Column 3 Less-favoured Area Rate of Grant Per cent.
12	Provision, replacement or improvement of permanent fences, hedges, walls or gates.	22.5	50*
13	Provision, replacement or improvement of shelter belts.	NIL	50*
14	(*a*) Reseeding and regeneration of grassland and laying down of permanent pasture, including the application of lime or fertiliser (other than normal husbandry applications).	22.5	NIL
	(*b*) Reseeding and regeneration of grassland; laying down of permanent pasture; application of lime or fertiliser (other than normal husbandry applications) for the benefit of grassland.	NIL	50*
	(*c*) Clearance and reclamation of land; subsoiling; burning heather or grass or making muirburn; land levelling or grading (including filling in of ditches or ponds); removal of tree roots, boulders or other obstructions to cultivation; bracken control.	22.5	50*
15	Orchard grubbing.	22.5	22.5
16	Provision, replacement or improvement of wirework for hop gardens.	22.5	22.5
17	In Scotland only, making, improvement or alteration of the banks or channels of watercourses to provide or improve the drainage of agricultural land or to prevent or mitigate the flooding or erosion of agricultural land.	37.5	70
18	Any work or facility incidental to the carrying out or provision of any work or facility specified in paragraphs 1 to 17 of this Schedule or necessary or proper in carrying out or providing the said work or facility or securing the full benefit thereof.	The rate appropriate to that work or facility in accordance with the provisions of the Scheme.	

*In accordance with paragraph 7(1)(*c*)(ii) these rates of grant are available only to agricultural businesses with an income per labour unit less than the comparable income.".

EXPLANATORY NOTE

(This Note is not part of the scheme.)

This scheme, which applies throughout the United Kingdom, varies the Farm Capital Grant Scheme 1973 (as varied). The principal changes are that in respect of applications received on or after 1st February 1980:—

(*a*) some of the rates of grant payable under the scheme have been changed;

(*b*) the total amount of expenditure within any 6 year period incurred on or after 1st February 1980 which may qualify for grant under this scheme is restricted, taking into account grant-aided expenditure under the Horticulture Capital Grant Scheme and the Farm and Horticulture Development Regulations for which applications for approval are received on or after 1st February 1980; and

(*c*) no expenditure can be approved under this scheme if the applicant has a development plan approved under the Farm and Horticulture Development Regulations 1978 which has not been completed.

In addition, this scheme introduces the ECU to replace the unit of account, increases the limit on eligible expenditure per labour unit and increases both the lower and upper limits relating to expenditure which may be approved in connection with the breeding and keeping of pigs.