
STATUTORY INSTRUMENTS

1985 No. 1266

AGRICULTURE

HORTICULTURE

The Agriculture Improvement Regulations 1985

Laid before Parliament in draft

Made - - - - 7th August 1985

Coming into Operation

*Regulations 1 and 19
in accordance with
regulation 1(2)(a)*

Remainder 1st October 1985

The Minister of Agriculture, Fisheries and Food and the Secretary of State, acting jointly, being Ministers designated for the purposes of section 2(2) of the European Communities Act 1972⁽¹⁾ in relation to the common agricultural policy of the European Economic Community⁽²⁾, in exercise of the powers conferred on them by the said section 2(2) and of all other powers enabling them in that behalf, hereby make the following regulations, of which a draft has been approved by resolution of each House of Parliament:—

Citation, extent and commencement

1.—(1) These regulations may be cited as the Agriculture Improvement Regulations 1985 and shall apply throughout the United Kingdom.

(2) These regulations shall come into operation—

- (a) as to this regulation and regulation 19, on the day after the day on which these regulations are made;
- (b) as to all other provisions, on 1st October 1985.

(1) section 2 is subject to Schedule 2 to that Act and is to be read, as regards England and Wales, with sections 37, 40 and 46 of the Criminal Justice Act 1982 (c. 48) and S.I. 1984/447, as regards Scotland, with sections 289F and 289G of the Criminal Procedure (Scotland) Act 1975 (c. 21), as inserted by section 54 of the Criminal Justice Act 1982, and S.I. 1984/526, and, as regards Northern Ireland, with S.I. 1984/703 (N.I. 3) and S.R. (N.I.) 1984 No. 253.

(2) S.I. 1972/1811.

Interpretation

2.—(1) In these regulations, unless the context otherwise requires—

“agricultural business” means a business consisting in, or such part of any business as consists in, the pursuit of agriculture, including the storage, the transport and the preparation for market of the produce of the business;

“agriculture” includes horticulture, fruit growing, seed growing, dairy farming, livestock breeding and keeping and freshwater fish farming, the use of land as grazing land, meadow land, osier land, reed beds, market gardens and nursery grounds, and the use of land for woodlands where that use is ancillary to the farming of land for other agricultural purposes, and “agricultural” and references to farming shall be construed accordingly;

“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;

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

“contractor” means any person who enters into an agreement to supply agricultural work or services in connection with agricultural land;

“dairy cows” means cows which have calved and which by reason of their breed or suitability are exclusively or principally kept for the production of milk either for human consumption or for processing into milk products;

“designated maps” means—

- (a) in relation to England, the 3 volumes of maps numbered 1 to 3, each such volume being marked “volume of maps of less-favoured farming areas in England” and with the number of the volume, dated 3rd April 1984, signed and sealed by the Minister of Agriculture, Fisheries and Food and deposited at the offices of the Ministry of Agriculture, Fisheries and Food at Great Westminster House, Horseferry Road, London SW1P 2AE;
- (b) in relation to Wales, the 2 volumes of maps numbered 1 and 2, both volumes being marked “volume of maps of less-favoured farming areas in Wales” and with the number of the volume, dated 29th March 1984, signed by the Secretary of State for Wales and deposited at the offices of the Welsh Office Agriculture Department at Plas Crug, Aberystwyth, Dyfed SY23 1NG;
- (c) in relation to Scotland, the 4 maps numbered 1 to 4, each such map being marked “map of less-favoured farming areas in Scotland” and with the number of the map, dated 2nd April 1984, signed by the Secretary of State for Scotland and deposited at the offices of the Department of Agriculture and Fisheries for Scotland at Chesser House, Gorgie Road, Edinburgh EH11 3AW;
- (d) in relation to Northern Ireland, the map marked “map of less-favoured farming areas in Northern Ireland” dated 4th April 1984, signed by the Secretary of State for Northern Ireland and deposited at the offices of the Department of Agriculture for Northern Ireland at Dundonald House, Upper Newtownards Road, Belfast BT4 3SB;

“earned income”, in relation to an agricultural business, means the revenue of the business as assessed by the appropriate Minister, and in any such assessment the said revenue shall be taken to include net inventory changes and farmhouse consumption less remuneration of capital invested in the agricultural business and such charges and expenses as that Minister may consider reasonable;

“eligible agricultural business” has the meaning assigned to that expression by regulation 4;

“eligible person” has the meaning assigned to that expression by regulation 3;

“glasshouse” means a fixed or mobile structure, used for the production of horticultural produce for sale, which is mounted on durable foundations, is not less than 1.67 metres high at the ridge, and of which more than half the total area of the sides, ends and roof is of glass or such other translucent material as will give a durability and transparency similar to that of glass;

“horticultural produce” means—

- (a) fruit;
- (b) vegetables of a kind grown for human consumption, including fungi, but not including maincrop potatoes or peas grown for seed or for harvesting dry;
- (c) flowers, pot plants and decorative foliage;
- (d) herbs;
- (e) seeds (other than pea seeds), bulbs and other material, being seeds, bulbs or material for—
 - (i) sowing or planting for the production of fruit, of the vegetables, flowers, plants or foliage mentioned in (b) and (c) above or of herbs, or
 - (ii) reproduction of the seeds, bulbs or other material planted; or
- (f) trees and shrubs, other than trees grown for the purpose of afforestation;

but does not include hops;

“labour unit” means the amount of work, other than work done by a contractor who does not satisfy the requirements of regulation 3(3) except to the extent that such work is carried out by seasonable labour, which would in the opinion of the appropriate Minister occupy the full time, not exceeding 2,300 hours per year, of a full-time worker;

“less-favoured area” means land—

- (a) which is situated in an area included in the list of less-favoured farming areas adopted by the Council or the Commission of the European Communities under Article 2 of Council Directive No. [75/268/EEC](#) on mountain and hill farming and farming in certain less-favoured areas⁽³⁾, and
- (b) which—
 - (i) is, in the opinion of the appropriate Minister, inherently suitable for extensive livestock production but not for the production of crops in quantity materially greater than that necessary to feed such livestock as are capable of being maintained on such land, and whose agricultural production is, in the opinion of the appropriate Minister, restricted in its range by, or by any combination of, soil, relief, aspect or climate, or
 - (ii) is situated in the Isles of Scilly,

which land is within the area shaded blue or shaded pink on the designated maps;

“livestock” includes any creature kept for the production of food, wool, skins or fur, or for the purpose of its use in the farming of land;

“main framework”, in relation to a building or structure, means the floor, outer walls and roof of that building or structure and any internal dividing walls which are integral to that building or structure;

“preparation for market”, in relation to produce, does not include canning, bottling, pulping or cooking, or preserving by sterilising, by freezing or by de-hydrating;

(3) Article 2 was amended by Council Directive No. [80/666/EEC](#).

“the 1980 Regulations” means the Agriculture and Horticulture Development Regulations 1980(4);

“the 1981 Regulations” means the Farm and Horticulture Development Regulations 1981(5);

“the 1985 Scheme” means the Agriculture Improvement Scheme 1985.

(2) Any reference in these regulations to a numbered regulation or “the Schedule” shall, unless the context otherwise requires, be construed as a reference to the regulation bearing that number in these regulations or the Schedule to these regulations.

Eligible persons

3.—(1) Subject to the provisions of these regulations, the following classes of person shall be eligible for a grant under these regulations—

- (a) an individual carrying on an eligible agricultural business if the appropriate Minister is satisfied that that individual or, as the case may be, the farm manager or other person through whom the business is being carried on—
 - (i) practices farming as his main occupation, in that not less than half of his annual income, calculated in accordance with the provisions of paragraph (2) below, is derived from agricultural activities relating to that business and the amount of time spent by him in those activities is not less than 1,100 hours per year, and
 - (ii) possesses sufficient agricultural skill and competence, in that he holds an appropriate certificate issued by a teaching establishment recognised for this purpose by that Minister or has been engaged in agricultural activities for not less than five years, and if the individual carrying on that agricultural business submits an improvement plan in accordance with regulation 5, and undertakes, if that plan is approved, to carry it out and, for the duration of the plan, to keep accounts in accordance with regulation 11(1);
- (b) any person representing a body carrying on an eligible agricultural business if—
 - (i) the appropriate Minister is satisfied that the main purpose of that business is farming and that the farm manager or other person through whom the business is carried on practices farming as his main occupation, as specified in sub-paragraph (a)(i) above, and possesses sufficient agricultural skill and competence, as specified in sub-paragraph (a)(ii) above, and
 - (ii) the said person representing the said body submits on behalf of the said body an improvement plan in accordance with regulation 5 and gives the undertakings required of an individual by sub-paragraph (a) above;
- (c) persons carrying on an eligible agricultural business in partnership if—
 - (i) the appropriate Minister is satisfied that the farm manager or other person through whom the business is carried on practices farming as his main occupation, as specified in sub-paragraph (a)(i) above, and possesses sufficient agricultural skill and competence, as specified in sub-paragraph (a)(ii) above, and
 - (ii) an improvement plan is submitted and the undertakings required of an individual by sub-paragraph (a) are given on behalf of the partnership;
- (d) the owner of land occupied for the purposes of an eligible agricultural business who makes an application for approval of an improvement plan relating to such land jointly with one of the kinds of person eligible for grant under sub-paragraph (a), (b) or (c) above.

(4) , amended by S.I. 1981/1708, 1983/508, 924, 1763, 1984/618, 1922, 1985/1025.

(5) , amended by S.I. 1983/507, 925, 1762, 1984/620, 1924.

(2) For the purposes of this regulation a person's annual income shall be calculated in each case by reference to such year or years within the three years immediately preceding the day on which the improvement plan is submitted as the appropriate Minister shall determine, being a year or years which he is satisfied gives or give a fair indication of the normal amount of income of that person and the normal amount of income derived from agricultural activities in the business by that person.

(3) Where a person eligible for grant under paragraph (1) above is a contractor, it shall be a further condition of eligibility that he has entered into a written agreement with the occupier of the land on which the eligible business is carried on which is expressed to continue in force for a period of not less than seven years from the day immediately preceding the day on which the improvement plan is submitted.

Eligible agricultural business

4. For the purposes of these regulations an eligible agricultural business is an agricultural business as to which the appropriate Minister is satisfied that the earned income per labour unit reasonably required under the existing system of production is less than the reference income determined in accordance with regulation 14(a).

Improvement plans

5.—(1) An improvement plan submitted for approval shall be set out in such form as the appropriate Minister may from time to time require and the person submitting it shall furnish all such particulars and information relating thereto as the appropriate Minister may require, and in particular—

- (a) sufficient information to show that the person undertaking to carry out the plan is an eligible person and that the plan relates to an eligible agricultural business;
- (b) a description of that agricultural business at the time of submission of the plan for approval and of the land to which the plan relates;
- (c) a description of that agricultural business on completion of the plan in the form of an estimated budget, an estimate of the earned income per labour unit reasonably required in the carrying on of the business on completion of the plan and an estimate of the number of such labour units;
- (d) an indication of the measures to be taken and, in particular, of the investments to be made, in order to achieve the aim of the plan and a list of any agreements to purchase land or take land on lease made in order to achieve an increase in the area of land occupied for the purposes of the agricultural business to which the plan relates;
- (e) an indication of any loan guarantee which may be required.

(2) The duration of an improvement plan shall be such period as is specified in the plan, being a period not exceeding six years from the date of approval of the plan.

Restrictions on approval of improvement plans

6.—(1) An improvement plan shall not be approved under these regulations unless the appropriate Minister is satisfied that the investments to be made under the plan are justified from the point of view of the situation of the agricultural business and its economy and that completion of the plan will bring about a lasting and substantial improvement of that situation, and in particular of the income per labour unit reasonably required in the carrying on of the business.

(2) An improvement plan shall not be approved under these regulations unless the appropriate Minister is satisfied that if it is completed—

- (a) the agricultural business to which it relates may reasonably be expected to achieve an earned income per labour unit which amounts to not more than 120 per cent. of the aggregate of—
 - (i) the reference income determined in accordance with regulation 14(a) in respect of the calendar year in which the plan is submitted for approval or such other year as that Minister may for that purpose allow, and
 - (ii) annual increases at least equal to the annual percentage increases determined in accordance with regulation 14(b) in respect of each of the remaining calendar years in the period during which the plan is to be carried out (if any); and
 - (b) not less than half a labour unit may reasonably be expected to be required in the carrying on of the agricultural business to which the plan relates.
- (3) The appropriate Minister shall not approve for the purpose of grant an improvement plan in so far as it includes—
- (a) proposed expenditure amounting in aggregate to less than £1,500;
 - (b) proposed expenditure in connection with the breeding or keeping of pigs (not being expenditure on the purchase of pigs) unless—
 - (i) that expenditure is not in respect of any work, facility or transaction which is of a kind specified in paragraph 2(b) or 4(d) or (f) in column 1 of the Schedule or, if the expenditure is in respect of any such work, facility or transaction, it appears to that Minister that, after completion of the work, facility or transaction, the number of pig places on the land occupied for the purposes of the agricultural business to which the plan relates will not exceed 500 in the case of an application for approval of a plan received by that Minister before 31st December 1986, or 400 in the case of an application for approval of, or of a variation to, a plan so received on or after that date and before 31st December 1987, and
 - (ii) that Minister is satisfied that the plan provides that on its completion not less than 35 per cent. of the feeding stuffs required for the pigs kept on the land occupied for the purposes of the agricultural business to which the plan relates can be produced from that land;
 - (c) proposed expenditure on the purchase of land;
 - (d) proposed expenditure in connection with the keeping or breeding of poultry or the production of eggs;
 - (e) proposed expenditure on the erection, alteration or improvement of living accommodation unless that expenditure is in respect of any work, facility or transaction which is of a kind specified in paragraph 12(a) or (c) or 13 in column 1 of the Schedule;
 - (f) proposed expenditure on the purchase of livestock or fish;
 - (g) proposed expenditure amounting in aggregate to more than £50,000 unless the excess expenditure is in respect of any work, facility or transaction—
 - (i) of a kind specified in paragraph 9 or 10 in column 1 of the Schedule and does not exceed the further sum of £86,000; or
 - (ii) of a kind specified in paragraph 7 in column 1 of the Schedule and does not exceed the further sum of £24,000;
 - (h) proposed expenditure which, in the opinion of the appropriate Minister, would in any six-year period exceed the amount permitted in accordance with sub-paragraph (g) above when added to other expenditure—
 - (i) which has been incurred in the six-year period in question, and

- (ii) which is included in any previous improvement plan, relating to the same agricultural business, approved under these regulations or towards which grant is payable or has been paid under the 1985 Scheme,
unless sub-paragraph (g)(i) or (ii) above does not apply and that excess expenditure is in respect of any work or facility of a kind specified in paragraph 1(a) or (d) in column 1 of Schedule 1 to that Scheme and does not exceed the further sum of £24,000;
 - (j) proposed expenditure in connection with the breeding or keeping of dairy cows (not being expenditure on the purchase of dairy cows) unless that Minister is satisfied that the effect of such expenditure will not be to exceed the reference quantity or, where appropriate, the additional reference quantity determined in accordance with Council Regulation (EEC) No. 857/84⁽⁶⁾ adopting general rules for the application of the levy referred to in Article 5c of Council Regulation (EEC) No. 804/68⁽⁷⁾ in the milk and milk products sector, and—
 - (i) that such expenditure will not make possible an increase in the number of dairy cows kept on the land occupied for the purposes of the agricultural business to which the plan relates on completion of the plan to more than 40 dairy cows per labour unit reasonably required for that business under the system of production then existing up to a maximum of 1.5 labour units, or
 - (ii) in the case of an agricultural business which in the opinion of that Minister reasonably requires more than 1.5 labour units under the existing system of production and in the carrying on of which dairy cows were kept at the date of submission of the plan, or of the variation thereto, for approval, that such expenditure will not make possible an increase of more than 15 per cent. in the number of dairy cows so kept at that date;
 - (k) proposed expenditure in connection with any work, facility or transaction of a kind specified in paragraph 12 or 13 in column 1 of the Schedule unless that expenditure amounts in aggregate to not more than £24,000 per agricultural business and is additional to other expenditure included in the improvement plan;
 - (l) proposed expenditure on the removal of hedges;
 - (m) proposed expenditure amounting in aggregate to more than £35,000 for each labour unit which, in the opinion of the appropriate Minister, can reasonably be expected to be required at the completion of the plan;
 - (n) proposed expenditure which, in the opinion of the appropriate Minister, would in any six-year period exceed £35,000 per labour unit when added to other expenditure—
 - (i) which has been incurred in the six-year period in question, and
 - (ii) which is included in any previous improvement plan, relating to the same agricultural business, approved under these regulations or towards which grant is payable or has been paid under the 1985 Scheme.
- (4) An improvement plan shall not be approved under these regulations if the greater part of the land affected by the plan—
- (a) has been affected by two previous improvement plans received within the preceding six years and approved under these regulations, or
 - (b) is the subject of a current development plan approved under the 1980 Regulations or the 1981 Regulations or a current improvement plan approved under these regulations.

⁽⁶⁾ , amended by Council Regulation (EEC) No. 590/85 and Council Regulation (EEC) No. 1305/85.

⁽⁷⁾ Article 5c was inserted by Council Regulation (EEC) No. 856/84 and subsequently amended by Council Regulation (EEC) No. 1557/84 and Council Regulation (EEC) No. 1298/85.

(5) For the purposes of paragraph (3)(b) above “pig place” means the facilities necessary to house one fattening pig; save that where the herd includes breeding sows the facilities necessary to house one such sow shall be taken to be the equivalent of 6.5 pig places.

(6) For the purposes of paragraph (3)(h) and (n) above “other expenditure” does not include expenditure incurred in respect of any work, facility or transaction of a kind specified in paragraph 9 in column 1 of Schedule 1 to the 1985 Scheme.

(7) Where the agricultural business to which the improvement plan relates includes the breeding or keeping of poultry or the production of eggs, work done in carrying on that part of the agricultural business shall be disregarded for the purposes of calculating the number of labour units under paragraph (3)(m) or (n) above.

(8) The appropriate Minister may make the approval of an improvement plan under these regulations subject to such conditions as he thinks fit.

Closing date for submission of improvement plans

7. The appropriate Minister shall not approve an improvement plan under these regulations where the plan is received by him after 31st December 1994, or such later date as that Minister may in special circumstances permit.

Variation and withdrawal of improvement plans

8. The appropriate Minister may, on the written request of the person currently responsible for the carrying on of an agricultural business to which an improvement plan relates, vary or withdraw the approval of that plan, where that request is made at least two years after the original approval of the plan.

Improvement grants

9.—(1) Subject to the provisions of these regulations, the appropriate Minister may make to any eligible person a grant towards expenditure incurred by him for the purposes of, or in connection with, the carrying on of an eligible agricultural business, being expenditure which—

- (a) has been incurred in respect of any work, facility or transaction of a kind specified in—
 - (i) any of paragraphs 1 to 4, 5(b), 5(c), 5(d) and 6 to 15 in column 1 of the Schedule;
 - (ii) in relation to Northern Ireland only, paragraph 5(a) in column 1 of the Schedule; and
- (b) appears to the appropriate Minister to be of a capital nature or to have been incurred in connection with expenditure of a capital nature, and
- (c) is included in, and appears to the appropriate Minister to be necessary or appropriate for the purposes of, an approved improvement plan for that business and to be the responsibility of that person.

(2) The appropriate Minister may make the payment of grant under paragraph (1) above subject to such conditions as that Minister thinks fit, and any payment of grant under these regulations may be made at such time as that Minister may determine.

(3) Where it appears to the appropriate Minister that expenditure in respect of which a grant is claimed under paragraph (1) above has been incurred partly for purposes which are eligible for grant under that paragraph and partly for purposes which are not so eligible, that Minister may for the purposes of a grant under that paragraph treat as having been incurred for purposes which are so eligible so much of that expenditure as appears to that Minister to be referable to those eligible purposes.

Amounts of grant under regulation 9(1)

10.—(1) Subject to the provisions of this regulation and regulations 13 and 15, the amount of any grant payable under regulation 9(1) towards expenditure in respect of any work, facility or transaction of a kind specified in any of paragraphs 1 to 13 and 15 in column 1 of the Schedule shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 2 of the Schedule.

(2) In the case of any work, facility or transaction which, in the opinion of the appropriate Minister, is for the purposes of, or in connection with, the carrying on of an agricultural business situated in a less-favoured area, or that part of such a business which is so situated, the amount of grant so payable shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 3 of the Schedule.

(3) In the case of any work, facility or transaction which, in the opinion of the appropriate Minister, is for the purposes of, or in connection with, the carrying on of an agricultural business by—

- (a) a young farmer who fulfills the requirements specified in paragraph (4) below; or
- (b) a partnership in respect of which the requirements specified in paragraph (5) below are fulfilled;

the amount of grant so payable shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 2 or 3 (as the circumstances require) of the Schedule, increased by twenty-five per cent; but such an increase in grant shall be made only in relation to one improvement plan approved in respect of any agricultural business, carried on on the greater part of the land affected by the improvement plan in relation to which such increase of grant is payable, within a period of six years following completion of that plan.

(4) The requirements in relation to a young farmer are that he—

- (a) is less than forty years of age on the date on which an improvement plan relating to his agricultural business is submitted to the appropriate Minister;
- (b) is at that date the sole owner or sole tenant of the land on which the agricultural business to which the plan relates is carried on;
- (c) submits an improvement plan relating to his agricultural business to the appropriate Minister within five years of the date on which he became sole owner or tenant of the land on which the agricultural business to which the plan relates is carried on;
- (d) has not previously been responsible for carrying out an improvement plan under these regulations or a development plan under the 1980 Regulations or the 1981 Regulations as an individual carrying on an eligible agricultural business or a person carrying on such a business in partnership or an owner of land occupied for the purposes of such a business; and
- (e) holds an appropriate certificate relating to the possession of agricultural skill and competence issued by a teaching establishment recognised for that purpose by the appropriate Minister.

(5) The requirements in relation to a partnership are—

- (a) that a partner in that partnership fulfils the requirements set out in paragraph (4)(a), (d) and (e) above, and submits an improvement plan to the appropriate Minister within five years of the date on which he became a joint owner or joint tenant of the land on which the agricultural business to which the plan relates is carried on;
- (b) that all other partners in the partnership fulfil the requirements of paragraph (4)(a) above in relation to the partnership business.

(6) Where it appears to the appropriate Minister that expenditure towards which grant is payable under regulation 9(1) has been incurred for the purposes of, or in connection with, the carrying on

of an agricultural business situated partly in a less-favoured area, the appropriate Minister may for the purpose of determining the amount of grant so payable towards that expenditure treat as having been incurred for, or in connection with, that part of the business situated in the less-favoured area so much of that expenditure as appears to that Minister to be referable to the carrying on of that part of the business.

(7) The amount of any grant payable under regulation 9(1) towards expenditure in respect of the carrying out or provision of any work, facility or transaction (including conservation or amenity works) which is not of a kind specified in any of paragraphs 1 to 13 in column 1 of the Schedule but is incidental to, or necessary or proper in, the carrying out or provision of any other work, facility or transaction which is of a kind so specified or for securing the full benefit thereof shall be calculated at the rate of grant appropriate to that other work, facility or transaction in accordance with the provisions of this regulation.

Accounts

11.—(1) The accounts referred to in regulation 3(1)(a) are accounts relating to an agricultural business to which an approved improvement plan relates, and the keeping of those accounts shall comprise—

- (a) the recording of the revenue and expenditure of the business, with supporting documents, and
- (b) the drawing up of an annual balance sheet of the assets and liabilities of the business.

(2) The person currently responsible for the carrying on of an agricultural business to which an approved improvement plan relates shall furnish to the appropriate Minister such copies of the accounts specified in paragraph (1)(a) and (b) above as that Minister may require.

Claims for grant

12.—(1) Subject to paragraph (2) below, any claim for a grant under these regulations shall be made in such form and manner and at such time as the appropriate Minister may from time to time require, and the claimant for grant shall furnish all such particulars and information relating to the claim and copies of such documents and records relating thereto as that Minister may require.

(2) The appropriate Minister shall not pay grant under these regulations in respect of—

- (a) replacing any apple orchards or pear orchards unless the claim for grant is received by him on or before 31st March 1988;
- (b) any work, facility or transaction which is of a kind specified in paragraph 9 or 10 in column 1 of the Schedule (glasshouse heating systems and heated glasshouses) unless the claim for grant is received by him on or before 30th November 1988.

Standard costs

13. In such cases, and subject to such conditions, as the appropriate Minister may from time to time determine, the cost of any work, facility or transaction or the amount of any other cost or expenditure, shall, if the claimant so elects, be taken for the purpose of determining the amount of any grant payable under these regulations as such standard cost or amount as that Minister may from time to time fix with the approval of the Treasury.

Reference income

14. For the purposes of these regulations the appropriate Minister shall determine in respect of each calendar year—

- (a) a reference income per labour unit for Great Britain and Northern Ireland respectively, which shall not exceed the average earnings of full-time workers in occupations other than agriculture;
- (b) a percentage increase in the reference income, having regard to the average annual increase during the preceding five years in the earnings of full-time workers in occupations other than agriculture after adjustment for changes in retail prices.

Reduction or withholding of grant

15.—(1) The appropriate Minister may reduce or withhold any grant payable under these regulations in any case where—

- (a) assistance in respect of expenditure towards which such grant is claimed has been or may be given otherwise than under these regulations, or
- (b) the carrying out or provision of the work, facility or transaction towards the expenditure on which such grant is claimed appears to that Minister to frustrate the purposes served by assistance previously given out of money provided by Parliament or the European Economic Community, or
- (c) he considers that the expenditure towards which such grant is claimed is excessive having regard to the work, facility or transaction carried out or provided to which the claim relates; or
- (d) the carrying out of the work, facility or transaction towards the expenditure on which such grant is claimed has been effected in a way which appears to that Minister to have destroyed or damaged the natural beauty and amenity of the countryside to an extent which cannot be justified by any resulting agricultural benefit.

(2) Before reducing or withholding any grant under the provisions of paragraph (1)(c) or (d) above the appropriate Minister shall—

- (a) give to any person whose grant it is proposed to reduce or withhold a written notification of the reasons for the action proposed to be taken by that Minister, and
- (b) afford that person an opportunity of appearing before and being heard by a person appointed for the purpose by the appropriate Minister, and
- (c) consider the report by a person so appointed and supply a copy of the report to the person mentioned in sub-paragraph (a) above.

Revocation of approval and recovery of grant

16. If at any time after the appropriate Minister has approved an improvement plan or paid a grant under these regulations it appears to that Minister—

- (a) that any condition subject to which the approval was given or the grant has been paid has not been complied with, or
- (b) that any work, facility or transaction in respect of expenditure on which a grant has been paid has been badly done or provided, or
- (c) that the person by whom the application for approval of the improvement plan or for the payment of grant was made gave information on any matter relevant to the giving of the approval or the making of the payment which was false or misleading in a material respect,

that Minister may revoke the approval, in whole or in part, and, where any payment has been made, may recover on demand an amount equal to the payment which has been so made or such part thereof as that Minister may specify; but before revoking an approval or making a demand under the preceding provisions of this regulation that Minister shall—

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- (i) give to any person to whom any payment by way of such grant would be payable or from whom any such amount would be recoverable a written notification of the reasons for the action proposed to be taken by that Minister, and
- (ii) afford that person an opportunity of appearing before and being heard by a person appointed for the purpose by the appropriate Minister, and
- (iii) consider the report by a person so appointed and supply a copy of the report to the person mentioned in sub-paragraph (i) above.

False statements

17. If any person, for the purposes of obtaining for himself or any other person any grant under these regulations, knowingly or recklessly makes a false statement, he shall be liable on summary conviction to a fine not exceeding £2,000.

Rights of entry

18. For the purposes of these regulations and, in particular, for the purpose of securing that grants under these regulations are made in proper cases only, any person duly authorised in that behalf by the appropriate Minister, or in Northern Ireland by the Department of Agriculture for Northern Ireland, may, upon production if so required of his appointment or authority, at all reasonable times enter upon and inspect any land, and inspect any premises, plant, equipment or livestock in respect of which grant under these regulations has been made or claimed.

Amendment of the 1981 Regulations

19.—(1) Regulation 11 of the 1981 Regulations (restrictions on approval of grant) shall be amended—

- (a) by substituting in paragraph (1)(a) for the words “will not exceed 550, and” the words “will not exceed—
 - (i) 500 where the application is received before 31st December 1986,
 - (ii) 400 where the application is received on or after that date and before 31st December 1987, and”;
 - (b) by inserting in paragraph (1)(b) after the words “unless that Minister is satisfied” the words “that the effect of such expenditure will not be to exceed the reference quantity or, where appropriate, the additional reference quantity determined in accordance with Council Regulation (EEC) No. 857/84⁽⁸⁾ adopting general rules for the application of the levy referred to in Article 5c of Council Regulation (EEC) No. 804/68⁽⁹⁾ in the milk and milk products sector and”.
- (2) Paragraph (1) above shall not apply in relation to—
- (a) any work, facility or transaction included in an application received by the appropriate Minister before the day after the day on which these regulations are made for a variation of a development plan approved for the purposes of the 1981 Regulations, or
 - (b) any claim for grant towards expenditure incurred for the purposes of those regulations before that day;

and that paragraph shall not affect the operation of the 1981 Regulations in relation to any such work, facility or transaction or claim for grant.

⁽⁸⁾ , amended by Council Regulation (EEC) No. 590/85 and Council Regulation (EEC) No. 1305/85

⁽⁹⁾ Article 5c was inserted by Council Regulation (EEC) No. 856/84 and subsequently amended by Council Regulation (EEC) No. 1557/84 and Council Regulation (EEC) No. 1298/85

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In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 1st August 1985.

L.S.

Michael Jopling
Minister of Agriculture, Fisheries and Food

Nicholas Edwards
One of Her Majesty's Principal Secretaries of
State

7th August 1985

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SCHEDULE

Regulations 6(3), 9(1), 10(1), (2), (3) and
(7) and 12(2)

ELIGIBLE WORKS, FACILITIES AND TRANSACTIONS AND RATES OF GRANT

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Kind of work or facility or transaction</i>	<i>Business outside less- favoured area. Rate of grant. Per cent.</i>	<i>Business inside less- favoured area. Rate of grant. Per cent.</i>
1. Provision, replacement or improvement of:		
(a) hedges (including hedgerow trees and associated temporary protective fencing), walls, banks and dykes (where the walls, banks and dykes are built of materials traditional in the locality) and associated gates, stiles and footbridges;	30	60
(b) facilities for the handling, storage and treatment of agricultural effluents and waste;	30	60
(c) shelter belts, (including trees for shading stock and associated temporary protective fencing)—		
(i) consisting of 50 per cent. or more broadleaved trees;	30	60
(ii) other shelter belts.	15	60
2. Supply and installation of:		
(a) wind or water powered pumps and generators, solar and other forms of permanent and durable energy-saving agricultural investment (excluding any investment specified in sub-paragraph (b) below);	15	30
(b) permanent thermal insulation, vapour sealing or gas sealing for the control of temperature or atmosphere in buildings designed and intended for agricultural use (excluding glasshouses of a kind specified in paragraph 10 below).	15	30
3. Burning heather or grass or making muirburn or regenerating heather by cutting; bracken control by means other than soil cultivation.	15	30
4. Provision, replacement, improvement or alteration of:		
(a) facilities for the storage, supply and distribution of water for agricultural purposes (including farm ponds);	15	30
(b) field drainage, including under-drainage and ditching; moling and subsoiling, carried out as an integral part of the provision of a new drainage system;	15	30
(c) roads, paths, and other permanent ways, grids, hard standings, fords, bridges, culverts, railway crossings, creeps, piers, jetties or slips;	15	20

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<i>Column 1</i>	<i>Column 2</i> <i>Business</i> <i>outside less-</i> <i>favoured</i> <i>area. Rate</i> <i>of grant. Per</i> <i>cent.</i>	<i>Column 3</i> <i>Business</i> <i>inside less-</i> <i>favoured</i> <i>area. Rate</i> <i>of grant. Per</i> <i>cent.</i>
<i>Kind of work or facility or transaction</i>		
(d) the main framework of permanent buildings or of durable plastic-clad structures (except living accommodation and buildings or structures designed and intended for the production of horticultural produce (see paragraphs 8 and 10 below)), yards, loading platforms, ramps, aprons, earth banks, silos or bulk dry stores;	15	30
(e) pens, dips, stells or other facilities designed and intended for use in connection with the gathering, treatment, feeding or temporary shelter of livestock; fences, shelter screens, walls and dykes (where the walls and dykes are not built of materials traditional in the locality) and associated gates;	15	30
(f) facilities for the supply and distribution of electricity and gas for agricultural purposes;	15	30
(g) watercress beds, stakes and wirework for hops, cane fruit, and vineyards;	15	15
(h) facilities for the farming of freshwater fish and crustaceans for food production;	5	10
(j) works and facilities to prevent the flooding of agricultural land by watercourses.	15	30
5. (a) In Northern Ireland only, the restoration of land by levelling, regarding and removal of obstacles to cultivation excluding the removal of shrubs or trees, clearance or removal of tree stumps or hedges and filling in of ponds or ditches.	15	30
(b) Laying down to permanent pasture of land used for cropping.	15	30
(c) Reseeding and regeneration of grassland (excluding heathland and moorland), including as part of a complete programme of work the application of lime or fertiliser.	15	Nil
(d) Reseeding and regeneration of grassland (excluding heathland and moorland); application of lime or fertiliser (other than normal husbandry applications) for the benefit of grassland.	Nil	30
6. Orchard grubbing.	15	15
7. (a) Replacement of apple orchards (other than apple orchards consisting of trees producing cider apples) which have been grubbed up after 7th November 1982 by an equal or smaller area of apple orchards consisting of—	35	35
(i) the varieties of apple trees known as Cox's Orange Pippin apple, Bramley's Seedling apple or Spartan apple;		

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<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Kind of work or facility or transaction</i>	<i>Business outside less-favoured area. Rate of grant. Per cent.</i>	<i>Business inside less-favoured area. Rate of grant. Per cent.</i>
(ii) any other named varieties of apple trees required for pollination (other than varieties producing cider apples) not exceeding in total one half of the number of trees of the varieties specified in sub-paragraph (i);		
(iii) any species of crab apple tree and any hybrid varieties of crab apple tree required for pollination.		
(b) Replacement of pear orchards (other than pear orchards consisting of trees producing perry pears) which have been grubbed up after 7th November 1982 by an equal or smaller area of pear orchards consisting of—	35	35
(i) the varieties of pear trees known as Conference pear of Doyenne du Comice pear;		
(ii) any other named varieties of pear trees required for pollination (other than varieties producing perry pears) not exceeding in total one half of the number of trees of the varieties specified in sub-paragraph (i)		
8. (a) Provision or enlargement of the main framework of permanent buildings, of glasshouses (whether heated or not) and of durable plastic-clad structures, where such buildings, glasshouses or structures are designed and intended for the production of horticultural produce.	15	15
(b) Replacement of glasshouses (excluding those of a kind specified in paragraph 10 below) and durable plastic-clad structures.	25	25
9. Provision, installation or replacement of glasshouse heating systems including boilers.	20	20
10. Replacement, alteration or other improvement (including the supply and installation of permanent thermal insulation) of heated glasshouses being heated internally by means of permanent installations for the consumption of fuel.	50	50
11. Plant or equipment designed and intended for the preparation for market of harvested horticultural produce.	20	20
12. (a) Alteration, enlargement or reconditioning of permanent farmhouses and farm buildings to provide or improve farm tourist accommodation, including work of a capital nature relating to catering and drying facilities, provision or improvement of gas, electricity or water supplies, provision or improvement of foul drainage and rain and surface water disposal facilities.	Nil	25

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<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Kind of work or facility or transaction</i>	<i>Business outside less- favoured area. Rate of grant. Per cent.</i>	<i>Business inside less- favoured area. Rate of grant. Per cent.</i>
(b) Installation of roads, hard standings, paths and fences in connection with a tourist enterprise.	Nil	25
(c) Provision or improvement of on-farm camping and caravan facilities, including installation of gas, electricity or water supplies and provision of toilet blocks.	Nil	25
13. Alteration, enlargement or reconditioning of permanent farm buildings for craft or light industrial use or for the production or processing of food, including work of a capital nature relating to farm workshops, office accommodation, stores and processing rooms, provision or improvement of gas, electricity or water supplies and provision or improvement of drainage and foul waste disposal facilities.	Nil	25
14. Any work, facility or transaction (including conservation or amenity works) incidental to the carrying out of any work, facility or transaction specified in any of paragraphs 1 to 13 above or necessary or proper in carrying it out or providing it or securing the full benefit thereof.	The rate appropriate to that work, facility or transaction in accordance with the provisions of these regulations.	
15. Preparation of improvement plans.	15	30

EXPLANATORY NOTE

These regulations implement in part the provisions of Council Regulation (EEC) No. 797/85 on improving the efficiency of agricultural structures and Council Directive No. 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas.

The regulations, which apply throughout the United Kingdom, and operate (except for regulations 1 and 19) from 1st October 1985, make provision for aid for agricultural businesses in the form of grants in respect of expenditure of a capital nature incurred in pursuance of approved improvement plans (regulation 9). The works, facilities and transactions eligible for grant and the rates of grant applicable to them are set out (regulation 10 and the Schedule). Facilities for tourism and craft projects on a farm may be eligible for grant where they are additional to other eligible works included in an improvement plan (regulation 6(3)(k) and paragraphs 12 and 13 of the Schedule). Higher rates of grant may be payable for agricultural business in less-favoured areas (regulation 10(2) and the Schedule) or for business carried on by young farmers or by partnerships in which a young farmer is a partner (regulation 10(3) to (5)). Less-favoured areas are defined by reference to designated maps which are available for inspection during normal office hours at the addresses specified in the definition of designated maps (regulation 2(1)). Copies of the maps may be inspected during normal office hours at any Regional or Divisional Office of the Ministry of Agriculture, Fisheries

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and Food, at any Divisional Office of the Welsh Office Agriculture Department, at any Area Office of the Department of Agriculture and Fisheries for Scotland or at any County Agricultural Executive Office or selected Area Offices of the Department of Agriculture for Northern Ireland.

The classes of person and type of agricultural business which may benefit from grant-aid are defined (regulations 3 and 4). To benefit from assistance an applicant must submit an improvement plan for approval by the appropriate Minister (regulation 5). The plan must show that its completion will bring about a lasting and substantial improvement of the situation of the business and its economy, especially the income per labour unit required in carrying on the business (regulation 6(1)).

The regulations also—

- (a) impose certain restrictions on approval of improvement plans (regulation 6(2) to (8));
- (b) provide for the variation and withdrawal of plans (regulation 8);
- (c) provide for standard costs (regulation 13);
- (d) provide for the reduction or withholding of grant in certain circumstances where it would otherwise be payable (regulation 15) and for the recovery of grant paid (regulation 16);
- (e) create an offence, punishable on summary conviction with a maximum fine of £2,000, of knowingly or recklessly making a false statement to obtain grant (regulation 17);
- (f) confer rights of entry (regulation 18);
- (g) set a closing date of 31st December 1994 for submission of improvement plans for approval (regulation 7).

Amendments are also made to the Farm and Horticulture Development Regulations 1981 being previous regulations relating to improving agricultural structures. Further restrictions on the approval of grant in connection with pig and dairy enterprises are set out in relation to works, facilities or transactions included in an application for a variation of a development plan received on or after the day after these regulations are made and to claims for grant towards expenditure incurred on or after that day (regulations 1(2)(a) and 19).