
STATUTORY INSTRUMENTS

1991 No. 1630

**AGRICULTURE
HORTICULTURE**

The Farm and Conservation Grant Regulations 1991

Approved by both Houses of Parliament

Made - - - - 17th July 1991

Coming into force in accordance with regulation 1(1)

The Minister of Agriculture, Fisheries and Food and the Secretary of State, 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⁾, acting jointly, 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 laid before, and approved by resolution of, each House of Parliament:

Title, commencement and extent

1.—(1) These Regulations may be cited as the Farm and Conservation Grant Regulations 1991 and shall come into force on the day after the day on which they are made.

(2) These Regulations shall apply to Great Britain.

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), and any ancillary farm business;

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

(1) 1972 c. 68; 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), S.I. 1984/447 and section 52(4) of the Criminal Justice Act 1988 (c. 33), and, 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, S.I. 1984/526 and section 66 of the Criminal Justice (Scotland) Act 1987 (c. 41).

(2) S.I. 1972/1811.

“ancillary farm business” means any business of a type specified in any of paragraphs 1 to 8 in column 1 of Schedule 2 where that business is carried on by a person also carrying on a business consisting in or partly in the pursuit of agriculture on the same or adjacent land;

“the appropriate Minister” means—

- (a) in relation to England, the Minister of Agriculture, Fisheries and Food;
- (b) in relation to Scotland or Wales, the Secretary of State;

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

“beneficial organism” means any creature bred or kept for its use in the control of infestation of horticultural produce by pests;

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

“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 20th May 1991, signed and sealed by the appropriate Minister and deposited at the offices of the Ministry of Agriculture, Fisheries and Food at Nobel House, 17 Smith Square, London SW1P 3JR;
- (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 20th May 1991, signed by the appropriate Minister and deposited at the offices of the Welsh Office Agriculture Department at Trawsgoed, Aberystwyth, Dyfed SY23 4HT;
- (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 15th May 1991, signed by the appropriate Minister and deposited at the offices of the Scottish Office Agriculture and Fisheries Department at Pentland House, 47 Robb’s Loan, Edinburgh EH14 1TW;

“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;

“farm-based industry” means—

- (a) the manufacture of craft items or tourist souvenirs;
- (b) food processing;
- (c) the purification, carbonation and bottling of spring water;
- (d) the processing of timber;
- (e) the processing of agricultural produce for purposes other than human or animal consumption; or
- (f) the repair or renovation of agricultural machinery;

“farm shop” means a shop primarily used for the sale of the produce of the agricultural business of which the shop forms part;

“food processing” means the application of any process or treatment to agricultural produce for the purposes of human consumption but does not include—

- (a) the cleaning and trimming of raw fruit and vegetables to which no further process or treatment is applied or the packaging of such fruit and vegetables;
- (b) the slaughter of livestock and the skinning and gutting of animal carcasses;
- (c) any process or treatment applied for the purposes of the manufacture of wine;
- (d) any process or treatment applied to cows' milk for the purposes of the liquid consumption of that milk or for the purposes of the manufacture of any milk-based drink as defined in regulation 3 of the Milk-based Drinks (Hygiene and Heat Treatment) Regulations 1983⁽³⁾ and regulation 3 of the Milk-based Drinks (Scotland) Regulations 1983⁽⁴⁾, and any process or treatment applied to any such milk-based drink; or
- (e) the processing or treatment of poultry meat or of eggs;

“glasshouse” means a fixed or mobile structure, used for the production of horticultural produce or beneficial organisms 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 sown or 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(4) except to the extent that such work is carried out by seasonal labour, which would in the opinion of the appropriate Minister occupy the full time, not exceeding 2,200 hours per year, of a full-time worker;

“less-favoured area” means land which is within the area shaded blue or shaded pink on the designated maps, being 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(2) of Council Directive 75/268/EEC⁽⁵⁾ on mountain and hill-farming and farming in certain less-favoured areas, as amended by Council Directive 80/666/EEC⁽⁶⁾, which list is

(3) S.I. 1983/1508.

(4) S.I. 1983/1514; the relevant amending instrument is S.I. 1986/790.

(5) OJ No. L128, 19.5.75, p. 1.

(6) OJ No. L180, 14.7.80, p. 34.

contained in Council Directive [84/169/EEC](#)(7), as amended by Commission Decision [91/25/EEC](#)(8), 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;

“livery” means the provision of accommodation and care for horses and ponies;

“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;

“provision of accommodation” in Schedule 2 means, in relation to persons, provision of simple overnight shelter or hostel-style self-catering accommodation in a traditional farm building other than a dwelling-house;

“sports” in Schedule 2 means any game or exercise other than field sports, horse riding and sports involving the use of motor vehicles, firearms or crossbows;

“the 1980 Regulations” means the Agriculture and Horticulture Development Regulations 1980(9);

“the 1981 Regulations” means the Farm and Horticulture Development Regulation 1981(10);

“the 1985 Regulations” means the Agriculture Improvement Regulations 1985(11);

“the 1985 Scheme” means the Agriculture Improvement Scheme 1985(12);

“the 1987 Scheme” means the Farm Diversification Grant Scheme 1987(13);

“the 1989 Regulations” means the Farm and Conservation Grant Regulations 1989(14);

“the 1989 Scheme” means the Farm and Conservation Grant Scheme 1989(15).

(2) Any reference in these Regulations to a numbered regulation or Schedule shall, unless the context otherwise requires, be construed as a reference to the regulation or Schedule bearing that number in 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 carried on—

(7) OJ No. L82, 26.3.84, p. 67.

(8) OJ No. L16, 22.1.91, p. 25.

(9) S.I. 1980/1298, amended by S.I. 1981/1708, 1983/508, 924, 1763, 1984/618, 1922, 1985/1025.

(10) S.I. 1981/1707, amended by S.I. 1983/507, 925, 1762, 1984/620, 1924, 1985/1266, 1986/1295.

(11) S.I. 1985/1266, amended by S.I. 1987/1950, 1988/1201, 1982, 2065, 1989/219, 1990/1125. By S.R.(N.I.) 1987 No.156, the Agriculture Improvement Regulations were revoked in so far as they formed part of the law of Northern Ireland.

(12) S.I. 1985/1029, amended by S.I. 1988/1056, 1983, 2066, 1989/128. By S.I. 1987/166, (N.I. 1), the Agriculture Improvement Scheme was revoked in so far as it formed part of the law of Northern Ireland.

(13) S.I. 1987/1949, amended by S.I. 1988/1398, 1991/2.

(14) S.I. 1989/219, amended by S.I. 1990/1125.

(15) S.I. 1989/128, amended by S.I. 1990/1126.

- (i) derives not less than half of his annual income, calculated in accordance with the provisions of paragraph (2) below, from agricultural activities relating to that business and any qualifying activity carried on by him on land to which the business or a qualifying business relates,
 - (ii) derives not less than one quarter of his annual income, so calculated, from agricultural activities relating to the agricultural business,
 - (iii) spends time in such agricultural and qualifying activities amounting to at least 1,100 hours per year, and
 - (iv) 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;
- (b) any person representing a body carrying on an eligible agricultural business if the appropriate Minister is satisfied that the farm manager or other person through whom the business is carried on meets the requirements specified in sub-paragraph (a)(i) to (iii) above, and possesses sufficient agricultural skill and competence, as specified in sub-paragraph (a)(iv) above;
 - (c) persons carrying on an eligible agricultural business in partnership if the appropriate Minister is satisfied that the farm manager or other person through whom the business is carried on meets the requirements specified in sub-paragraph (a)(i) to (iii) above and possesses sufficient agricultural skill and competence, as specified in sub-paragraph (a)(iv) above;
 - (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.

(2) For the purposes of this regulation a person's annual income shall be calculated in each case by reference to the financial year immediately preceding the day on which the improvement plan is submitted or such other period as the appropriate Minister shall determine, being a period which he is satisfied gives 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 and (as the case may be) qualifying activities by that person.

(3) For the purposes of this regulation—

“qualifying business” means a business consisting in the pursuit of a qualifying activity where that business is carried on by the person also carrying on the eligible agricultural business on the same or adjacent land;

“qualifying activity” means any activity carried on for the purpose of—

- (a) forestry;
- (b) tourism, including the provision of any of the following: accommodation; food and drink; facilities for camping and caravanning; facilities for sports and recreation; educational facilities relating to farming and the countryside; accommodation and care for horses and ponies; or horses and ponies for hire;
- (c) craft activities, including the manufacture and sale of craft items or tourist souvenirs; or
- (d) maintaining the countryside, including the conservation and enhancement of the natural beauty of an area, the conservation of the flora or fauna or geological or physiographical features of an area, or the protection of buildings or other objects of archaeological, architectural or historic interest in an area, where aid is paid in respect of that activity out of money provided by Parliament, by any local authority or other statutory body, or by the European Economic Community.

(4) 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 for the supply of agricultural work or services with the occupier of the land on which the eligible business is carried on, which agreement 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 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) The appropriate Minister shall not approve any proposed expenditure for the purposes of grant under these Regulations unless—

- (a) an improvement plan relating to that expenditure is submitted for the approval of the Minister,
- (b) the undertakings referred to in paragraph (3) below are given by an eligible person in relation to that plan, and
- (c) the plan is approved.

(2) An improvement plan submitted for approval under these Regulations 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 and the timing of such investments, 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.

(3) The undertakings to be given in accordance with paragraph (1)(b) above are that if the plan submitted for approval is approved it will be carried out, and that accounts will be kept in accordance with regulation 11(1).

Restrictions on approval of improvement plans

6.—(1) The appropriate Minister shall not approve an improvement plan under these Regulations unless he 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 implementation of the plan—

- (a) will bring about a lasting improvement of that situation and in particular of the income per labour unit reasonably required in the carrying on of the business, or
 - (b) is necessary for maintaining the present level of income per labour unit so required.
- (2) The appropriate Minister shall not approve an improvement plan under these Regulations unless he 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 purposes of grant an improvement plan in so far as it includes—
- (a) proposed expenditure in connection with the breeding or keeping of pigs unless that Minister is satisfied—
 - (i) that the plan provides that on its completion not less than 35 per cent. of the feeding stuffs required for the pigs kept on that land can be produced therefrom, and
 - (ii) that such expenditure will not entail an increase in production;
 - (b) proposed expenditure in connection with the breeding or keeping of poultry or the production of eggs;
 - (c) proposed expenditure in connection with the breeding or keeping of dairy cows unless that Minister is satisfied that the effect of such expenditure will not be to exceed the quota, as defined in the Dairy Produce Quotas Regulations 1989(16), of the person carrying on the agricultural business to which the plan relates, 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 for approval, or of a request for variation of such an 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;
 - (d) proposed expenditure in connection with the breeding or keeping of beef livestock, unless that Minister is satisfied—
 - (i) that after completion of the work, facility or transaction to which the expenditure relates, the number of such livestock kept on the land occupied for the purposes of the agricultural business to which the plan relates will not exceed the equivalent of three livestock units for every hectare of that land comprising forage area, or

- (ii) that such expenditure is in respect of any work, facility or transaction which has the effect of safeguarding the environment, or
- (iii) that, where a plan submitted for approval is received before 1st January 1992 such expenditure will not entail an increase in production;
- (e) proposed expenditure in relation to the provision of horses and ponies for hire outside a less-favoured area;
- (f) proposed expenditure in relation to the purchase of land;
- (g) proposed expenditure in connection with any work, facility or transaction—
 - (i) which is of a kind specified in item 7(a) to (d) in column 2 of Schedule 2 in respect of an ancillary farm business of a kind specified in paragraph 5 of column 1 thereof (provision of facilities for sports and recreation); or
 - (ii) which is of a kind specified in item 6(b) or (c) in column 2 of Schedule 2 in respect of an ancillary farm business of a kind specified in paragraph 6 of column 1 thereof (provision of educational facilities relating to farming and the countryside and to farm-based industry); or
 - (iii) which is necessary or incidental to the carrying out of any work, facility or transaction of a kind mentioned in (i) and (ii) above for any of the purposes there mentioned,

where that work, facility or transaction is to be carried out on any set-aside land within the meaning of the Set-Aside Regulations 1988(17).

- (4) For the purposes of paragraph (3) above—

“beef livestock” means bovine animals which by reason of their breed or suitability are exclusively or principally kept for the production of meat either for human consumption or for processing into meat products;

“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;

“forage area” means, in relation to land occupied for the purposes of the agricultural business to which the plan relates, so much of that land as is used for grazing by, or producing the feeding stuffs for, the beef livestock; and

“livestock unit” means one bovine animal over two years old, and a bovine animal under two years old but over six months old shall be taken to be 0.6 of a livestock unit.

- (5) The appropriate Minister shall not approve for the purposes 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 to be incurred more than six years from the date of approval of the plan;
- (c) proposed expenditure amounting in aggregate to more than £85,000 unless the excess expenditure is in respect of any work, facility or transaction of a kind specified in paragraph 5 in column 1 of Schedule 3;
- (d) 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 (c) 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 the 1985 Regulations or the 1989 Regulations or towards which grant is payable or has been paid under the 1985 Scheme or the 1989 Scheme;
 - (e) proposed expenditure amounting in aggregate to more than £42,500 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 unless the excess expenditure is in respect of any work, facility or transaction of a kind specified in paragraph 5 in column 1 of Schedule 3;
 - (f) proposed expenditure which, in the opinion of the appropriate Minister, would in any six-year period exceed the amount permitted per labour unit in accordance with subparagraph (e) 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 the 1985 Regulations or the 1989 Regulations or towards which grant is payable or has been paid under the 1985 Scheme or the 1989 Scheme;
 - (g) proposed expenditure in connection with any work, facility or transaction of a kind specified in column 2 of Schedule 2 amounting in aggregate to more than £40,000;
 - (h) proposed expenditure in connection with any work, facility or transaction of a kind specified in column 2 of Schedule 2 which, in the opinion of the appropriate Minister, would in any six-year period exceed the amount permitted in accordance with subparagraph (g) above when added—
 - (i) to other such expenditure which has been incurred in the six-year period in question, and which is included in any previous improvement plan relating to the same agricultural business approved under these Regulations, and
 - (ii) to other expenditure which has been incurred in the six-year period in question, and which is included in any Farm Diversification Plan relating to that business approved under the 1987 Scheme.
- (6) For the purposes of paragraph (5)(d) and (f) above “other expenditure” does not include expenditure incurred in respect of any work, facility or transaction (relating to flood protection works in Scotland and shelter hedges in the Isles of Scilly)—
- (a) of a kind specified in paragraph 9 in column 1 of Schedule 1 or paragraph 5 in column 1 of Schedule 1A to the 1985 Scheme;
 - (b) of a kind specified in paragraph 9 in column 1 of Schedule 1 or paragraph 5 in column 1 of Schedule 2 to the 1989 Scheme;
 - (c) of a kind specified in paragraph 5 in column 1 of Schedule 3 to these Regulations;
 - (d) of a kind specified in paragraph 5 in column 1 of Schedule 2 to the 1985 Regulations;
 - (e) of a kind specified in paragraph 5 in column I of Schedule 2 to the 1989 Regulations.
- (7) Where the agricultural business to which the improvement plan relates includes the breeding or keeping of poultry or the production of eggs, or the processing or treatment of poultry meat or 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 (5)(e) or (f) above.
- (8) Paragraph (5)(g) and (h) above shall not apply in relation to any eligible expenditure incurred in connection with the preparation of improvement plans where such plans include works, facilities or transactions specified in both Schedule 1 and Schedule 2, or Schedule 2 and Schedule 3 as the case may be.

(9) The appropriate Minister shall not approve an improvement plan under these Regulations if the agricultural business to which the plan relates—

- (a) has been the subject of two previous improvement plans received within the preceding six years and approved under these Regulations or the 1985 Regulations or the 1989 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 or the 1985 Regulations or the 1989 Regulations.

(10) 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.

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 Minister considers that there are exceptional circumstances warranting such a variation or withdrawal.

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, including the establishment of any ancillary farm business which forms or will form, part 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 column 1 of Schedule 1 or column 2 of Schedule 2 or, in relation to the Isles of Scilly only, in column 1 of Schedule 3, 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 an improvement plan approved under these Regulations 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

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 12 and 14 in column 1 of Schedule 1 shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 2 of that Schedule.

(2) Subject to the following provisions of this regulation and regulations 13 and 15, in the case of any such 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 Schedule 1.

(3) Where it appears to the appropriate Minister that expenditure towards which grant is payable under regulation 9(1), in respect of any work, facility or transaction of a kind specified in column 1 of Schedule 1, has been incurred for the purposes of, or in connection with, the carrying on of an agricultural business on land 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.

(4) 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 12 in column 1 of Schedule 1 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.

(5) Subject to the following 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 column 2 of Schedule 2 shall be twenty-five per cent. of that expenditure.

(6) Subject to the provisions of paragraph (8) below and regulations 13 and 15, the amount of any grant payable under regulation 9(1) towards expenditure incurred in relation to the Isles of Scilly in respect of any work, facility or transaction of a kind specified in column 1 of Schedule 3 shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 2 of that Schedule.

(7) Subject to the provisions of paragraph (8) below and regulations 13 and 15, in the case of expenditure incurred in relation to the Isles of Scilly in respect of any work, facility or transaction of a kind specified both in column 1 of Schedule 1 and in column 1 of Schedule 3, the amount of any grant payable under regulation 9(1) shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 2 of Schedule 3.

(8) 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 fulfils the requirements specified in paragraph (9) below; or
- (b) a partnership in respect of which the requirements specified in paragraph (10) below are fulfilled;

the amount of grant payable under regulation 9(1) shall be the percentage of that expenditure specified in relation to that work, facility or transaction, increased by twenty-five per cent.

(9) 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 sole tenant of the land on which the agricultural business to which the plan relates is carried on;
 - (d) has not prior to the date mentioned in sub-paragraph (c) above been responsible for carrying on an agricultural business on land in the capacity of sole owner or sole tenant;
 - (e) has not previously been responsible for carrying out an improvement plan under these Regulations or the 1985 Regulations or the 1989 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
 - (f) holds an appropriate certificate relating to the possession of agricultural skill and competence issued by an establishment recognised for that purpose by the appropriate Minister.
- (10) The requirements in relation to a partnership are—
- (a) that a partner in that partnership fulfils the requirements set out in paragraph (9)(a), (e) and (f) above, submits an improvement plan to the appropriate Minister within five years of the date on which he became an owner or tenant of the land on which the agricultural business to which the plan relates is carried on and has not prior to that date been responsible for carrying on an agricultural business on land in the capacity of sole owner or sole tenant;
 - (b) that all other partners in the partnership fulfil the requirement of paragraph (9)(a) above in relation to the partnership business, except that this requirement shall not apply to a limited partner under the terms of a limited partnership agreement who takes no part in the management of the partnership business.

Accounts

11.—(1) The accounts referred to in regulation 5(3) 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 and closing dates for incurring certain expenditure

12.—(1) Subject to paragraph (3) 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 relation to any expenditure—

- (a) incurred before an improvement plan submitted for approval is acknowledged by him in writing;

- (b) incurred on or after 1st January 1994 in respect of any work, facility or transaction of a kind specified in paragraph 10 in column 1 of Schedule 1;
 - (c) incurred on or after 17th November 1993 in respect of any work, facility or transaction of a kind specified in any of paragraphs 1 to 5 in column 1 of Schedule 3.
- (3) The appropriate Minister shall not pay grant under these Regulations in respect of—
- (a) any work, facility or transaction of a kind specified in paragraph 10 in column 1 of Schedule 1 unless the claim for grant is received by him on or before 31st March 1994;
 - (b) any work, facility or transaction of a kind specified in paragraph 11 or 12 in column 1 of Schedule 1 unless the claim for grant is received by him on or before 31st December 1993;
 - (c) any work, facility or transaction of a kind specified in any of paragraphs 1 to 5 in column 1 of Schedule 3 unless the claim for grant is received by him on or before 16th November 1994.

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, 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 in respect of 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 or provision of the work, facility or transaction in respect of 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.—(1) 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, or any undertaking given in accordance with regulation 5(1), has not been complied with, or
- (b) that any work, facility or transaction in respect of expenditure on which the approval was given has been badly done or provided, or has been or is being unreasonably delayed, or is unlikely to be completed, 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.

(2) Subject to regulation 17(6), before revoking an approval or making a demand under the preceding provisions of this regulation that Minister shall—

- (a) 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
- (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.

False statements

17.—(1) 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 level 5 on the standard scale.

(2) Where an offence under paragraph (1) above which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of—

- (a) any director, manager, secretary or other similar officer of the body corporate; or
- (b) any person who was purporting to act in any such capacity,

he as well as the body corporate shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(3) Proceedings in England and Wales for an offence under paragraph (1) above may be brought within a period of six months from the date on which evidence sufficient in the opinion of the

appropriate Minister to justify proceedings comes to his knowledge, and in any case within five years from the commission of the offence.

(4) Summary proceedings in Scotland for an offence under paragraph (1) above may be commenced within a period of six months from the date on which evidence sufficient in the opinion of the prosecutor to justify proceedings comes to his knowledge, and in any case within five years from the commission of the offence, and proceedings shall be deemed to be commenced on the date on which a warrant to apprehend or to cite the accused is granted, if such a warrant is executed without undue delay.

(5) A certificate purporting to be signed—

- (a) for the purposes of paragraph (3) above, by or on behalf of the appropriate Minister, or
- (b) for the purposes of paragraph (4) above, by the prosecutor,

shall be conclusive evidence of the date on which evidence sufficient to justify proceedings came to his knowledge.

(6) Where a person convicted of an offence under paragraph (1) above was at the time of the commission of the offence responsible for carrying on an agricultural business to which an improvement plan relates, the appropriate Minister may revoke the approval of that plan, 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.

(7) For the purposes of paragraph (6) above “improvement plan” means a plan approved under these Regulations in connection with which an offence under paragraph (1) has been committed.

Powers 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 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 or equipment in respect of which grant under these Regulations has been made or claimed.

Amendment of the 1985 Regulations

19.—(1) Regulation 2(1) of the 1985 Regulations (interpretation) shall be amended—

(a) by substituting for the definition of “designated maps” the following definition:

““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 20th May 1991, 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 Nobel House, 17 Smith Square, London SW1P 3JR;
- (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 20th May 1991, signed by the Secretary of State for Wales and deposited at the offices of the Welsh Office Agriculture Department at Trawsgoed, Aberystwyth, Dyfed SY23 4HT;
- (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 15th May 1991, signed by the Secretary of State for Scotland

and deposited at the offices of the Scottish Office Agriculture and Fisheries Department at Pentland House, 47 Robb's Loan, Edinburgh EH14 1TW;”, and

- (b) by substituting for sub-paragraph (a) of the definition of “less-favoured area” the following sub-paragraph:

“(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(2) of Council Directive 75/268/EEC(18) on mountain and hill farming and farming in certain less-favoured areas, as amended by Council Directive 80/666/EEC(19), which list is contained in Council Directive 84/169/EEC(20), as amended by Commission Decision 91/25/EEC(21), and”.

- (2) Paragraph (1) above shall not apply—

- (a) in relation to any claim for grant under the 1985 Regulations which is received by the appropriate Minister before the date of coming into force of these Regulations, or
- (b) in relation to any claim for grant under the 1985 Regulations towards expenditure incurred before 18th December 1990,

and that paragraph shall not affect the operation of the 1985 Regulations in relation to any such claim for grant.

Amendment of the 1989 Regulations

- 20.**—(1) The 1989 Regulations shall be amended—

- (a) in regulation 2(1) thereof (interpretation)—

- (i) by substituting for the definition of “designated maps” the following definition:

““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 20th May 1991, 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 Nobel House, 17 Smith Square, London SW1P 3JR;
- (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 20th May 1991, signed by the Secretary of State for Wales and deposited at the offices of the Welsh Office Agriculture Department at Trawsgoed, Aberystwyth, Dyfed SY23 4HT;
- (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 15th May 1991, signed by the Secretary of State for Scotland and deposited at the offices of the Scottish Office Agriculture and Fisheries Department at Pentland House, 47 Robb's Loan, Edinburgh EH14 1TW;”, and

- (ii) by substituting for sub-paragraph (a) of the definition of “less-favoured area” the following sub-paragraph:

(18) OJ No. L128, 19.5.75, p. 1.

(19) OJ No. L180, 14.7.80, p. 34.

(20) OJ No. L82, 26.3.84, p. 67.

(21) OJ No. L16, 22.1.91, p. 25.

- “(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(2) of Council Directive 75/268/EEC(18) on mountain and hill farming and farming in certain less-favoured areas, as amended by Council Directive 80/666/EEC(19), which list is contained in Council Directive 84/169/EEC(20), as amended by Commission Decision 91/25/EEC(21), and”;
- (b) in regulation 6(3) thereof (restrictions on approval of improvement plans)—
- (i) in sub-paragraph (e), by substituting for the figure “£74,000” the figure “£85,000”, and
 - (ii) in sub-paragraph (g), by substituting for the figure “£35,000” the figure “£42,500”;
- (c) in regulation 7 thereof (closing date for submission of improvement plans) by substituting for the words from “31st December 1994” to the end of the regulation the date “17th July 1991”.
- (2) Paragraph (1)(a) above shall not apply—
- (a) in relation to any claim for grant under the 1989 Regulations which is received by the appropriate Minister before the date of coming into force of these Regulations, or
 - (b) in relation to any claim for grant under the 1989 Regulations towards expenditure incurred before 18th December 1990,
- and that paragraph shall not affect the operation of the 1989 Regulations in relation to any such claim for grant.
- (3) Paragraph (1)(b) above shall not apply in relation to a request for the variation of an improvement plan approved under the 1989 Regulations which is received by the appropriate Minister before the date of coming into force of these Regulations, and that paragraph shall not affect the operation of the 1989 Regulations in relation to any such request.

In witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on

L.S.

17th July 1991.

John Selwyn Gummer
Minister of Agriculture, Fisheries and Food

11th July 1991

Strathclyde
Parliamentary Under Secretary of State, Scottish
Office

(18) OJ No. L128, 19.5.75, p. 1.
(19) OJ No. L180, 14.7.80, p. 34.
(20) OJ No. L82, 26.3.84, p. 67.
(21) OJ No. L16, 22.1.91, p. 25.

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SCHEDULE 1

Regulations 6(8), 9(1), 10(1), (2), (3), (4) and (7), and 12(2) and (3)

ELIGIBLE AGRICULTURAL WORKS, FACILITIES AND TRANSACTIONS AND RATES OF GRANT

| <i>Column 1</i> <i>Kind of work, facility or transaction</i> | <i>Column 2</i> <i>Business outside less-favoured area. Rate of grant. Per cent.</i> | <i>Column 3</i> <i>Business inside less-favoured area. Rate of grant. Per cent.</i> |
|---|---|--|
| 1. Provision, replacement or improvement of: | 40 | 50 |
| (a) (i) hedges (including associated protective fencing and hedgerow trees), | | |
| (ii) walls built of materials traditional in the locality, | 40 | 50 |
| (iii) banks built of materials traditional in the locality (including associated protective fencing), and associated gates, stiles and footbridges; | 40 | 50 |
| (b) (b) facilities for the handling, storage and treatment of agricultural effluents and waste (including safety fencing) and fixed disposal facilities for such effluents and waste; | 50 | 50 |
| (c) (c) shelter belts (including trees for shading livestock and associated protective fencing)— | 40 | 50 |
| (i) consisting of 50 per cent. Or more broadleaved trees; | | |
| (ii) other shelter belts. | 15 | 50 |
| 2. Enclosure of grazed woodland (consisting | 40 | 50 |

| <i>Column 1</i> <i>Kind of work, facility or transaction</i> | <i>Column 2</i> <i>Business outside less-favoured area. Rate of grant. Per cent.</i> | <i>Column 3</i> <i>Business inside less-favoured area. Rate of grant. Per cent.</i> |
|---|---|--|
| of 75 per cent. Or more broadleaved trees or, in Scotland only, consisting of 75 per cent. Or more Scots pine) with fencing protecting the areas from livestock. | | |
| 3. Burning heather or grass or making muirburn or regenerating heather by cutting; bracken control by means other than soil cultivation. | 40 | 50 |
| 4. Enclosure of areas of heather moorland or heathland with fencing protecting the areas from livestock. | 40 | 50 |
| 5. Repair or reinstatement of vernacular buildings in agricultural use and made of materials traditional in the locality where the repair or reinstatement is carried out using similar materials. | 35 | 35 |
| 6. Supply and installation of: | 15 | 25 |
| (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); | | |
| (b) (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 | 15 | 25 |

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| <i>Column 1</i> <i>Kind of work, facility or transaction</i> | <i>Column 2</i> <i>Business outside less-favoured area. Rate of grant. Per cent.</i> | <i>Column 3</i> <i>Business inside less-favoured area. Rate of grant. Per cent.</i> |
|--|---|--|
| glasshouses of a kind specified in paragraph 12 below). | | |
| 7. Provision, replacement, improvement or alteration of: | 15 | 25 |
| (a) fencing (excluding fencing specified in paragraphs 1, 2 and 4 above), shelter screens and walls (where the walls are not built of materials traditional in the locality) and associated gates; | | |
| (b) (b) works and facilities to prevent the flooding of agricultural land by watercourses. | 15 | 25 |
| 8. Replacement of field drainage, including underdrainage and ditching and associated moling and subsoiling, but excluding the replacement of drainage on heathland and moorland. | 15 | 25 |
| (a) (a) Re-seeding and regeneration of grassland (excluding heathland and moorland), including as part of a complete programme of work the application of lime or fertiliser. | 15 | 25 |
| (b) (b) Application of lime or fertiliser (other than normal husbandry applications) for the benefit of grassland (excluding heathland and moorland). | Nil | 25 |

| <i>Column 1</i> <i>Kind of work, facility or transaction</i> | <i>Column 2</i> <i>Business outside less-favoured area. Rate of grant. Per cent.</i> | <i>Column 3</i> <i>Business inside less-favoured area. Rate of grant. Per cent.</i> |
|--|---|--|
| (a) (a) Replacement of apple orchards (other than apple orchards consisting of trees producing cider apples) which have been grubbed up after 1st July 1988 by an equal or smaller area of apple orchards consisting of commercial varieties of apple trees and associated trees required for their pollination. | 35 | 35 |
| (b) (b) Replacement of pear orchards (other than pear orchards consisting of trees producing perry pears) which have been grubbed up after 1st July 1988 by an equal or smaller area of pear orchards consisting of commercial varieties of pear trees and associated trees required for their pollination. | 35 | 35 |
| 11. Provision, installation or replacement of heating systems (including boilers) in glasshouses and in durable structures clad with translucent plastic designed and intended for the production of horticultural produce or beneficial organisms. | 35 | 35 |
| 12. Replacement of heated glasshouses (being heated internally by means of permanent installations for the consumption of fuel) by other glasshouses so | 40 | 40 |

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| <i>Column 1</i> <i>Kind of work, facility or transaction</i> | <i>Column 2</i> <i>Business outside less-favoured area. Rate of grant. Per cent.</i> | <i>Column 3</i> <i>Business inside less-favoured area. Rate of grant. Per cent.</i> |
|---|--|--|
| heated or by heated durable structures clad with translucent plastic designed and intended for the production of horticultural produce or beneficial organisms; alteration or improvement (including the supply and installation of permanent thermal insulation) of such heated glasshouses. | | |
| 13. 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 12 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. | |
| 14. Preparation of improvement plans relating to agricultural works, facilities or transactions. | 25 | 25 |

SCHEDULE 2

Regulations 2(1), 6(3), (5) and (8), 9(1) and 10(5)

TYPES OF ANCILLARY FARM BUSINESS AND ELIGIBLE WORKS, FACILITIES AND TRANSACTIONS AND RATES OF GRANT

| <i>Column 1</i> <i>Type of ancillary farm business</i> | <i>Column 2</i> <i>Kind of work or facility or transaction. Rate of grant 25 per cent.</i> |
|---|--|
| 1. Farm-based industry. | <p>1. Provision, alteration, enlargement or reconditioning of permanent buildings.</p> <p>2. Works of a capital nature relating to workshops, office accommodation, stores and processing rooms, including the provision of improvement of toilet and washing facilities.</p> <p>3. Provision, replacement and installation of fixed equipment and machinery.</p> |

* In accordance with regulation 6(3)(e), grant in relation to the provision of horses and ponies for hire is only available in a less-favoured area.

| <i>Column 1</i> <i>Type of ancillary farm business</i> | <i>Column 2</i> <i>Kind of work or facility or transaction. Rate of grant 25 per cent.</i> |
|---|---|
| 2. Farm shops. | <ol style="list-style-type: none">4. Provision or improvement of facilities for the supply of gas, electricity, heating oil and water.5. Provision or improvement of drainage, including facilities for the disposal of rain and surface water and facilities for the treatment and disposal of foul waste.6. Provision or improvement of roads, paths, fences, hard standings and car parks. <ol style="list-style-type: none">1. Provision, alteration, enlargement or reconditioning of permanent buildings.2. Works of a capital nature relating to shop premises, office accommodation and stores, including the provision or improvement of toilet and washing facilities.3. Provision or improvement of facilities for the supply of gas, electricity, heating oil and water.4. Provision or improvement of drainage, including facilities for the disposal of rain and surface water and facilities for the treatment and disposal of foul waste.5. Provision or improvement of roads, paths, fences, hard standings and car parks. |
| 3. Direct sale to farm visitors of fruit and vegetables which the visitors pick themselves. | <ol style="list-style-type: none">1. Provision or improvement of roads, paths, fences, hard standings and car parks.2. Provision or improvement of toilet facilities. |
| 4. Provision of accommodation, food and drink. | <ol style="list-style-type: none">1. Provision, alteration, enlargement or reconditioning of permanent buildings.2. Works of a capital nature relating to tourist accommodation, including the provision or improvement of catering, drying, washing and toilet facilities.3. Provision and installation of fixed equipment and machinery.4. Provision or improvement of facilities for the supply of gas, electricity, heating oil and water.5. Provision or improvement of drainage, including facilities for the disposal of rain and |

* In accordance with regulation 6(3)(e), grant in relation to the provision of horses and ponies for hire is only available in a less-favoured area.

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| <i>Column 1</i> <i>Type of ancillary farm business</i> | <i>Column 2</i> <i>Kind of work or facility or transaction. Rate of grant 25 per cent.</i> |
|--|--|
| <p>5. Provision of facilities for sports and recreation.</p> <p>6. Provision of educational facilities relating to farming and the countryside and to farm-based industry.</p> | <p>surface water and facilities for the treatment and disposal of foul waste.</p> <p>6. Provision or improvement of roads, paths, fences and hard standings.</p> <p>7. Provision or improvement of car parks (in relation to the provision of food and drink only).</p> <p>1. Provision, alteration, enlargement or reconditioning of permanent buildings.</p> <p>2. Works of a capital nature relating to office and clubhouse accommodation, including fixed seating and shelter for spectators, and the provision or improvement of drying, washing and toilet facilities.</p> <p>3. Provision and installation of fixed equipment.</p> <p>4. Provision or improvement of facilities for the supply of gas, electricity, heating oil and water.</p> <p>5. Provision or improvement of drainage, including facilities for the disposal of rain and surface water and facilities for the treatment and disposal of foul waste.</p> <p>6. Provision or improvement of roads, paths, fences, hard standings and car parks.</p> <p>7. Works of a capital nature relating to the establishment of sports grounds and recreational areas, including—</p> <ul style="list-style-type: none"> (a) field drainage; (b) land levelling and grading; (c) re-seeding and regeneration of amenity grassland; (d) laying of turf and of hard surfaces; (e) the establishment of ponds for recreational fishing. <p>1. Provision, alteration, enlargement or reconditioning of permanent buildings.</p> <p>2. Works of a capital nature relating to lecture hall accommodation and the establishment of display and exhibition areas, including fixed seating and shelters, viewing galleries, notices</p> |

* In accordance with regulation 6(3)(e), grant in relation to the provision of horses and ponies for hire is only available in a less-favoured area.

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| <i>Column 1</i> <i>Type of ancillary farm business</i> | <i>Column 2</i> <i>Kind of work or facility or transaction. Rate of grant 25 per cent.</i> |
|--|---|
| | <p>and signs, and the provision or improvement of toilet and washing facilities.</p> <p>3. Provision or improvement of facilities for the supply of gas, electricity, heating oil and water.</p> <p>4. Provision or improvement of drainage, including facilities for the disposal of rain and surface water and facilities for the treatment and disposal of foul waste.</p> <p>5. Provision or improvement of roads, paths, fences, hard standings and car parks.</p> <p>6. Works of a capital nature relating to the establishment of nature trails, including—</p> <ul style="list-style-type: none">(a) the establishment of ponds and wet areas;(b) the clearance of obstacles (other than trees or shrubs);(c) the re-grading of land;(d) the provision and planting of trees, shrubs and other plants. |
| <p>7. Provision of livery.</p> | <p>1. Provision, alteration, enlargement or reconditioning of permanent buildings.</p> <p>2. Provision and installation of fixed equipment.</p> <p>3. Provision or improvement of toilet facilities and facilities for the supply of electricity and water.</p> <p>4. Provision or improvement of drainage, including facilities for the disposal of rain and surface water and facilities for the treatment and disposal of foul waste.</p> <p>5. Provision or improvement of car parks, hard standings and associated fences.</p> |
| <p>8. Provision of horses and ponies for hire.*</p> | <p>1. Provision, alteration, enlargement or reconditioning of permanent buildings.</p> <p>2. Provision and installation of fixed equipment.</p> <p>3. Provision or improvement of toilet facilities and facilities for the supply of electricity and water.</p> |

* In accordance with regulation 6(3)(e), grant in relation to the provision of horses and ponies for hire is only available in a less-favoured area.

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| <i>Column 1</i> <i>Type of ancillary farm business</i> | <i>Column 2</i> <i>Kind of work or facility or transaction. Rate of grant 25 per cent.</i> |
|--|--|
| 9. Any business of a type specified above. | <p>4. Provision or improvement of drainage, including facilities for the disposal of rain and surface water and facilities for the treatment and disposal of foul waste.</p> <p>5. Provision or improvement of car parks, hard standings and associated fences.</p> <p>1. Any work, facility or transaction (including conservation or amenity works) incidental to the carrying out of any work, facility or transaction specified above or necessary or proper in carrying it out or providing it or securing the full benefit thereof.</p> <p>2. Preparation of improvement plans relating to an ancillary farm business.</p> |
| * In accordance with regulation 6(3)(e), grant in relation to the provision of horses and ponies for hire is only available in a less-favoured area. | |

SCHEDULE 3

Regulations 6(5), (6) and (8), 9(1), 10(6) and (7) and 12(2) and (3)

ELIGIBLE WORKS, FACILITIES AND TRANSACTIONS
AND RATES OF GRANT IN THE ISLES OF SCILLY

| <i>Column 1</i> <i>Kind of work, facility or transaction</i> | <i>Column 2</i> <i>Rate of grant. Per cent.</i> |
|--|--|
| 1. Provision, replacement, improvement or alteration of temperature-controlled stores for the treatment and holding of bulbs and flowers, including plant for the cooling and heating of such stores. | 45 |
| 2. Application of lime (other than normal husbandry applications) raising the soil pH to 5.5. | 30 |
| 3. Equipment for the production or preparation for market of horticultural produce, comprising bulb sterilising tanks; specialist soil sterilant incorporation machines; bulb lifters; bulb graders; bulb cleaners; bulb chipping machines; flower sleeving machines; polythene laying equipment; bulb planters and flame cultivators. | 30 |
| 4. Provision, replacement, improvement or alteration of: | 45 |

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| <i>Column 1</i> | <i>Column 2</i> |
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| <i>Kind of work, facility or transaction</i> | <i>Rate of grant. Per cent.</i> |
| (a) facilities for the storage, supply and distribution of water for agricultural purposes; | |
| (b) (b) facilities for the supply and distribution of electricity for agricultural purposes. | 45 |
| 5. Provision, replacement or improvement of shelter hedges (including hedgerow trees and associated protective fencing). | 60 |

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement provisions in Title 1 of Council Regulation (EEC) No. 797/85 (OJ No. L93, 30.3.85, p. 1) on improving the efficiency of agricultural structures (as amended by Council Regulations (EEC) Nos. 1760/87 (OJ No. L167, 26.6.87, p. 1), 1137/88 (OJ No. L108, 29.4.88, p.1), 2156/89 (OJ No. L207, 19.7.89, p. 12) and 3808/89 (OJ No. L371, 20.12.89, p. 1)), and Article 1 of Council Directive No. 75/268/EEC (OJ No. L128, 19.5.75, p. 1) on mountain and hill farming and farming in certain less-favoured areas, as amended by Council Regulation (EEC) No. 797/85.

The Regulations, which apply to Great Britain, make provision for aid for agricultural businesses, including aid for the diversification of such businesses by the establishment and carrying on of ancillary farm 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 Schedules 1 to 3). Higher rates of grant may be payable for agricultural businesses in the Isles of Scilly (regulation 10(6) and (7) and Schedule 3) and in other less-favoured areas (regulation 10(2) and (3) and Schedule 1) and for businesses carried on by young farmers or by partnerships in which young farmers are partners (regulation 10(8) to (10)). Less-favoured areas are defined by reference to designated maps. These maps have been prepared by reference to the list of less-favoured farming areas contained in Council Directive 84/169/EEC (OJ No. L82, 26.3.84, p. 67) as amended by Commission Decision 91/25/EEC (OJ No. L16, 22.1.91, p. 25). The maps 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 and Food, at any Divisional Office of the Welsh Office Agriculture Department or at any Area Office of the Scottish Office Agriculture and Fisheries Department.

Grant aid is payable to eligible persons in respect of eligible agricultural businesses (regulations 3 and 4), and in respect of specified ancillary farm businesses (regulation 2(1) and Schedule 2). To benefit from assistance an applicant must submit an improvement plan for approval by the appropriate Minister (regulation 5). The investments proposed under the plan must be justified from the point of view of the situation of the agricultural business and its economy and the applicant must show that completion of the plan will bring about a lasting improvement of that situation, especially

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the income per labour unit required in carrying on the business, or is necessary for maintaining the income per labour unit so required (regulation 6(1)).

The Regulations also—

- (a) impose certain other restrictions on approval of improvement plans (regulations 6(2) to (10));
- (b) provide for the variation and withdrawal of improvement plans (regulation 8);
- (c) provide for the keeping of accounts for the duration of improvement plans (regulations 5(3) and 11);
- (d) provide for standard costs (regulation 13);
- (e) provide for the reduction or withholding of grant in certain circumstances where it would otherwise be payable (regulation 15) and for the revocation of approval of an improvement plan and recovery of grant paid (regulations 16 and 17(6) and (7));
- (f) create an offence, punishable on summary conviction with a fine not exceeding level 5 on the standard scale (currently £2,000), of knowingly or recklessly making a false statement to obtain grant, impose liability for that offence additionally on officers of a body corporate and set an extended time limit within which proceedings for the offence may be commenced (regulation 17(1) to (5));
- (g) confer powers of entry (regulation 18);
- (h) set a closing date of 31st December 1994 for receipt of applications for improvement plans (regulation 7);
- (j) set closing dates for incurring certain expenditure (regulation 12(2)) and receipt of claims for certain grants (regulation 12(3)).

Amendments are also made to the Agriculture Improvement Regulations 1985 and the Farm and Conservation Grant Regulations 1989, being earlier Regulations relating to improving agricultural structures, to extend the areas of land which may be treated under those Regulations as less-favoured areas in accordance with Commission Decision [91/25/EEC](#) (regulations 19(1) and 20(1)(a)). The amendments do not apply to claims for grant received before 18th July 1991 or claims towards expenditure incurred under those Regulations before 18th December 1990, the date of notification of the Commission Decision (regulations 19(2) and 20(2)). In respect of the Farm and Conservation Grant Regulations 1989, amendments are also made to increase the maximum limits of expenditure which is eligible for grant aid (regulation 20(1)(b)) and to introduce an earlier closing date of 17th July 1991 for receipt of applications for approval of improvement plan under those Regulations (regulation 20(1)(c)).