



Agricultural Holdings Act 1986

1986 CHAPTER 5

PART VII

MISCELLANEOUS AND SUPPLEMENTAL

83 Settlement of claims on termination of tenancy

- (1) Without prejudice to any other provision of this Act, any claim of whatever nature by the tenant or landlord of an agricultural holding against the other, being a claim which arises—
 - (a) under this Act or any custom or agreement, and
 - (b) on or out of the termination of the tenancy of the holding or part of it,shall, subject to the provisions of this section, be determined by arbitration under this Act.
- (2) No such claim as is mentioned in subsection (1) above shall be enforceable unless before the expiry of two months from the termination of the tenancy the claimant has served notice in writing on his landlord or tenant, as the case may be, of his intention to make the claim.
- (3) A notice under subsection (2) above shall specify the nature of the claim; but it shall be sufficient if the notice refers to the statutory provision, custom or term of an agreement under which the claim is made.
- (4) The landlord and tenant may, within the period of eight months from the termination of the tenancy, by agreement in writing settle any such claim as is mentioned in subsection (1) above.
- (5) Where by the expiry of the said period any such claim as is mentioned in subsection (1) above has not been settled, it shall be determined by arbitration under this Act.
- (6) Where a tenant lawfully remains in occupation of part of an agricultural holding after the termination of a tenancy, references in subsections (2) and (4) above to the termination of the tenancy shall, in the case of a claim relating to that part of the holding, be construed as references to the termination of the occupation.

84 Arbitrations

- (1) Any matter which by or by virtue of this Act or regulations made under this Act is required to be determined by arbitration under this Act shall, notwithstanding any agreement (under a contract of tenancy or otherwise) providing for a different method of arbitration, be determined by the arbitration of a single arbitrator in accordance with the provisions of any order under this section, together with the provisions of Schedule 11 to this Act (as for the time being in force); and the Arbitration Act 1950 shall not apply to any such arbitration.
- (2) The Lord Chancellor may by order make provision as to the procedure to be followed in, or in connection with, proceedings on arbitrations under this Act.
- (3) An order under this section may in particular—
 - (a) provide for the provisions of Schedule 11 to this Act, exclusive of those mentioned in subsection (4) below, to have effect subject to such modifications as may be specified in the order;
 - (b) prescribe forms for proceedings on arbitrations under this Act which, if used, shall be sufficient;
 - (c) prescribe the form in which awards in such proceedings are to be made.
- (4) An order under this section shall not make provision inconsistent with the following provisions of Schedule 11 to this Act, namely paragraphs 1 to 6, 11 to 13, 14(2), 17, 19, 21, 22, 26 to 29 and 32.
- (5) In this section " modifications " includes additions, omissions and amendments.

85 Enforcement

- (1) Subject to subsection (3) below, where a sum agreed or awarded under this Act to be paid for compensation, costs or otherwise by a landlord or tenant of an agricultural holding is not paid within fourteen days after the time when the payment becomes due, it shall be recoverable, if the county court so orders, as if it were payable under an order of that court.
- (2) Where a sum becomes due to a tenant of an agricultural holding in respect of compensation from the landlord, and the landlord fails to discharge his liability within the period of one month from the date on which the sum becomes due, the tenant shall be entitled to obtain from the Minister an order charging the holding with payment of the amount due.
- (3) Where the landlord of an agricultural holding is entitled to receive the rents and profits of the holding otherwise than for his own benefit (whether as trustee or in any other character)—
 - (a) he shall not be under any liability to pay any sum agreed or awarded under this Act to be paid to the tenant or awarded under this Act to be paid by the landlord, and it shall not be recoverable against him personally, but
 - (b) if he fails to pay any such sum to the tenant for one month after it becomes due, the tenant shall be entitled to obtain from the Minister an order charging the holding with payment of the sum.

86 Power of landlord to obtain charge on holding

- (1) Where the landlord of an agricultural holding—

- (a) has paid to the tenant of the holding an amount due to him under this Act, or under custom or agreement, or otherwise, in respect of compensation for an improvement falling within section 64(1) or (4) above, for any such matter as is specified in Part II of Schedule 8 to this Act or for disturbance, or
- (b) has defrayed the cost of the execution by him, in pursuance of a notice served under section 67(5) above, of an improvement specified in Part II of Schedule 7 to this Act,

he shall be entitled to obtain from the Minister an order charging the holding or any part of it with repayment of the amount of the compensation or the amount of the cost, as the case may be.

- (2) Where there falls to be determined by arbitration under this Act the amount of compensation for an improvement falling within 64(1) or (4) above or for any such matter as is specified in Part II of Schedule 8 to this Act payment of which entitles the landlord to obtain a charge under subsection (1) above, the arbitrator shall, at the request and cost of the landlord, certify—
 - (a) the amount of the compensation, and
 - (b) the term for which the charge may properly be made having regard to the time at which each improvement or matter in respect of which compensation is awarded is to be deemed to be exhausted.
- (3) Where the landlord of an agricultural holding is entitled to receive the rents and profits of the holding otherwise than for his own benefit (whether as trustee or in any other character) he shall, either before or after paying to the tenant of the holding any sum agreed or awarded under this Act to be paid to the tenant for compensation or awarded under this Act to be paid by the landlord, be entitled to obtain from the Minister an order charging the holding with repayment of that sum.
- (4) The rights conferred by this section on a landlord of an agricultural holding to obtain an order charging land shall not be exercised by trustees for ecclesiastical or charitable purposes except with the approval in writing of the Charity Commissioners.

87 General provisions as to charges under this Act on holdings

- (1) An order of the Minister under this Act charging an agricultural holding or any part of an agricultural holding with payment or repayment of a sum shall charge it, in addition, with payment of all costs properly incurred in obtaining the charge.
- (2) Any such order shall be made in favour of the person obtaining the charge and of his executors, administrators and assigns, and the order shall make such provision as to the payment of interest and the payment of the sum charged by instalments, and shall contain such directions for giving effect to the charge, as the Minister thinks fit.
- (3) In the case of a charge under section 86 above the sum charged shall be a charge on the holding or the part of the holding charged, as the case may be, for the landlord's interest in the holding and for all interests in the holding subsequent to that of the landlord, but so that in any case where the landlord's interest is an interest in a leasehold, the charge shall not extend beyond the interest of the landlord, his executors, administrators and assigns.
- (4) In the case of a charge under section 86 above where the landlord is not absolute owner of the holding for his own benefit, no instalment or interest shall be made payable after the time when the improvement in respect of which compensation is paid will, in the opinion of the Minister, have become exhausted.

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- (5) Notwithstanding anything in any deed, will or other instrument to the contrary, where the estate or interest in an agricultural holding of the landlord is determinable or liable to forfeiture by reason of his creating or suffering any charge on it, that estate or interest shall not be determined or forfeited by reason that the tenant obtains a charge on the holding under section 85(2) above or that the landlord obtains a charge on the holding under section 86 above.
- (6) A charge created under section 85 above or section 74 of the Agricultural Holdings Act 1948 shall rank in priority to any other charge, however and whenever created or arising; and charges created under those sections shall, as between themselves, rank in the order of their creation.
- (7) Any company now or hereafter incorporated by Parliament, and having power to advance money for the improvement of land, may take an assignment of any charge created under section 85(2) or 86(1) above upon such terms and conditions as may be agreed upon between the company and the person entitled to the charge, and may assign any charge of which they have taken an assignment under this subsection.
- (8) Subsection (6) above shall bind the Crown.

88 Power of limited owners to give consents etc.

The landlord of an agricultural holding, whatever his estate or interest in it, may, for the purposes of this Act, give any consent, make any agreement or do or have done to him any other act which he might give, make, do or have done to him if he were owner in fee simple or, if his interest is an interest in a leasehold, were absolutely entitled to that leasehold.

89 Power of limited owners to apply capital for improvements

- (1) Where under powers conferred by the Settled Land Act 1925 or the Law of Property Act 1925 capital money is applied in or about the execution of any improvement specified in Schedule 7 to this Act no provision shall be made for requiring the money or any part of it to be replaced out of income, and accordingly any such improvement shall be deemed to be an improvement authorised by Part I of Schedule 3 to the Settled Land Act 1925.
- (2) Where under powers conferred by the Universities and College Estates Act 1925 capital money is applied in payment for any improvement specified in Schedule 7 to this Act no provision shall be made for replacing the money out of income unless the Minister requires such provision to be made under section 26(5) of that Act or, in the case of a university or college to which section 2 of the Universities and College Estates Act 1964 applies, it appears to the university or college to be necessary to make such provision under the said section 26(5) as modified by Schedule I to the said Act of 1964.

90 Estimation of best rent for purposes of Acts and other instruments

In estimating the best rent or reservation in the nature of rent of an agricultural holding for the purposes of any Act of Parliament, deed or other instrument, authorising a lease to be made provided that the best rent, or reservation in the nature of rent, is reserved, it shall not be necessary to take into account against the tenant any increase in the value of the holding arising from any improvements made or paid for by him.

91 Power of Minister to vary

- (1) The Minister may, after consultation with such bodies of persons as appear to him to represent the interests of landlords and tenants of agricultural holdings, by order vary the provisions of Schedules 7, 8 and 10 to this Act.
- (2) An order under this section may make such provision as to the operation of this Act in relation to tenancies current when the order takes effect as appears to the Minister to be just having regard to the variation of the said Schedules effected by the order.

92 Advisory committee on valuation of improvements and tenant-right matters

- (1) The Minister shall appoint a committee to advise him as to the provisions to be included in regulations under section 66(2) above, consisting of such number of persons, having such qualifications, as the Minister thinks expedient, including persons appointed by the Minister as having experience in land agency, farming, estate management and the valuation of tenant-right.
- (2) The Minister may pay to the members of the committee such travelling and other allowances as he may with the consent of the Treasury determine.

93 Service of notices

- (1) Any notice, request, demand or other instrument under this Act shall be duly given to or served on the person to or on whom it is to be given or served if it is delivered to him, or left at his proper address, or sent to him by post in a registered letter or by the recorded delivery service.
- (2) Any such instrument shall be duly given to or served on an incorporated company or body if it is given or served on the secretary or clerk of the company or body.
- (3) Any such instrument to be given to or served on a landlord or tenant shall, where an agent or servant is responsible for the control of the management or farming, as the case may be, of the agricultural holding, be duly given or served if given to or served on that agent or servant.
- (4) For the purposes of this section and of section 7 of the Interpretation Act 1978 (service by post), the proper address of any person to or on whom any such instrument is to be given or served shall, in the case of the secretary or clerk of an incorporated company or body, be that of the registered or principal office of the company or body, and in any other case be the last known address of the person in question.
- (5) Unless or until the tenant of an agricultural holding has received—
 - (a) notice that the person who before that time was entitled to receive the rents and profits of the holding (" the original landlord ") has ceased to be so entitled, and
 - (b) notice of the name and address of the person who has become entitled to receive the rents and profits,any notice or other document served upon or delivered to the original landlord by the tenant shall be deemed for the purposes of this Act to have been served upon or delivered to the landlord of the holding.

94 Orders and regulations

- (1) Any power to make an order or regulations conferred on the Minister or the Lord Chancellor by any provision of this Act (except section 85 or 86) shall be exercisable by statutory instrument.
- (2) Any statutory instrument containing an order or regulations made under any provision of this Act (except section 22(4) or 91 or paragraph 1(2) of Schedule 11) shall be subject to annulment in pursuance of a resolution of either House of Parliament
- (3) No regulations shall be made under section 22(4) above or paragraph 1(2) of Schedule 11 to this Act unless a draft of the regulations has been laid before and approved by a resolution of each House of Parliament.
- (4) An order made under section 91 above shall be of no effect unless approved by a resolution of each House of Parliament.

95 Crown land

- (1) The provisions of this Act, except section 11 above, shall apply to land belonging to Her Majesty in right of the Crown or the Duchy of Lancaster and to land belonging to the Duchy of Cornwall, subject in either case to such modifications as may be prescribed.
- (2) For the purposes of this Act—
 - (a) as respects land belonging to Her Majesty in right of the Crown, the Crown Estate Commissioners or other the proper officer or body having charge of the land for the time being, or, if there is no such officer or body, such person as Her Majesty may appoint in writing under the Royal Sign Manual, shall represent Her Majesty and shall be deemed to be the landlord,
 - (b) as respects land belonging to Her Majesty in right of the Duchy of Lancaster, the Chancellor of the Duchy shall represent Her Majesty and shall be deemed to be the landlord,
 - (c) as respects land belonging to the Duchy of Cornwall, such person as the Duke of Cornwall or other the possessor for the time being of the Duchy of Cornwall appoints shall represent the Duke of Cornwall or other the possessor aforesaid, and shall be deemed to be the landlord and may do any act or thing which a landlord is authorised or required to do under this Act
- (3) Without prejudice to subsection (1) above it is hereby declared that the provisions of this Act, except section 11 above, apply to land notwithstanding that the interest of the landlord or tenant is held on behalf of Her Majesty for the purposes of any government department; but those provisions shall, in their application to any land in which an interest is so held, have effect subject to such modifications as may be prescribed.
- (4) Any compensation payable under this Act by the Chancellor of the Duchy of Lancaster for long-term improvements shall, and any compensation so payable under section 60(2)(b) or 62 above may, be raised and paid as an expense incurred in improvement of land belonging to Her Majesty in right of the Duchy within section 25 of the Duchy of Lancaster Act 1817; and any compensation so payable under this Act for short-term improvements and tenant-right matters shall be paid out of the annual revenues of the Duchy.
- (5) Any compensation payable under this Act by the Duke of Cornwall or other the possessor for the time being of the Duchy of Cornwall for long-term improvements

shall, and any compensation so payable under section 60(2)(b) or 62 above may, be paid and advances therefor made in the manner and subject to the provisions of section 8 of the Duchy of Cornwall Management Act 1863 with respect to improvements of land mentioned in that section.

(6) Nothing in subsection (5) above shall be taken as prejudicing the operation of the Duchy of Cornwall Management Act 1982.

(7) In this section—

" long-term improvements " means relevant improvements specified in Schedule 7 to this Act, improvements falling within section 64(4) above and improvements specified in Schedule 10 to this Act;

" short-term improvements and tenant-right matters " means relevant improvements specified in Part I of Schedule 8 to this Act and such matters as are specified in Part II of that Schedule.

96 Interpretation

(1) In this Act, unless the context otherwise requires—

" agreement" includes an agreement arrived at by means of valuation or otherwise, and " agreed " has a corresponding meaning;

" agricultural holding " has the meaning given by section 1 above;

"agricultural land" has the meaning given by section 1 above;

"agricultural unit" means land which is an agricultural unit for the purposes of the Agriculture Act 1947;

" agriculture" includes horticulture, fruit growing, seed growing, dairy farming and livestock breeding and keeping, the use of land as grazing land, meadow land, osier land, 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" shall be construed accordingly ;

" building " includes any part of a building;

" Case A ", " Case B " (and so on) refer severally to the Cases set out and so named in Part I of Schedule 3 to this Act;

" contract of tenancy " has the meaning given by section 1 above;

" county court", in relation to an agricultural holding, means the county court within the district in which the holding or the larger part of the holding is situated;

" fixed equipment" includes any building or structure affixed to land and any works on, in, over or under land, and also includes anything grown on land for a purpose other than use after severance from the land, consumption of the thing grown or of its produce, or amenity, and any reference to fixed equipment on land shall be construed accordingly;

" landlord " means any person for the time being entitled to receive the rents and profits of any land;

" 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 or the carrying on in relation to land of any agricultural activity ;

" local government funds " means, in relation to any grant in respect of an improvement executed by the landlord or tenant of an agricultural holding, the funds of any body which, under or by virtue of any enactment, has power to

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make grants in respect of improvements of the description in question within any particular area (whether or not it is a local authority for that area);

" the Minister " means—

(a) in relation to England, the Minister of Agriculture, Fisheries and Food, and

(b) in relation to Wales, the Secretary of State ;

" the model clauses " has the meaning given by section 7 above;

" pasture " includes meadow;

" prescribed " means prescribed by the Minister by regulations ;

" relevant improvement" has the meaning given by section 64(2) above;

" tenant" means the holder of land under a contract of tenancy, and includes the executors, administrators, assigns, or trustee in bankruptcy of a tenant, or other person deriving title from a tenant;

" termination ", in relation to a tenancy, means the cesser of the contract of tenancy by reason of effluxion of time or from any other cause;

" the Tribunal " means an Agricultural Land Tribunal established under Part V of the Agriculture Act 1947.

- (2) For the purposes of this Act, a tenant is insolvent if—
- (a) he has been adjudged bankrupt or has made a composition or arrangement with his creditors, or
 - (b) where the tenant is a body corporate, a winding-up order has been made with respect to it or a resolution for voluntary winding-up has been passed with respect to it (other than a resolution passed solely for the purposes of its reconstruction or of its amalgamation with another body corporate).
- (3) Sections 10 and 11 of the Agriculture Act 1947 (which specify the circumstances in which an owner of agricultural land is deemed for the purposes of that Act to fulfil his responsibilities to manage the land in accordance with the rules of good estate management and an occupier of such land is deemed for those purposes to fulfil his responsibilities to farm it in accordance with the rules of good husbandry) shall apply for the purposes of this Act.
- (4) References in this Act to the farming of land include references to the carrying on in relation to the land of any agricultural activity.
- (5) References in this Act to the use of land for agriculture include, in relation to land forming part of an agricultural unit, references to any use of the land in connection with the farming of the unit.
- (6) The designations of landlord and tenant shall continue to apply to the parties until the conclusion of any proceedings taken under or in pursuance of this Act in respect of compensation.

97 **Saving for other rights etc.**

Subject to sections 15(5) and 83(1) above in particular, and to any other provision of this Act which otherwise expressly provides, nothing in this Act shall prejudicially affect any power, right or remedy of a landlord, tenant or other person vested in or exercisable by him by virtue of any other Act or law or under any custom of the country or otherwise, in respect of a contract of tenancy or other contract, or

of any improvements, deteriorations, waste, emblements, tillages, away-going crops, fixtures, tax, rate, tithe rentcharge, rent or other thing.

98 Application of Act to old tenancies etc.

- (1) Subject to sections 4 and 34 above, to the provisions of Schedule 12 to this Act and to any other provision to the contrary, this Act applies in relation to tenancies of agricultural holdings whenever created, agreements whenever made and other things whenever done.
- (2) The provisions of this Act shall apply in relation to tenancies of agricultural holdings granted or agreed to be granted, agreements made and things done before the dates specified in paragraphs 1 to 5 and 10 of Schedule 12 to this Act (being dates no later than 1st March 1948) subject to the modifications there specified.
- (3) Paragraphs 6 to 9 of Schedule 12 to this Act, which make provision with respect to compensation for tenant-right matters in relation to tenants of agricultural holdings who entered into occupation before the dates specified in those paragraphs (being dates no later than 31st December 1951), shall have effect.

99 Transitional provisions and savings

- (1) Schedule 13 to this Act, which excepts from the operation of this Act certain cases current at the commencement of this Act and contains other transitional provisions and savings, shall have effect.
- (2) The re-enactment in paragraphs 6 to 8 of Schedule 12 to this Act of provisions contained in the Agricultural Holdings Act (Variation of Fourth Schedule) Order 1951 shall be without prejudice to the validity of those provisions; and any question as to the validity of any of those provisions shall be determined as if the re-enacting provisions of this Act were contained in a statutory instrument made under the powers under which the original provision was made.
- (3) Nothing in this Act (except paragraph 8 of Schedule 13) shall be taken as prejudicing the operation of sections 16 and 17 of the Interpretation Act 1978 (which relate to the effect of repeals).

100 Consequential amendments

Schedule 14 to this Act shall have effect.

101 Repeals and revocations

- (1) The enactments specified in Part I of Schedule 15 to this Act are hereby repealed to the extent specified in the third column of that Schedule.
- (2) The instruments specified in Part II of Schedule 15 to this Act are hereby revoked to the extent specified in the third column of that Schedule.

102 Citation, commencement and extent

- (1) This Act may be cited as the Agricultural Holdings Act 1986.

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- (2) This Act shall come into force at the end of the period of three months beginning with the day on which it is passed.
- (3) Subject to subsection (4) below, this Act extends to England and Wales only.
- (4) Subject to subsection (5) below and to paragraph 26(6) of Schedule 14 to this Act, the amendment or repeal by this Act of an enactment which extends to Scotland or Northern Ireland shall also extend there.
- (5) Subsection (4) above does not apply to the amendment or repeal by this Act of section 9 of the Hill Farming Act 1946, section 48(4) of the Agriculture Act 1967 or an enactment contained in the Agriculture (Miscellaneous Provisions) Act 1968.