

1976 No. 547

## AGRICULTURE

## AGRICULTURAL GRANTS, GOODS AND SERVICES

## The Farm Capital Grant (Variation) Scheme 1976

<i>Made - - - -</i>	<i>5th April 1976</i>
<i>Laid before Parliament</i>	<i>13th April 1976</i>
<i>Coming into Operation</i>	<i>1st June 1976</i>

The Minister of Agriculture, Fisheries and Food, the Secretary of State for Scotland and the Secretary of State for Wales, acting jointly, being designated (a) Ministers for the purposes of section 2(2) of the European Communities Act 1972(b) in relation to the common agricultural policy of the European Economic Community, in exercise of the powers conferred upon them by sections 28 and 29 of the Agriculture Act 1970(c), the Minister of Agriculture, Fisheries and Food also acting in exercise of the powers conferred on him by section 51(1) of the said Act and the said Ministers also acting in exercise of all other powers enabling them in that behalf, with the approval of the Treasury, hereby make the following scheme:—

*Citation, commencement and extent*

1. This scheme, which may be cited as the Farm Capital Grant (Variation) Scheme 1976, shall come into operation on 1st June 1976 and shall apply throughout the United Kingdom.

*Interpretation*

2.—(1) The Interpretation Act 1889(d) shall apply to the interpretation of this scheme as it applies to the interpretation of an Act of Parliament.

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

*Variation of the principal scheme*

3.—(1) Paragraph 2(1) shall be varied—

(a) by inserting after the definition of approved the following definition:—  
 “‘earned income’, in relation to an agricultural business, means the revenue of the business as assessed by the appropriate Minister

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(a) S.I. 1972/1811 (1972 III, p. 5216).

(b) 1972 c. 68.

(c) 1970 c. 40.

(d) 1889 c. 63.

(e) S.I. 1973/1965 (1973 III, p. 6817).

provided that 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;”;

(b) by inserting after the definition of earned income the following definition:—

“ ‘less-favoured area’ means land—

- (i) which is situated in an area included in the list of less-favoured farming areas adopted by the Council of the European Communities under Article 2 of Council Directive No. 75/268/EEC of 28th April 1975(a) and consists predominantly of mountains, hills or heath, and
- (ii) which is, or by improvement could be made, suitable for use for the breeding, rearing and maintenance of sheep or cattle but not, in the opinion of the appropriate Minister, for the carrying on, to any material extent, of dairy farming, the production, to any material extent, of fat sheep or fat cattle or the production of crops in quantity materially greater than that necessary to feed the number of sheep or cattle capable of being maintained on the land.”;

(c) by deleting from the definition of labour unit the words “adult male”.

(2) Paragraph 3 shall be varied by substituting for sub-paragraph (1) thereof the following sub-paragraph:—

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

- (a) has been or is to be incurred in respect of any work or facility, or any part thereof, of a kind specified in any of paragraphs 1 to 10 and 12 of Schedule 1 or, in relation to Scotland only, paragraph 11 of that Schedule in respect of which an application for approval for the purpose of grant is received on or before 31st May 1976, or
- (b) has been or is to be incurred in respect of any work or facility, or any part thereof, of a kind specified in any of paragraphs 1 to 17 and 19 of Schedule 3 or, in relation to Scotland only, paragraph 18 of that Schedule in respect of which an application for approval for the purpose of grant is received by the appropriate Minister on or after 1st June 1976, or
- (c) has been or is to be incurred in respect of any work or facility certified under section 26(6) of the Agriculture Act 1967(b) as amended by section 32(2)(e) of the Agriculture Act 1970, and
- (d) appears to the appropriate Minister to be of a capital nature, or incurred in connection with expenditure of a capital nature, and
- (e) is approved for the purposes of a grant under this scheme.”.

(3) Paragraph 4(3) shall be varied by adding at the end thereof the following sub-paragraph:—

“(c) in respect of any work or facility which is of a kind specified in paragraphs 6 to 16, 18 and insofar as it relates to any of those paragraphs,

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

(b) 1967 c. 22.

19 of Schedule 3 and which, in the opinion of the appropriate Minister, would continue to be of benefit to the land on which the said agricultural business is or is to be carried on or established if that land were to be subsequently occupied as part of a larger agricultural unit.”.

(4) Paragraph 5(2)(a) shall be varied by substituting for the figures “10,000” and “40,000” respectively the figures “10,520” and “42,060”.

(5) Paragraph 6 shall be varied by substituting for sub-paragraph (1) thereof the following sub-paragraph:—

“(1) Subject to the provisions of paragraph 3 expenditure shall qualify for grant under this scheme if application for approval for the purposes of such grant is received by the appropriate Minister before 1st January 1981.”.

(6) The following paragraph shall be substituted for paragraph 7:—

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

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

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

Provided that—

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

(ii) the amount of grant specified in column 3 of Schedule 3 shall apply to expenditure on any work or facility specified in relation thereto, if the expenditure on that work or facility is incurred or is to be incurred for the purposes of, or in connection with, the carrying on or establishment of an agricultural business or that part thereof situated in a less-favoured area which has an earned income per labour unit less than the comparable income determined in accordance with paragraph 7A save that in a less-favoured area no such determination shall be made in respect of any work or facility specified in paragraph 18 thereof;

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

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

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

(7) The following paragraph shall be inserted after paragraph 7:—

“7A. For the purposes of this scheme the appropriate Minister shall determine in respect of each calendar year as soon as practicable after the commencement of this scheme and then as nearly as practicable to 1st January in 1977 and in each successive year thereafter, a comparable income per labour unit for Great Britain and Northern Ireland respectively, having regard to the average earnings of full time workers in occupations other than agriculture.”

(8) Paragraph 8(2) shall be varied by substituting for the figure “40,000” the figure 42,060”.

*Variation of the 1970 Schemes*

4.—(1) The Farm Capital Grant Scheme 1970(a), as varied(b), shall be further varied as follows:—

(a) by substituting for paragraph 5(1)(b) thereof the following sub-paragraph—

“(b) before 1st June 1976 or such later date, not later than 30th June 1976, as the appropriate Minister may in special circumstances permit in the case of any expenditure in respect of any work or facility of a kind specified in any of the paragraphs 4 to 7, 9, 13 and, insofar as it relates to any of the aforesaid paragraphs, 18 of Schedule 2 which, in the opinion of the appropriate Minister, is for the benefit of hill land or of benefit in the farming of hill land.”;

(b) by inserting after paragraph 5(1)(b) thereof the following sub-paragraph:—

“(c) sub-paragraphs (1)(a) and (1)(b) of this paragraph shall have effect only as respects expenditure in respect of which a claim for the purposes of grant is received by the appropriate Minister before 1st June 1979 or such later date, not later than 30th June 1979, as the appropriate Minister may in special circumstances permit;”.

(2) The Farm Capital Grant (Scotland) Scheme 1970(c), as varied(d), shall be further varied as follows:—

(a) by substituting for paragraph 5(b) thereof the following sub-paragraph:—

“(b) before 1st June 1976 or such later date, not later than 30th June 1976, as the Secretary of State may in special circumstances permit in the case of any expenditure in respect of any work or facility of a kind specified in any of para-

(a) S.I. 1970/1759 (1970 III, p. 5741).

(b) S.I. 1971/1077, 1972/368, 1973/492, 1965 (1971 II, p. 3210; 1972 I, p. 1444; 1973 I, p. 1574; III, p. 6817).

(c) S.I. 1970/1805 (1970 III, p. 5869).

(d) S.I. 1971/1076, 1972/362, 1973/476, 1965 (1971 II, p. 3208; 1972 I, p. 1434; 1973 I, p. 1560; III, p. 6817).

graphs 4 to 7, 9, 13 and, insofar as it relates to any of the aforesaid paragraphs, 16 of Schedule 1 which, in the opinion of the Secretary of State, is for the benefit of hill land or of benefit in the farming of hill land.”;

(b) by inserting after paragraph 5(b) thereof the following sub-paragraph:—

“(c) sub-paragraphs (a) and (b) of this paragraph shall have effect only as respects expenditure in respect of which a claim for the purposes of grant is received by the Secretary of State before 1st June 1979 or such later date, not later than 30th June 1979, as the Secretary of State may in special circumstances permit;”.

(3) Paragraph 9 of the principal scheme shall be varied by substituting for sub-paragraph (3) thereof the following sub-paragraph:—

“(3) Sub-paragraphs (1)(b) and (2)(b) of this paragraph shall have effect only as respects expenditure in respect of which an application for approval for the purposes of a grant under the Farm Capital Grant Scheme 1970, as varied, or under the Farm Capital Grant (Scotland) Scheme 1970, as varied, is received by the appropriate Minister on or after 1st January 1974 and before 1st June 1976 or such later date, being not later than 30th June 1976, as the appropriate Minister may in special circumstances permit.”.

5.—(1) Schedules 1 and 2 to this scheme shall be added to the principal scheme as Schedules 3 and 4 respectively.

(2) Schedule 2 shall be varied:—

(a) by substituting in each of sub-paragraphs 2(1)(a) and (b) thereof for the figure “40,000” the figure “42,060”;

(b) by deleting paragraphs 3 to 6 thereof.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 31st March 1976.

(L.S.)

*Frederick Peart,*  
Minister of Agriculture, Fisheries and Food.

1st April 1976.

*William Ross,*  
Secretary of State for Scotland.

1st April 1976.

*John Morris,*  
Secretary of State for Wales.

We approve.

5th April 1976.

*Donald R. Coleman,*  
*J. Dormand,*  
Two of the Lords Commissioners of  
Her Majesty's Treasury.

## SCHEDULE 1

Paragraph 5(1)

## ELIGIBLE WORKS AND FACILITIES AND RATES OF GRANT

Column 1		Column 2	Column 3
	Work or Facility	Standard Rate of Grant	Less-favoured Area Rate of Grant
		Per cent.	Per cent.
1	Provision, replacement, improvement, alteration, enlargement or reconditioning of permanent buildings (except living accommodation, buildings designed and intended for horticultural use or for any use mentioned in paragraph 11, and works and facilities specified in paragraphs 2 and 3 of this Schedule), silos designed and intended for use for grain storage, bulk dry stores, yards, loading platforms, ramps or banks.	20	20
2	Provision, replacement, improvement, alteration, enlargement or reconditioning of silos (other than silos intended for grain storage); provision and installation of equipment for loading or unloading such silos.	30	30
3	Provision, replacement, improvement, alteration, enlargement or reconditioning of permanent buildings for cattle (except for any use mentioned in paragraph 11 of this Schedule); dairy and parlour buildings and associated collecting yards; associated systems for disposal of waste; other associated services (except equipment as provided for in paragraph 17(b) of this Schedule).	30	30
4	Provision, replacement or improvement of systems for disposal of farm waste (except waste systems covered by paragraph 3 of this Schedule).	20	20
5	Provision, replacement or improvement of facilities for the supply of electricity or gas for agricultural purposes.	20	20
6	Provision, replacement or improvement of facilities for the supply of water.	20	50*
7	Field drainage, including under-drainage and ditching.	50	70*
8	Provision or improvement of farm flood protection works; protection or improvement of river banks.	20	50*
9	Provision, replacement or improvement of roads, hardstandings, fords, bridges, culverts, railway crossings, creeps, piers, jetties or slips.	20	50*
10	Provision, replacement or improvement of sheep grids or cattle grids.	20	50*

SCHEDULE 1—*continued*

Column 1		Column 2	Column 3
Work or Facility		Standard Rate of Grant	Less-favoured Area Rate of Grant
		Per cent.	Per cent.
11	Provision, replacement or improvement of pens, dips, stells or other facilities designed and intended for use in connection with the gathering, treatment or feeding of sheep or cattle or for sheltering them in periods of adverse weather but not for in-wintering.	20	50*
12	Provision, replacement or improvement of permanent fences, hedges, walls, or gates.	20	50*
13	Provision, replacement or improvement of shelter belts.	Nil	50*
14	(a) Reseeding and regeneration of grassland and laying down of permanent pasture, including the application of lime or fertiliser (other than normal husbandry applications).	20	Nil
	(b) Reseeding and regeneration of grassland; laying down of permanent pasture; application of lime or fertiliser (other than normal husbandry applications) for the benefit of grassland.	Nil	50*
	(c) Clearance and reclamation of land; sub-soiling; burning heather or grass or making muirburn; land levelling or grading (including filling in of ditches or ponds); removal of tree roots, boulders or other obstructions to cultivation; bracken control.	20	50*
15	Orchard grubbing.	20	20
16	Provision, replacement or improvement of wirework for hop gardens.	20	20
17	Provision or replacement and installation of:		
	(a) fans for barn hay drying and associated equipment, and	20	20
	(b) milking and associated equipment; bulk milk tanks.	20	20
18	In Scotland only, making, improvement or alteration of the banks or channels of watercourses to provide or improve the drainage of agricultural land or to prevent or mitigate the flooding or erosion of agricultural land.	60	70
19	Any work or facility incidental to the carrying out or provision of any work or facility specified in paragraphs 1 to 18 of this Schedule or necessary or proper in carrying out or providing the said work or facility or securing the full benefit thereof.	The rate appropriate to that work or facility in accordance with the provisions of the Scheme.	

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

## SCHEDULE 2

Paragraph 5(1)

WORKS OR FACILITIES CERTIFIED UNDER SECTION 26(6)  
OF THE AGRICULTURE ACT 1967

1. Notwithstanding the provisions of Schedule 3 the amount of any grant payable under this scheme towards expenditure approved for the purposes of a grant under this scheme in respect of any work or facility certified under section 26(6) of the Agriculture Act 1967 shall be 50 per cent of that expenditure:

Provided that if any work or facility certified as aforesaid has been so certified as a consequence of an amalgamation or boundary adjustment approved, or submitted for approval, for the purposes of a grant under section 26 of the said Act, as originally enacted or as amended by section 32(2)(e) of the Agriculture Act 1970, on or after 19th March 1970 and not later than 18th March 1972 in pursuance of a scheme made under the said section 26, the amount of any grant payable under this scheme towards expenditure approved for the purposes of a grant under this scheme in respect of that work or facility shall be 60 per cent of that expenditure.

2. If an application for approval of expenditure for the purposes of a grant under this scheme in respect of any work or facility certified under section 26(6) of the Agriculture Act 1967, is in the opinion of the appropriate Minister, in substitution for an application for such approval of expenditure in respect of some other work or facility certified as aforesaid, the amount of any grant payable under this scheme towards the first mentioned expenditure shall be calculated at the rate of grant appropriate to the last mentioned expenditure in accordance with the provisions of paragraph 1 of this Schedule.

## EXPLANATORY NOTE

*(This Note is not part of the Scheme.)*

This Scheme, which applies to the whole of the United Kingdom, varies the Farm Capital Grant Scheme 1973 and comes into operation on 1st June 1976. The Farm Capital Grant Scheme 1970 and the Farm Capital Grant (Scotland) Scheme 1970 as varied, which were largely superseded by the Farm Capital Grant Scheme 1973, are to cease to have effect after 31st May 1979.

The principal changes are—

- (a) the provision of higher rates of grant to implement the requirements of Directive 75/268/EEC of the Council (OJ No. L128, 19.5.75, p. 1.) as respects certain works and facilities which in the opinion of the appropriate Minister are for the benefit of those agricultural businesses situated in less-favoured areas and which, also in his opinion, have an income per labour unit less than the comparable income;
- (b) the replacement of the present variable rate applicable to field drainage grant by the provision of a single rate of 50 per cent for all agricultural businesses other than those described in paragraph (a) above for which the rate applicable will be 70 per cent;
- (c) the provision of higher rates of grant for grass silos, dairy and parlour buildings and for associated facilities and equipment, and for cattle buildings;
- (d) the provision of grant for fans for barn hay drying and associated equipment, and for certain land improvement works and facilities as respects agricultural businesses not situated in less-favoured areas.





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