
 STATUTORY INSTRUMENTS

1980 No. 1072

AGRICULTURE

HORTICULTURE

The Agriculture and Horticulture Grant Scheme 1980

<i>Made</i> - - - -	28th July 1980
<i>Laid before Parliament</i>	28th July 1980
<i>Coming into Operation</i>	1st October 1980

The Minister of Agriculture, Fisheries and Food, the Secretary of State for Scotland and the Secretary of State for Wales, acting jointly, in exercise of the powers conferred upon them by sections 28 and 29 of the Agriculture Act 1970(a) and 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 Agriculture and Horticulture Grant Scheme 1980, shall come into operation on 1st October 1980 and shall apply throughout the United Kingdom.

Interpretation

2.—(1) In this scheme, unless the context otherwise requires—

“agriculture” and cognate expressions shall be construed, except in relation to Scotland, in accordance with section 109 of the Agriculture Act 1947(b) and, in relation to Scotland, in accordance with section 86 of the Agriculture (Scotland) Act 1948(c);

“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;

“the appropriate Minister” means—

- (a) in relation to England or Northern Ireland, the Minister of Agriculture, Fisheries and Food;
- (b) in relation to any other part of the United Kingdom, the Secretary of State;

(a) 1970 c. 40.

(b) 1947 c. 48.

(c) 1948 c. 45.

“earned income” in relation to an agricultural business, means the revenue of the business as assessed by the appropriate Minister, 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;

“ECU” means the unit of account of the European Economic Community defined in Article 1 of Council Regulation (EEC) No. 3180/78(a), and any reference in this scheme to a specified number of ECU in relation to any expenditure shall be taken to be a reference to the sterling equivalent of that number of ECU applicable on the 1st January of the calendar year in which the conditions for granting aid are fulfilled;

“horticultural produce” means—

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

but does not include hops;

“horticultural production business” means an agricultural business consisting in, or such part of any agricultural business as consists in, the growing in the United Kingdom of horticultural produce for sale or the growing of such produce for sale and its storage, transport or preparation for market;

“labour unit” means the amount of work, other than work done by contractors, which would in the opinion of the appropriate Minister occupy the full time, not exceeding 2,300 hours per year, of a full-time worker;

“less-favoured area” means land—

- (a) which is situated in an area included in the list of less-favoured farming areas adopted by the Council or the Commission of the European Communities under Article 2 of Council Directive No. 75/268/EEC of 28th April 1975(b) and consists predominantly of mountains, hills or heath, and
- (b) 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;

(a) O.J. No. L 379.

(b) O.J. No. L 128

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

- (2) Unless the context otherwise requires, any reference in this scheme—
- (a) to a numbered paragraph shall be construed as a reference to the paragraph bearing that number in this scheme, or
 - (b) to “the Schedule” shall be construed as a reference to the Schedule to this scheme.

Payment of grant

3.—(1) Subject to the provisions of this scheme the appropriate Minister may make to any person a grant towards expenditure 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 incurred in respect of any work, facility or transaction of a kind specified in any of paragraphs 1 to 6, 7(i), 7(ii) and 8 to 17 of column 1 of the Schedule or, in relation to Scotland only, paragraph 7(iii) thereof;
- (b) appears to that Minister to be of a capital nature, or incurred in connection with expenditure of a capital nature; and
- (c) is approved by that Minister for the purposes of a grant under this scheme.

(2) Subject to the provisions of paragraphs 4 to 9, the appropriate Minister may make the payment of grant under sub-paragraph (1) subject to such conditions as that Minister thinks fit and any payment of such grant 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 sub-paragraph (1) has been incurred partly for the purposes of, or in connection with, the carrying on or establishment of an agricultural business and partly for non-agricultural purposes, that Minister may for the purposes of a grant under the said sub-paragraph treat as having been incurred for the purposes of, or in connection with, the carrying on or establishment of an agricultural business so much of that expenditure as appears to that Minister to be referable to the carrying on or establishment of that agricultural business.

Restrictions on payment of grant

4. The appropriate Minister shall not pay grant under paragraph 3(1) in relation to expenditure in respect of any work, facility or transaction which is of a kind specified in any of paragraphs 1 to 5, 14(ii) and 16 of column 1 of the Schedule unless that Minister is satisfied that the agricultural business is capable of providing the greater part of the employment of at least one person reasonably skilled in agriculture.

5.—(1) The appropriate Minister shall not pay grant under paragraph 3(1) in relation to any expenditure in connection with the breeding or keeping of poultry or the production of eggs.

(2) The appropriate Minister shall not pay grant under paragraph 3(1) in relation to any expenditure in connection with the breeding or keeping of pigs—

(a) unless it appears to that Minister that the aggregate of the amount of that expenditure and any other expenditure of that kind which has been incurred in respect of the same agricultural business amounts to not less than 13,158 ECU, and not more than 66,699 ECU, that other expenditure being expenditure in respect of which a claim for grant, under this scheme, the Farm Capital Grant Scheme 1973(a), or any regulations made under section 2(2) of the European Communities Act 1972(b) providing for the payment of grant to a person carrying on an agricultural business as therein defined in accordance with an approved development plan, has been received by that Minister during the period of 2 years ending with the day on which a claim for grant in relation to the first mentioned expenditure has been received, and

(b) unless it appears to that Minister that after completion of the works, facilities or transactions in respect of which the aforesaid aggregate expenditure has been incurred, the land on which there will be carried on the agricultural business for the purposes of which or in connection with which the expenditure has been incurred will be capable of producing not less than 35 per cent of the feeding stuffs required for the pigs kept on the land on which that business will be carried on.

(3) In this paragraph "expenditure" means expenditure other than expenditure incurred in respect of any work, facility or transaction of a kind specified in paragraph 7(iii) of column 1 of the Schedule.

6.—(1) Where at the date on which a claim for grant under paragraph 3(1) is received by the appropriate Minister—

(a) the amount of the expenditure which is included in the claim (hereinafter in this paragraph referred to as "the present claim") and towards which grant is payable, or

(b) the aggregate of the amount of that expenditure and any other expenditure towards which grant is payable or has been paid in respect of the same agricultural business as the result of a claim received during the period of 2 years ending with the date of receipt of the present claim, being grant payable or paid either under this scheme, the Farm Capital Grant Scheme 1973, the Horticulture Capital Grant Scheme 1973(c) or any regulations made under section 2(2) of the European Communities Act 1972 providing for the payment of grant to a person carrying on an agricultural business as therein defined in accordance with an approved development plan,

exceeds 52,599 ECU for each labour unit appearing to that Minister to be required in the carrying on of the agricultural business to which the present claim relates, that Minister shall not pay grant towards so much of that expenditure or, as the case may be, so much of that aggregate as exceeds that figure.

(2) In this paragraph "expenditure" means expenditure other than expenditure incurred in respect of any work, facility or transaction of a kind specified in paragraph 7(iii) of column 1 of the Schedule.

(a) S.I. 1973/1965, varied by S.I. 1976/547, S.I. 1976/1870, S.I. 1978/380, S.I. 1978/768, S.I. 1980/103.

(b) 1972 c. 68.

(c) S.I. 1973/1945, varied by S.I. 1976/761, S.I. 1980/104.

7.—(1) Where at the date on which a claim for grant under paragraph 3(1) is received by the appropriate Minister—

- (a) the amount of the expenditure which is included in the claim (hereinafter in this paragraph referred to as “the present claim”) and towards which grant is payable, or
- (b) the aggregate of the amount of that expenditure and any other relevant expenditure towards which grant is payable or has been paid in respect of the same agricultural business, whether under this scheme or otherwise, as the result of a claim received during the period of 6 years ending with the date of receipt of the present claim,

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

(2) In this paragraph—

“expenditure” means expenditure other than expenditure incurred in respect of any work, facility or transaction of a kind specified in paragraph 7(iii) of column 1 of the Schedule;

“other relevant expenditure” means expenditure as defined above—

- (a) towards which grant is payable or has been paid under this scheme, or
- (b) towards which grant is payable or has been paid under the Farm Capital Grant Scheme 1973, the Horticulture Capital Grant Scheme 1973 or any regulations made under section 2(2) of the European Communities Act 1972 providing for the payment of grant to a person carrying on an agricultural business as therein defined in accordance with an approved development plan, and which was approved for the purposes of grant as the result of an application received by the appropriate Minister on or after 1st February 1980, and which was incurred on or after that date.

8. Where a development plan for an agricultural business has been approved under any regulations made under section 2(2) of the European Communities Act 1972 which provide for the payment of grant to a person carrying on an agricultural business as therein defined in accordance with an approved development plan, the appropriate Minister shall not pay grant under paragraph 3(1) in relation to any expenditure, other than any expenditure incurred in respect of any work, facility or transaction of a kind specified in paragraph 7(iii) of column 1 of the Schedule, for or in connection with that agricultural business unless at the time of receipt of the claim for grant the carrying out of the said development plan has come to its end, whether by completion, variation or withdrawal of approval, or otherwise.

Amounts of grant

9.—(1) Subject to the provisions of paragraphs 11 and 13, the amount of grant payable under paragraph 3(1) towards expenditure in respect of any work, facility or transaction of a kind specified in column 1 of the Schedule shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 2 of the Schedule, except that—

- (a) if the work, facility or transaction in question is specified in any of paragraphs 1 to 5, 7(iii), 12(i) and 13 to 16 of the said column 1, and if in the opinion of the appropriate Minister the expenditure in respect thereof is 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, the amount of grant so payable shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 3 of the Schedule; or

(b) if the work, facility or transaction in question is specified in any of paragraphs 6, 7(i), 7(ii), 8 to 11, 12(ii) and 12(iii) of the said column 1, and if in the opinion of the appropriate Minister—

(i) the expenditure in respect of that work, facility or transaction is 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, and

(ii) that business has an earned income per labour unit less than the comparable income determined in accordance with paragraph 12 in respect of the calendar year in which the grant is claimed,

the amount of grant so payable shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 3 of the Schedule; or

(c) if the work, facility or transaction in question is specified in any of the paragraphs of the said column 1 and if in the opinion of the appropriate Minister the expenditure in respect thereof is for the purposes of, or in connection with, the carrying on or establishment of a horticultural production business capable of providing the greater part of the employment of at least one person reasonably skilled in agriculture, the amount of grant so payable shall be the percentage of that expenditure specified in relation to that work, facility or transaction in column 4 of the Schedule.

(2) Where it appears to the appropriate Minister that expenditure towards which grant is payable under paragraph 3(1) has been incurred for the purposes of, or in connection with, the carrying on or establishment of an agricultural business situated partly in a less-favoured area the appropriate Minister may, for the purposes 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 a less-favoured area, so much of that expenditure as appears to that Minister to be referable to the carrying on or establishment of that part of the business.

(3) Where it appears to the appropriate Minister that expenditure towards which grant is payable under paragraph 3(1) has been incurred partly for the purposes of, or in connection with, the carrying on or establishment of a horticultural production business and partly for other agricultural purposes, the appropriate Minister may for the purposes of determining the amount of grant so payable towards that expenditure treat as having been incurred for, or in connection with, the carrying on or establishment of a horticultural production business, so much of that expenditure as appears to that Minister to be referable to the carrying on or establishment of that horticultural production business.

(4) The amount of any grant payable under paragraph 3(1) towards expenditure in respect of the carrying out or provision of any work, facility or transaction which is incidental to the carrying out or provision of another work, facility or transaction of a kind specified in any of paragraphs 1 to 16 of column 1 of the Schedule, or necessary or proper in the carrying out or provision of that other work, facility or transaction, 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 the Schedule.

Claims for grant

10. Any claim for a grant under this scheme 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 as that Minister may require.

Standard costs

11. 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 paragraph 3(1) as such standard cost or amount as that Minister may from time to time fix with the approval of the Treasury.

Comparable income

12. For the purposes of this scheme the appropriate Minister shall determine in respect of each calendar year 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.

Reduction or withholding of grant

13. The appropriate Minister may reduce or withhold any grant payable under paragraph 3(1) 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 this scheme, or
- (b) the carrying out or provision of the work, facility or transaction towards the expenditure on which such grant is claimed appears to that Minister to frustrate the purposes served by assistance previously given out of money provided by Parliament or the European Economic Community.

Closing date for claims

14. The appropriate Minister shall not pay any grant under paragraph 3(1) in respect of a claim received after 31st December 1985, or such later date, not later than 31st January 1986, as that Minister may in special circumstances permit.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 28th July 1980.

(L.S.)

Peter Walker,
Minister of Agriculture,
Fisheries and Food.

28th July 1980.

George Younger,
Secretary of State for Scotland.

28th July 1980.

Nicholas Edwards,
Secretary of State for Wales.

We approve,

28th July 1980.

John MacGregor,
David Waddington,
Two of the Lords Commissioners
of Her Majesty's Treasury.

SCHEDULE
ELIGIBLE WORKS, FACILITIES AND TRANSACTIONS AND RATES OF GRANT

Paragraphs 3(1) and 9

Column 1	Column 2	Column 3	Column 4
Kind of work or facility or transaction	Agricultural business. Rate of grant. Per cent.	Agricultural business in Less Favoured Area. Rate of grant. Per cent.	Horticultural production business. Rate of grant. Per cent.
1. Provision, replacement, improvement, alteration, enlargement or reconditioning of permanent buildings (except living accommodation and buildings designed and intended for the production of horticultural produce (see paragraph 2 of this Schedule)), bulk dry stores, silos, yards, loading platforms, ramps or banks.	22.5	22.5	22.5
2. Replacement, reconstruction, alteration, reconditioning or other improvement of existing permanent buildings, of permanently sited frames or of durable structures for cladding with plastic, designed and intended for the production of horticultural produce.	Nil	Nil	22.5
3. Supply and installation of permanent thermal insulation, vapour sealing or gas sealing for the control of temperature or atmosphere in buildings designed and intended for horticultural use.	Nil	Nil	22.5
4. Provision, replacement or improvement of systems for the disposal of agricultural waste.	22.5	22.5	22.5
5. Provision, replacement or improvement of facilities for the supply of electricity or gas for agricultural purposes.	22.5	22.5	22.5

AGRICULTURE
HORTICULTURE

Column 1	Column 2	Column 3	Column 4
Kind of work or facility or transaction	Agricultural business. Rate of grant. Per cent.	Agricultural business in Less-Favoured Area. Rate of grant. Per cent.	Horticultural production business. Rate of grant. Per cent.
6. Provision, replacement or improvement of facilities for the supply or storage of water for agricultural purposes.	22.5	50*	22.5
7. (i) Provision, replacement or improvement of field drainage, including under-drainage and ditching.	37.5	70*	37.5
(ii) Works and facilities to prevent the flooding of agricultural land by watercourses.	22.5	50*	22.5
(iii) In Scotland only, making, improvement or alteration of the banks or channels of watercourses or other agricultural flood protection works to provide or improve the drainage of agricultural land or to prevent or mitigate the flooding or erosion of agricultural land.	50	70	Nil
8. Provision, replacement or improvement of roads, paths and other permanent ways, grids, hard standings, fords, bridges, culverts, railway crossings, creeps, piers, jetties or slips.	22.5	50*	22.5
9. 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 livestock or for sheltering them in periods of adverse weather but not for in-wintering.	22.5	50*	Nil
10. Provision, replacement or improvement of permanent fences, hedges, walls or gates.	22.5	50*	22.5

*In accordance with paragraph 9(1)(b) these rates of grant are available only to agricultural businesses with an income per labour unit less than the comparable income.

Column 1	Column 2	Column 3	Column 4
Kind of work or facility or transaction	Agricultural business. Rate of grant. Per cent.	Agricultural business in Less-Favoured Area. Rate of grant. Per cent.	Horticultural production business. Rate of grant. Per cent.
11. Provision, replacement or improvement of shelter belts.	Nil	50*	22.5
12. (i) Reseeding and regeneration of grassland and laying down of permanent pasture, including as part of a complete programme of work the application of lime or fertiliser.	22.5	Nil	Nil
(ii) 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*	Nil
(iii) Clearance and reclamation of land; sub-soiling; burning heather or grass or making muirburn or regenerating heather by cutting; land levelling or grading (including filling in of ditches or ponds); removal of tree roots, boulders or other obstructions to cultivation; bracken control.	22.5	50*	22.5
13. Orchard grubbing.	22.5	22.5	22.5
14. Provision, replacement or improvement of stakes and wirework for—	22.5	22.5	Nil
(i) hop gardens;	Nil	Nil	15
(ii) cane fruit.	Nil	Nil	22.5
15. Provision, replacement, improvement, alteration, enlargement or reconditioning of watercress beds.	Nil	Nil	22.5

*In accordance with paragraph 9(1)(b) these rates of grant are available only to agricultural businesses with an income per labour unit less than the comparable income.

AGRICULTURE
HORTICULTURE

Column 1	Column 2	Column 3	Column 4
Kind of work or facility or transaction	Agricultural business. Rate of grant. Per cent.	Agricultural business in Less-Favoured Area. Rate of grant. Per cent.	Horticultural production business. Rate of grant. Per cent.
16. Plant or equipment designed and intended for the production, harvesting, storage or preparation for market of horticultural produce (excluding plant or equipment designed and intended for the cultivation of horticultural crops and produce and potato harvesting equipment).	Nil	Nil	15
17. Any work, facility or transaction incidental to the carrying out or provision of any work, facility or transaction specified in any of paragraphs 1 to 16 of this Schedule or necessary or proper in carrying 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.		

EXPLANATORY NOTE

(This Note is not part of the Scheme.)

This Scheme, which is made under sections 28 and 29 of the Agriculture Act 1970 and applies to the whole of the United Kingdom, comes into operation on 1st October 1980.

It supersedes, and in effect largely consolidates, the provisions of the Farm Capital Grant Scheme 1973 (as varied) and the Horticulture Capital Grant Scheme (as varied). Applications for grant under the latter two instruments will not be acceptable after 30th September 1980.

Agricultural businesses and horticultural production businesses may benefit from grants made under this Scheme in relation to such works, facilities or transactions as are specified in column 1 of the Schedule. However, grants are payable in respect of the works, facilities or transactions set out in paragraphs 1 to 5, 14(ii) and 16 of that column only if the business concerned is capable of providing the greater part of the employment of at least one person reasonably skilled in agriculture.

The works, facilities and transactions and the rates of grant applicable to them, set out in the Schedule, remain the same as those provided for in the superseded schemes (except that the standard rate for arterial drainage work in Scotland is increased to 50%, from 37.5%). Higher rates of grant may be payable in certain circumstances for agricultural businesses in less-favoured areas.

The Scheme also provides for—

- (a) certain restrictions on the payment of grant (paragraphs 4 to 8);
- (b) standard costs (paragraph 12);
- (c) in certain circumstances the reduction or withholding of grant otherwise payable (paragraph 13).

