

2001 No. 252

AGRICULTURE

**The Pig Industry Restructuring (Non-Capital Grant)
Scheme 2001**

<i>Made - - - - -</i>	<i>1 February 2001</i>
<i>Laid before Parliament</i>	<i>1 February 2001</i>
<i>Coming into force - -</i>	<i>1st March 2001</i>

The Minister of Agriculture, Fisheries and Food, in exercise of the powers conferred on him by section 1 of the Farm Land and Rural Development Act 1988(a) and of all other powers enabling him in that behalf, with the approval of the Treasury, hereby makes the following Scheme:

Title, extent and commencement

1. This Scheme may be cited as the Pig Industry Restructuring (Non-Capital Grant) Scheme 2001 shall extend to England and shall come into force on 1st March 2001.

Interpretation

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

“bank” means—

- (i) any institution for the time being authorised under a provision of the Banking Act 1987(b),
- (ii) any person for the time being specified in any of paragraphs 2 to 10 of Schedule 2 to that Act (exempted persons),
- (iii) any person for the time being entitled by virtue of the Banking Coordination (Second Council Directive) Regulations 1992(c) to accept deposits (within the meaning of that Act) in the United Kingdom;

“business plan” means a detailed plan setting out the objectives of the business, the strategy and tactics to achieve those objectives, estimates of the financial and other circumstances of the business in the event that the objectives are achieved and the investment required to achieve those objectives;

“Capital Grant Scheme” means the Pig Industry Restructuring (Capital Grant) Scheme 2001(d); and

“pig production” means any form of pig production including breeding, rearing and finishing.

(2) In this Scheme, any reference to—

- (a) a numbered paragraph is a reference to the paragraph in this Scheme so numbered;

(a) 1988 c. 16; section 1(5) defines “the appropriate authority”.
(b) 1987 c. 22.
(c) S.I. 1992/3218.
(d) S.I. 2001/251.

- (b) a numbered sub-paragraph (with no corresponding reference to a specific paragraph) is a reference to the sub-paragraph so numbered in the paragraph in which the reference appears.

Payment and amounts of grants

3.—(1) Subject to the following provisions of this Scheme, the Minister may make to any eligible person a grant towards expenditure incurred in servicing the relevant part of a qualifying loan.

(2) For the purposes of this Scheme a qualifying loan is a loan which has been, or is to be, obtained from a bank for the purpose of implementing a business plan for the restructuring of a pig production business, and the relevant part of a qualifying loan is that part of the loan which—

- (a) has been or is to be obtained for the purposes of, in connection with or in connection with any proposals for restructuring by—
 - (i) the establishment or expansion of a farm business ancillary to a pig production business and relating to the products of pig production;
 - (ii) the promotion of a farm business ancillary to a pig production business and relating to the products of pig production; or
 - (iii) the marketing of anything produced or supplied in the course of a farm business ancillary to a pig production business and relating to the products of pig production;

and

- (b) appears to the Minister to be neither expenditure of a capital nature nor expenditure which would fall to be treated for the purposes of section 29 of the Agriculture Act 1970 as incurred in connection with expenditure of a capital nature.

(3) Where a loan has been obtained partly for the purposes of or in connection with the restructuring of a pig production business and partly for other purposes, the Minister may for the purposes of a grant under this paragraph treat as a qualifying loan so much of that loan as appears to him to be referable to that restructuring.

(4) The Minister may make the payment of grant under sub-paragraph (1) above subject to such conditions as he may reasonably determine.

(5) No grant under this Scheme when coupled with any payment made under the Capital Grant Scheme shall exceed 5% of the qualifying loan (excluding accrued interest).

Eligible persons

4. The following persons shall be eligible for a grant under this Scheme—

- (a) an individual carrying on a business of pig production, to whom a qualifying loan has been or is to be made and who undertakes, if his application is successful, to pursue the objectives of his business plan;
- (b) a body carrying on a business of pig production, to which a qualifying loan has been or is to be made and on behalf of which a person duly authorised for the purpose undertakes, if the body's application is successful, to pursue the objectives of its business plan;
- (c) persons carrying on a business of pig production in partnership, to whom a qualifying loan has been or is to be made and on whose behalf the undertaking required of an individual by paragraph (a) above is given by a person duly authorised for the purpose.

Claims for grant

5. Any claims for grant under this Scheme shall be made in such form and manner and at such time as the Minister may from time to time reasonably 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 the Minister may reasonably require.

Withholding or recovery of grant

6.—(1) The Minister may withhold the whole or any part of a grant otherwise payable under this Scheme or recover on demand an amount equal to the payment which has been made under this Scheme, or such part as he may specify, where it appears to him—

- (a) that any condition subject to which the grant is to be or has been paid is not being or has not been complied with;
- (b) that the eligible person gave information on any matter relevant to his eligibility for a grant under this Scheme, or the claim for payment, which was false or misleading in a material respect; or
- (c) that the eligible person has failed to comply with his undertaking to pursue the objectives of his business plan.

(2) Before withholding the whole or any part of any grant or recovering any amount equal to the payment which has been made or part of the payment which has been made under the provisions of paragraph (1) above, the Minister—

- (a) shall give to the person to whom any payment of 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;
- (b) shall afford that person an opportunity of appearing before and being heard by a person appointed for the purpose by the Minister; and
- (c) shall consider the report of a person so appointed and supply a copy of the report to the person mentioned in paragraph (a) of this paragraph.

31 January 2001

Joyce Quin
Minister of State
Ministry of Agriculture, Fisheries and Food

1 February 2001

Greg Pope and Clive Betts
Two of the Lords Commissioners of Her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Scheme)

This Scheme extends to England only.

It makes provision for the payment of grants towards the cost of loans incurred in connection with the establishment or promotion of farm businesses which are ancillary to pig production businesses and relate to the products of pig production as part of the restructuring of a pig production business.

Those eligible under the Scheme for grants are described in paragraph 4.

The Scheme provides that claims for grant shall be made in such form as the Minister may reasonably require (paragraph 5) and enables grant monies to be withheld or recovered in certain circumstances (paragraph 6).

No Regulatory Impact Assessment has been prepared in respect of this Scheme.

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