



# Agricultural Tenancies Act 1995

## 1995 CHAPTER 8

### PART III

#### COMPENSATION ON TERMINATION OF FARM BUSINESS TENANCY

##### *Conditions of eligibility*

#### **17 Consent of landlord as condition of compensation for tenant's improvement.**

- (1) A tenant shall not be entitled to compensation under section 16 of this Act in respect of any tenant's improvement unless the landlord has given his consent in writing to the provision of the tenant's improvement.
- (2) Any such consent may be given in the instrument creating the tenancy or elsewhere.
- (3) Any such consent may be given either unconditionally or on condition that the tenant agrees to a specified variation in the terms of the tenancy.
- (4) The variation referred to in subsection (3) above must be related to the tenant's improvement in question.
- (5) This section does not apply in any case where the tenant's improvement consists of planning permission.

#### **18 Conditions in relation to compensation for planning permission.**

- (1) A tenant shall not be entitled to compensation under section 16 of this Act in respect of a tenant's improvement which consists of planning permission unless—
  - (a) the landlord has given his consent in writing to the making of the application for planning permission,
  - (b) that consent is expressed to be given for the purpose—
    - (i) of enabling a specified physical improvement falling within paragraph (a) of section 15 of this Act lawfully to be provided by the tenant, or

*Status: Point in time view as at 11/11/2020.*

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- (ii) of enabling the tenant lawfully to effect a specified change of use, and
  - (c) on the termination of the tenancy, the specified physical improvement has not been completed or the specified change of use has not been effected.
- (2) Any such consent may be given either unconditionally or on condition that the tenant agrees to a specified variation in the terms of the tenancy.
- (3) The variation referred to in subsection (2) above must be related to the physical improvement or change of use in question.

**19 Reference to arbitration of refusal or failure to give consent or of condition attached to consent.**

- (1) Where, in relation to any tenant's improvement, the tenant under a farm business tenancy is aggrieved by—
- (a) the refusal of his landlord to give his consent under section 17(1) of this Act,
  - (b) the failure of his landlord to give such consent within two months of a written request by the tenant for such consent, or
  - (c) any variation in the terms of the tenancy required by the landlord as a condition of giving such consent,
- the tenant may by notice in writing given to the landlord demand that the question shall be referred to arbitration under this section; but this subsection has effect subject to subsections (2) and (3) below.
- (2) No notice under subsection (1) above may be given in relation to any tenant's improvement which the tenant has already provided or begun to provide, unless that improvement is a routine improvement.
- (3) No notice under subsection (1) above may be given—
- (a) in a case falling within paragraph (a) or (c) of that subsection, after the end of the period of two months beginning with the day on which notice of the refusal or variation referred to in that paragraph was given to the tenant, or
  - (b) in a case falling within paragraph (b) of that subsection, after the end of the period of four months beginning with the day on which the written request referred to in that paragraph was given to the landlord.
- (4) Where the tenant has given notice under subsection (1) above but no arbitrator has been appointed under an agreement made since the notice was given, the tenant or the landlord may apply to [<sup>F1</sup>the President of the RICS, subject to subsection (9) below, for the appointment of an arbitrator by him][<sup>F1</sup>a professional authority, subject to subsections (9) and (9A) below, for the appointment of an arbitrator by that authority].
- (5) The arbitrator shall consider whether, having regard to the terms of the tenancy and any other relevant circumstances (including the circumstances of the tenant and the landlord), it is reasonable for the tenant to provide the tenant's improvement.
- (6) Subject to subsection (9) below, the arbitrator may unconditionally approve the provision of the tenant's improvement or may withhold his approval, but may not give his approval subject to any condition or vary any condition required by the landlord under section 17(3) of this Act.
- (7) If the arbitrator gives his approval, that approval shall have effect for the purposes of this Part of this Act and for the purposes of the terms of the farm business tenancy as if it were the consent of the landlord.

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- (8) In a case falling within subsection (1)(c) above, the withholding by the arbitrator of his approval shall not affect the validity of the landlord's consent or of the condition subject to which it was given.
- (9) Where, at any time after giving a notice under subsection (1) above in relation to any tenant's improvement which is not a routine improvement, the tenant begins to provide the improvement—
- (a) no application may be made under subsection (4) above after that time,
  - (b) where such an application has been made but no arbitrator has been appointed before that time, the application shall be ineffective, and
  - (c) no award may be made by virtue of subsection (6) above after that time except as to the costs of the reference and award in a case where the arbitrator was appointed before that time.
- [<sup>F2</sup>(9A) An application may not be made to a professional authority under subsection (4) above in any case by the landlord or the tenant if the other of them has already made an application to a professional authority under that subsection in that case.]
- (10) For the purposes of this section—
- “fixed equipment” includes any building or structure affixed to land and any works constructed 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 its produce, or amenity;
- “routine improvement”, in relation to a farm business tenancy, means any tenant's improvement which—
- (a) is a physical improvement made in the normal course of farming the holding or any part of the holding, and
  - (b) does not consist of fixed equipment or an improvement to fixed equipment,
- but does not include any improvement whose provision is prohibited by the terms of the tenancy.

#### Textual Amendments

- F1** Words in s. 19(4) substituted (11.11.2020 for specified purposes) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c), [Sch. 3 para. 24\(2\)](#)
- F2** S. 19(9A) inserted (11.11.2020 for specified purposes) by [Agriculture Act 2020 \(c. 21\)](#), s. 57(1)(b)(c), [Sch. 3 para. 24\(3\)](#)

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