
 STATUTORY INSTRUMENTS

1973 No. 1965

AGRICULTURE

AGRICULTURAL GRANTS, GOODS AND SERVICES

The Farm Capital Grant Scheme 1973

<i>Made</i>	- - -	20th November 1973
<i>Laid before Parliament</i>		3rd December 1973
<i>Coming into Operation</i>		
<i>Paragraph 9</i>		21st December 1973
<i>Remainder</i>		1st January 1974

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 on them by sections 28 and 29 of the Agriculture Act 1970(a), 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 Scheme 1973, shall come into operation on 1st January 1974, save that paragraph 9 hereof shall come into operation on 21st December 1973, and shall apply throughout the United Kingdom, save that paragraphs 3(2) and 6(2) shall not apply to Scotland or Northern Ireland.

Interpretation

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

“agricultural business” means a business consisting in, or such part of any business as consists in, the pursuit of agriculture;

“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);

“the appropriate Minister” means—

(a) in relation to England or Northern Ireland, and in relation to Wales for the purpose of the making, receipt or recovery of any payment, the Minister of Agriculture, Fisheries and Food;

(a) 1970 c. 40.
(c) 1948 c. 45.

(b) 1947 c. 48.

(b) in relation to Wales, save for the purpose of the making, receipt or recovery of any payment, the Minister of Agriculture, Fisheries and Food and the Secretary of State acting jointly;

(c) in relation to Scotland, the Secretary of State;

“approved” means approved by the appropriate Minister in writing, and “approve” and “approval” shall be construed accordingly;

“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 adult male worker;

“unit of account” means a unit of account of the European Economic Community and in relation to any expenditure or approval of expenditure for the purposes of a grant under this scheme any reference in this scheme, elsewhere than in paragraph 5, to a specified number of units of account shall be taken to be a reference to the sterling equivalent of that number of units of account on the date of receipt by the appropriate Minister of a claim for payment of grant under this scheme towards that expenditure and any such reference in paragraph 5 shall be taken to be a reference to the sterling equivalent of that number of units of account on the date of receipt by the appropriate Minister of an application for such approval calculated, in either case, at such rate as may appear to the appropriate Minister to be appropriate having regard to any relevant provisions of any instrument issued by that Community;

“Wales” includes Monmouthshire and references to England shall be construed accordingly.

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

(3) Except insofar as the context otherwise requires, any reference in this scheme—

(a) to an enactment shall be construed as a reference to that enactment as amended or extended by any other enactment;

(b) to a numbered paragraph or schedule shall be construed as a reference to the paragraph or schedule bearing that number in this scheme.

Eligible expenditure

3.—(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 or 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

(b) appears to the appropriate Minister to be of a capital nature or incurred in connection with expenditure of a capital nature, and

(c) is approved for the purposes of a grant under this scheme.

(a) 1889 c. 63.

(b) 1967 c. 22.

(2) The works and facilities specified in this scheme for the purposes of section 51 of the Agriculture Act 1970 are the works and facilities (not being works and facilities with respect to which a certificate has been issued under section 26(6) of the Agriculture Act 1967) specified in paragraphs 1 to 3 and 5 to 10 of Schedule 1.

(3) Subject to the provisions of paragraphs 4 and 5, the appropriate Minister may, as that Minister thinks fit, either refuse to approve expenditure or approve it in whole or in part for the purposes of a grant under this scheme and any such grant may be made, and any such approval may be given, subject to such conditions as the appropriate Minister thinks fit.

(4) Where it appears to the appropriate Minister that expenditure in respect of which approval for the purposes of a grant under this scheme is applied for is expenditure incurred or to be incurred partly for the purposes of, or in connection with, the carrying on or establishment of an agricultural business and partly for other purposes, the appropriate Minister may for the purposes of a grant under this scheme treat as having been, or to be, 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.

(5) Any approval of expenditure for the purposes of a grant under this scheme may be varied or withdrawn by the appropriate Minister with the applicant's written consent.

(6) Any application for approval of expenditure shall be made in such form and manner and at such time as the appropriate Minister may from time to time require and the applicant for grant shall furnish all such particulars and information relating to the expenditure as the appropriate Minister may require.

Restrictions on approval of expenditure

4.—(1) Subject to the provisions of sub-paragraphs (3) and (4) of this paragraph, the appropriate Minister shall not approve any expenditure for the purposes of a grant under this scheme if it appears to that Minister that the land on which there is or is to be carried on or established the agricultural business for the purposes of which, or in connection with which, the expenditure is or is to be incurred is land—

- (a) which lacks such buildings as are, in the opinion of that Minister, necessary for agricultural production on that land, and
- (b) all or the greater part of which has, within a period of 5 years ending on the date of the receipt by the appropriate Minister of the application for approval, reverted from being occupied as part of a larger agricultural unit capable of yielding a sufficient livelihood to an occupier reasonably skilled in husbandry.

(2) Subject to the provisions of the next following sub-paragraph, the appropriate Minister shall not approve for the purposes of a grant under this scheme expenditure in respect of any work or facility unless that Minister is satisfied that the agricultural business for the purposes of which, or in connection with which, the expenditure is or is to be incurred is capable of yielding a sufficient livelihood to a person reasonably skilled in husbandry or will be capable of doing so after the carrying out or provision of the work or facility in respect of which the expenditure is or is to be incurred.

(3) The preceding provisions of this paragraph shall not apply as respects any expenditure—

(a) in respect of any work or facility which is of a kind specified in any of paragraphs 4 to 11 and, insofar as it relates to any of those paragraphs, paragraph 12 of Schedule 1 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;

(b) in respect of any work or facility certified under section 26(6) of the Agriculture Act 1967 as a consequence of an amalgamation or boundary adjustment proposals for which were approved in pursuance of the Farm Amalgamations and Boundary Adjustments Scheme 1967(a), that approval having been treated, by virtue of a subsequent scheme under section 26 of the said Act, as an approval of the amalgamation or boundary adjustment, as the case may be, given in pursuance of the latter scheme.

(4) The provisions of sub-paragraph (1) of this paragraph shall not apply as respects any expenditure if it appears to the appropriate Minister that—

(a) the land referred to in that sub-paragraph is newly reclaimed for, or restored to, agriculture, or

(b) the reverting of the land described in sub-paragraph (1)(b) hereof was not contrary to the interests of good estate management.

5.—(1) The appropriate Minister shall not approve for the purposes of a grant under this scheme any expenditure in connection with the breeding or keeping of poultry or the production of eggs:

Provided that this restriction shall not apply as respects any expenditure in respect of any work or facility certified under section 26(6) of the Agriculture Act 1967.

(2) The appropriate Minister shall not approve for the purposes of a grant under this scheme 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 or is to be incurred or which has been or is to be approved in respect of the same agricultural business for the purposes of a grant under this scheme amounts or will amount to not less than 10,000 units of account and not more than 40,000 units of account, that other expenditure being expenditure in respect of which an application for approval for the purposes of grant under this scheme has been received by the appropriate Minister during the 2 years immediately preceding the day on which an application for approval of the first-mentioned expenditure has been so received, and

(b) unless it appears to that Minister that after completion of the works or facilities in respect of which the aforesaid aggregate expenditure has been or is to be incurred, the land on which there will be carried on the agricultural business, or at least one of the agricultural businesses, for the purposes of which or in connection with which the expenditure has been or is to be incurred will be capable of producing not less than

(a) S.I. 1967/1608 (1967 III, p. 4418).

35 per cent. of the feeding stuffs required for the pigs kept on the land on which that business or those businesses will be carried on:

Provided that this restriction shall not apply as respects any expenditure in respect of any work or facility certified under section 26(6) of the Agriculture Act 1967.

Duration of scheme

6.—(1) Expenditure shall qualify for consideration for a grant under this scheme if application for its approval for the purposes of such a grant is received by the appropriate Minister before 1st January 1981.

(2) For the purposes of section 51(1)(b) of the Agriculture Act 1970 the provisions of the last foregoing sub-paragraph shall apply as if for the reference therein to 1st January 1981 there were substituted a reference to 1st January 1976.

Amounts of grant

7. The amounts of grant payable under this scheme shall be determined in accordance with the provisions of Schedule 2.

Restrictions on grant

8.—(1) The appropriate Minister may reduce or withhold grant payable under this scheme in any case where

- (a) assistance in respect of expenditure towards which grant is claimed is or may be given otherwise than under this scheme or under section 51 of the Agriculture Act 1970; or
- (b) the carrying out or provision of the work or facility, towards the expenditure on which grant is claimed, appears to the appropriate Minister to frustrate the purposes served by assistance previously given out of money provided by Parliament or the European Economic Community.

(2) Where at the date on which a claim for a grant under this scheme is received by the appropriate Minister—

- (a) the amount of the expenditure included in the claim and towards which grant is payable, or
- (b) the aggregate of the amount of that expenditure and any other expenditure towards which a grant has been paid or is payable in respect of the same agricultural business under this scheme or any other scheme made under section 29 of the Agriculture Act 1970 which comes into operation on or after 1st January 1974, or under any regulations made under section 2(2) of the European Communities Act 1972(a) 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, being expenditure in respect of which a claim for payment of grant has been received by the appropriate Minister during the 2 years immediately preceding the date of the present claim,

exceeds 40,000 units of account per labour unit appearing to the appropriate Minister to be required in the carrying on of the agricultural business to which the claim relates, the appropriate Minister shall not pay grant towards

so much of that expenditure or, as the case may be, the aggregate of that expenditure as exceeds that figure.

Variation of the 1970 schemes

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

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

“5.—(1) Expenditure shall qualify for consideration for a grant under this scheme if application for its approval for the purposes of such a grant is received by the appropriate Minister—

(a) before 1st January 1974 or such later date, not later than 31st January 1974, as the appropriate Minister may in special circumstances permit in the case of any expenditure other than expenditure in respect of any work or facility of a kind specified in any of paragraphs 4 to 7, 9 and 13 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, or

(b) before 1st January 1978 in the case of any expenditure in respect of any work or facility of a kind specified in any of 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 substituting for paragraph 9 of Schedule 2 thereto the following paragraph:—

“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 sheep or cattle or for sheltering them in periods of adverse weather but not for in-wintering.”.

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

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

“5. Expenditure shall qualify for consideration for a grant under this scheme if application for its approval for the purposes of such a grant is received by the Secretary of State—

(a) before 1st January 1974 or such later date, not later than 31st January 1974, as the Secretary of State may in special circumstances permit in the case of any expenditure other than expenditure in respect of any work or facility of a kind specified in any of paragraphs 4 to 7, 9 and 13 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, or

(b) before 1st January 1978 in the case of any expenditure in respect of any work or facility of a kind specified in any of paragraphs 4 to 7, 9, 13 and, insofar as it relates to any of the aforesaid paragraphs, 16 of Schedule 1 which, in the

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

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

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

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

opinion of the Secretary of State, is for the benefit of hill land or of benefit in the farming of hill land.”;

(b) by substituting for paragraph 9 of Schedule 1 thereto the following paragraph:—

“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 sheep or cattle or for sheltering them in periods of adverse weather but not for in-wintering.”.

(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, as the case may be, the Farm Capital Grant (Scotland) Scheme 1970, as varied, is received by the appropriate Minister on or after 1st January 1974 and before 1st January 1978.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 19th November 1973.

(L.S.)

Joseph Godber,
Minister of Agriculture, Fisheries and Food.

Gordon Campbell,
Secretary of State for Scotland.

20th November 1973.

Peter Thomas,
Secretary of State for Wales.

20th November 1973.

We approve.

Hugh Rossi,
P. L. Hawkins,
Two of the Lords Commissioners for
Her Majesty's Treasury.

20th November 1973.

Paragraph 3(1)(a) and (2)

SCHEDULE 1

WORKS AND FACILITIES ELIGIBLE FOR GRANT

1. Provision, replacement, improvement, alteration, enlargement or reconditioning of permanent buildings (excluding living accommodation and buildings designed and intended for specialised horticultural use or for any use mentioned in paragraph 8 of this Schedule), silos, bulk dry stores, yards, loading platforms, ramps or banks.
2. Provision, replacement or improvement of systems for the disposal of farm waste.
3. Provision, replacement or improvement of facilities for the supply of electricity or gas for agricultural purposes.
4. Field drainage, including under-drainage and ditching.
5. Provision, replacement or improvement of facilities for the supply of water.
6. Provision or improvement of farm flood protection works; protection or improvement of river banks.
7. Provision, replacement or improvement of roads, fords, bridges, culverts, railway crossings, creeps, piers, jetties or slips.
8. 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.
9. Orchard grubbing.
10. Provision, replacement or improvement of wire-work for hop gardens.
11. 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.
12. Any work or facility incidental to the carrying out or provision of any work or facility specified in paragraphs 1 to 11 of this Schedule or necessary or proper in carrying it out or providing it or securing the full benefit thereof.

Paragraph 7

SCHEDULE 2

AMOUNTS OF GRANT

1. Subject to the provisions of this Schedule and of paragraph 8 of this scheme the amount of any grant payable under this scheme towards expenditure in respect of any work or facility of a kind specified in
 - (a) any of paragraphs 1 to 3 and 5 to 10 of Schedule 1 shall be 20 per cent. of that expenditure;
 - (b) paragraph 11 of that Schedule shall be 60 per cent. of that expenditure.
2. (1) Subject to the provisions of this Schedule and of paragraph 8 of this scheme, the amount of any grant payable under this scheme towards expenditure in respect of field drainage, including under-drainage and ditching
 - (a) shall be 55 per cent. of that expenditure if it appears to the appropriate Minister that during the period of 2 years immediately preceding the date of receipt by the appropriate Minister of the claim for payment of grant under this scheme towards that expenditure the claimant for such grant or any other person incurred for the purposes of or in connection with the carrying on of the agricultural business to which that claim relates other expenditure which appears to the appropriate Minister to be of a capital

nature or incurred in connection with expenditure of a capital nature and not to be of a kind specified in sub-paragraph (2) of this paragraph and if it appears to the appropriate Minister that the amount of any grant which may be or become payable under this scheme or any other scheme made under section 29 of the Agriculture Act 1970 which comes into operation on or after 1st January 1974 or any regulations of the kind mentioned in paragraph 8(2)(b) of this scheme in respect of that other expenditure together with the amount of grant which may become payable under this scheme in respect of the aforesaid expenditure on field drainage, under-drainage or ditching, as the case may be, does not in aggregate amount to more than 25 per cent. of the aggregate of that other expenditure and the said expenditure on field drainage, under-drainage or ditching, or 25 per cent. of such proportion of the aforesaid aggregate of expenditure as is equivalent to 40,000 units of account per labour unit appearing to the appropriate Minister to be required in the establishment or carrying on of the agricultural business to which the aforesaid claim relates, whichever is the less;

(b) in any case to which the provisions of sub-paragraph (1)(a) of this paragraph do not apply shall be 25 per cent. of that expenditure or 25 per cent. of the aggregate of that expenditure and any other expenditure which appears to the appropriate Minister to be of a kind referred to as other expenditure in sub-paragraph (1)(a) of this paragraph and to have been incurred within the aforesaid period of 2 years less any grant under this scheme or any other scheme made under section 29 of the Agriculture Act 1970 which comes into operation on or after 1st January 1974 or any regulations of the kind mentioned in paragraph 8(2)(b) of this scheme which may be or become payable in respect of that other expenditure, whichever is the greater, so however that if the aforesaid aggregate amount exceeds such amount as is equivalent to 40,000 units of account per labour unit appearing to the appropriate Minister to be required in the establishment or carrying on of the agricultural business to which the claim relates the reference to that aggregate amount shall be taken to be a reference to the last mentioned amount.

(2) The expenditure referred to as other expenditure in sub-paragraph (1)(a) and (b) of this paragraph does not include—

- (a) any expenditure in connection with the breeding or keeping of poultry or the production of eggs;
- (b) any expenditure in connection with the breeding or keeping of pigs which does not comply with the restriction on approval specified in paragraph 5(2) of this scheme;
- (c) any expenditure on the purchase of pigs or on the purchase of calves intended for slaughter at less than 7 months of age;
- (d) any expenditure on the purchase of land;
- (e) any expenditure on the erection, alteration or improvement of any living accommodation;
- (f) any expenditure on the purchase of livestock (other than livestock of a kind mentioned in sub-paragraph (2)(c) of this paragraph) unless the appropriate Minister is satisfied that the purchase is an initial purchase made in order to increase the number of animals kept for the purposes of the agricultural business to which the claim for grant relates;
- (g) any expenditure towards which, it appears to the appropriate Minister, no grant under any scheme or regulations of a kind mentioned in the said sub-paragraph (1)(a) and (b) is or will become payable, being all or part of expenditure in respect of which a claim for such grant has been or may be made.

3. 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 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 this Schedule.

4. Notwithstanding the foregoing provisions of this Schedule, 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.

5. 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 4 of this Schedule.

6. 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.

EXPLANATORY NOTE

(This Note is not part of the Scheme.)

This Scheme, which is made under section 29 of the Agriculture Act 1970 and applies to the whole of the United Kingdom, comes into operation on 1st January 1974. It largely supersedes the Farm Capital Grant Scheme 1970 and the Farm Capital Grant (Scotland) Scheme 1970, as varied, for the purposes of approval and payment of grant in respect of applications received on or after 1st January 1974. However, the superseded schemes will remain in operation in relation to grants at special rates for the benefit of hill land farms.

The principal changes are

- (a) The Scheme restricts the total amount of expenditure which may qualify for grant, taking into account similar grant-aided expenditure during the preceding 2 years (paragraph 8(2)) and it also restricts the amount of expenditure on pig production enterprises which may qualify for grant and imposes a requirement as to the quantity of feeding stuffs capable of being produced from the land on which the pigs are kept (paragraph 5(2)).
- (b) The Scheme provides that, in general, expenditure on egg production or the breeding or keeping of poultry shall not qualify for grant (paragraph 5(1)).
- (c) The rate of grant for field drainage is reduced to a maximum of 55 per cent. This rate of grant will be payable if the total amount of grant payable under this and certain other enactments towards certain capital expenditure incurred during the preceding 2 years does not exceed 25 per cent. of the total amount of expenditure incurred. In other cases a lower rate of grant (but not lower than 25 per cent.), calculated by reference to the total amount of capital expenditure incurred during the period and to grant payable under this and the other enactments, will be payable (Schedule 2, paragraph 2).

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