

1981 No. 1707

AGRICULTURE  
HORTICULTURE

## The Farm and Horticulture Development Regulations 1981

*Laid before Parliament in draft**Made - - - - 27th November 1981**Coming into Operation 30th November 1981*

The Minister of Agriculture, Fisheries and Food and the Secretary of State, acting jointly, being Ministers designated for the purposes of section 2(2) of the European Communities Act 1972(a) in relation to the common agricultural policy of the European Economic Community(b), in exercise of the powers conferred upon them by the said section 2(2) and of all other powers enabling them in that behalf, hereby make the following regulations, of which a draft has been approved by resolution of each House of Parliament:—

*Citation, commencement and extent*

1. These regulations, which may be cited as the Farm and Horticulture Development Regulations 1981, shall come into operation on 30th November 1981 and shall apply throughout the United Kingdom.

*Interpretation*

2.—(1) In these regulations, unless the context otherwise requires—

“agriculture” includes horticulture, seed growing, dairy farming, the breeding and keeping of livestock, the use of land as grazing land, meadow land and osier land and the use of land for woodlands where that use is ancillary to the farming of land for other agricultural purposes, and “agricultural” and references to farming shall be construed accordingly;

“agricultural business” means a business consisting in, or such part of any business as consists in, the pursuit of agriculture, including the storage, preparation for market or transport of the produce of the business;

“agricultural produce” includes anything (whether live or dead) produced in the course of agriculture, but does not include horticultural produce;

“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) 1972 c. 68.

(b) S.I. 1972/1811.

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

“dairy cows” means cows which have calved and which by reason of their breed or suitability are exclusively or principally kept for the production of milk either for human consumption or for processing into milk products;

“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 used for the purposes of the common agricultural structures policy of the European Economic Community and any reference in these regulations to a specified number of ECU in relation to any expenditure or any grant shall be taken to be a reference to the sterling equivalent of that number of ECU converted into sterling at the agricultural exchange rate applicable on 1st January in the calendar year during which the decision to pay grant is taken;

“eligible agricultural business” has the meaning assigned to that expression by regulation 6;

“eligible person” has the meaning assigned to that expression by regulation 5;

“heifers” means female bovine animals of two years of age or over which have not calved and are intended to replace dairy cows;

“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, and bulbs or other material, being seeds, bulbs or material for sowing or planting for the production of fruit, of such vegetables, flowers, plants or foliage as aforesaid, or of herbs, or for 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 produce as aforesaid and its storage, preparation for market or transport;

“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(a) 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;

“livestock” includes any creature kept for the production of food or for the purpose of its use in the farming of land;

“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) Any reference in these regulations to a numbered regulation or schedule shall, unless the context otherwise requires, be construed as a reference to the regulation or schedule bearing that number in these regulations.

#### *Farm development grants*

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

- (a) has been or is to be incurred in respect of any work or facility, or part thereof, or transaction of a kind specified in column 1 of Schedule 1 or Schedule 2, 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 included in, and appears to the appropriate Minister to be necessary or appropriate for the purposes of, an approved development plan for that business and to be the responsibility of that person, and
- (d) is approved by the appropriate Minister for the purposes of a grant under these regulations.

(2) The appropriate Minister may make to an eligible person in respect of an approved development plan grants of amounts specified in regulation 13(2) for the keeping to the satisfaction of the appropriate Minister of accounts of a kind described in regulation 13(1).

(3) Subject to the provisions of these regulations, the appropriate Minister may make grants by way of guidance premiums of amounts calculated in accordance with regulation 14 to an eligible person in respect of an approved development plan which makes or made such provision for the breeding or keeping of cattle or sheep suitable for the production of beef or sheep meat that on completion of the plan the sales of such cattle and sheep, assessed in such manner as the appropriate Minister shall consider appropriate, made in the carrying on of the business to which the development plan relates or related shall comprise more than half of all sales so made, assessed as aforesaid.

(4) 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 paragraph (1) of this regulation and may make or refuse to make a

---

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

grant under paragraph (2) or (3) hereof and any such approval may be given, or grant made, subject to such conditions as the appropriate Minister thinks fit, and any payment by way of a grant under these regulations may be made at such time, or by such instalments at such intervals or times, as the appropriate Minister may determine.

(5) Any approval of expenditure for the purposes of a grant under these regulations may be varied or withdrawn by the appropriate Minister with the written consent of the person currently responsible for carrying on the agricultural business to which the development plan relates.

(6) Any application for a grant under these regulations, or for approval of expenditure for the purposes of such a grant, 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 application as the appropriate Minister may require.

(7) Where it appears to the appropriate Minister that expenditure in respect of which approval for the purposes of a grant under paragraph (1) of this regulation is applied for is expenditure incurred or to be incurred partly for the purposes of, or in connection with, the carrying on of an agricultural business and partly for other purposes, the appropriate Minister may for the purposes of a grant under the said paragraph (1) treat as having been, or to be, incurred for the purposes of, or in connection with, the carrying on of an agricultural business so much of that expenditure as appears to that Minister to be referable to the carrying on of an agricultural business.

#### *Bank loan guarantees*

4. Where an eligible person secures a guarantee, in consequence of an application received by the guarantor before 1st April 1980, in respect of monies borrowed from a bank for the purposes of carrying out an approved development plan the Minister of Agriculture, Fisheries and Food may defray the reasonable costs properly chargeable in relation to the guarantee by the guarantor.

#### *Eligible persons*

5. Subject to the provisions of these regulations, the following kinds of person shall be eligible for a grant under these regulations—

- (a) an individual carrying on an agricultural business if the appropriate Minister is satisfied that that individual, or as the case may be, the farm manager or other person through whom the business is carried on—
  - (i) practises farming as his main occupation, in that not less than half of his annual income is derived from agricultural activities and the amount of time spent by him in activities connected with agriculture is equivalent to more than half the time spent by him in working: for the purposes of this sub-paragraph annual income shall be calculated in each case by reference to such year or years within the 3 years immediately preceding the day on which the application for grant is made as the appropriate Minister shall determine, being a year or years which he is satisfied gives or give a fair indication of the normal amount of income derived from agricultural activities by that individual, farm manager, or other person, as the case may be, and

- (ii) possesses sufficient agricultural skill and competence in that he holds an appropriate certificate issued by a teaching establishment recognised for this purpose by the appropriate Minister or has been engaged in agricultural activities for not less than 5 years;
- and if the appropriate Minister is satisfied that the individual carrying on the agricultural business—
- (aa) undertakes to keep accounts in accordance with regulation 13(1);
  - (ab) undertakes to carry out an approved development plan;
  - (ac) is carrying on an agricultural business which satisfies the requirements set out in regulation 6;
- (b) any person acting for or on behalf of a body carrying on an agricultural business, if the appropriate Minister is satisfied that the main purpose of that business is farming, that it satisfies the requirements set out in regulation 6 through a farm manager or other person who practises farming as his main occupation, as specified in sub-paragraph (a)(i) above, and possesses sufficient agricultural skill and competence, as specified in sub-paragraph (a)(ii) above, and that the said person acting for or on behalf of the said body undertakes on behalf of the said body to keep accounts in accordance with regulation 13(1) and to carry out an approved development plan;
  - (c) persons in partnership, or in relation to a partnership governed by the law of Scotland, such persons and the partnership, if the requirements of sub-paragraph (b) above applying to any person acting for or on behalf of a body carrying on an agricultural business are satisfied in relation to those persons or the partnership;
  - (d) the owner of land occupied for the purposes of an agricultural business who makes an application for approval of a development plan relating to such land jointly with one of the kinds of person eligible for a grant under sub-paragraph (a), (b) or (c) above, or who, prior to the coming into operation of these regulations, has incurred expenditure for the purposes of a development plan approved in the name of one of those kinds of person and relating to such land.

*Eligible agricultural business*

6. For the purposes of these regulations an eligible agricultural business is an agricultural business which appears to the appropriate Minister to be suitable for development and as to which that Minister is satisfied—

- (a) that the earned income per labour unit reasonably required under the existing system of production is less than the comparable income determined in accordance with regulation 8, or
- (b) that the nature or structure of the business is such as to place at risk the maintenance of an earned income at the level of the said comparable income.

*Development plans*

7.—(1) A development plan submitted for approval shall be set out in such form as the appropriate Minister may from time to time require and the person submitting it shall furnish all such particulars and information relating thereto as the appropriate Minister may require, and in particular—

- (a) sufficient information to show that the person undertaking to carry out the plan is an eligible person and that the plan relates to an eligible agricultural business;
- (b) a description of that agricultural business at the time of submission of the plan for approval and of the land to which the plan relates;
- (c) a description of that agricultural business on completion of the plan in the form of an estimated budget and a statement of the number of labour units required in the carrying on of the business, and if that agricultural business is part of a larger business, that estimated budget shall include an estimate of the earned income of that larger business derived from activities other than agricultural activities;
- (d) an indication of the measures to be taken and, in particular, of the investments to be made, in order to achieve the aim of the plan and a list of any agreements to purchase land or take land on lease made in order to achieve an increase in the area of land occupied for the purposes of the agricultural business to which the plan relates;
- (e) an indication of any loan guarantees which may be required.

(2) A development plan shall not be approved unless an application for assistance under these regulations was received by the appropriate Minister on or before 30th September 1980 and unless that Minister is satisfied that the plan is reasonably practicable and that if it is completed within a period, specified therein, not exceeding 6 years—

- (a) the agricultural business, or each of the agricultural businesses to which it relates, or, if the agricultural business or businesses is or are part of a larger business or businesses, that larger business or each of those larger businesses may reasonably be expected to achieve, or maintain, an earned income per labour unit which amounts to not less than the aggregate of the comparable income determined in accordance with regulation 8(a) in respect of the calendar year in which the plan is submitted for approval or such other year as that Minister may for this purpose allow, and annual increases amounting to not less than the annual percentage increases determined in accordance with regulation 8(b) in respect of each of the remaining calendar years in the period during which the plan is to be carried out, and
- (b) each agricultural business to which it relates may reasonably be expected to achieve, or maintain, an earned income for at least one labour unit not less than the comparable income increased as aforesaid, and
- (c) if the agricultural business to which it relates is part of a larger business, the earned income which the agricultural business may reasonably be expected to achieve, or maintain, on completion of the plan comprises as respects—
  - (i) an agricultural business situated in a less-favoured area, not less than 50 per cent. of the comparable income increased as aforesaid, or
  - (ii) an agricultural business not situated in a less-favoured area, not less than 80 per cent. of the comparable income increased as aforesaid, or
  - (iii) an agricultural business situated partly in a less-favoured area and partly outside a less-favoured area, such proportion of the comparable income increased as aforesaid as the appropriate Minister may determine.

(3) Any approval of a development plan may be varied or withdrawn by the appropriate Minister with the written consent of the person currently responsible for carrying on the agricultural business to which the development plan relates.

*Comparable income*

8. For the purposes of these regulations the appropriate Minister shall determine in respect of each calendar year—

- (a) 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;
- (b) a percentage increase in the comparable income, having regard to the average annual increase during the last preceding 5 years in the earnings of full-time workers in occupations other than agriculture after adjustment for changes in retail prices.

*Restrictions on approval of grant under regulation 3(1)*

9. The appropriate Minister shall not approve for the purposes of grant under regulation 3(1)—

- (a) any expenditure which amounts, in aggregate in respect of one development plan, to less than £1,000 or more than 53,204 ECU per labour unit;
- (b) in respect of any application for assistance received by the appropriate Minister on or before 30th November 1981, any expenditure in connection with the breeding or keeping of pigs (not being expenditure on the purchase of pigs) unless that expenditure amounts in aggregate to not less than 13,158 ECU and not more than 66,699 ECU in respect of one development plan and unless the appropriate Minister is satisfied that the expenditure is being incurred or to be incurred in the carrying out of a development plan which provides that on its completion not less than 35 per cent. of the feeding stuffs required for the pigs kept on the land occupied for the purposes of the agricultural business to which the plan relates can be produced from that land or, if the development plan relates to two or more agricultural businesses, on land occupied for the purposes of at least one of the said businesses;
- (c) any expenditure—
  - (i) on the purchase of land, calves intended for slaughter at less than 7 months of age, or pigs, or
  - (ii) in connection with the breeding or keeping of poultry or the production of eggs, or
  - (iii) on the erection, alteration or improvement of living accommodation;
- (d) any expenditure on the purchase of livestock other than livestock of any of the kinds mentioned in the preceding provisions of this regulation unless the appropriate Minister is satisfied that the purchase is a purchase of additional animals as specified in an approved development plan and, in the case of expenditure on the purchase of cattle or sheep, unless that Minister is satisfied that the expenditure is being made in the carrying out of a development plan which provides that on its completion the sales by the agricultural business of cattle or sheep and their produce, assessed in such a manner as that Minister shall consider appropriate, shall comprise more than 60 per cent. of all sales, assessed as aforesaid, of agricultural produce made by that business;

- (e) any expenditure relating to an application for approval for the purposes of grant in respect of any work or facility or any part thereof of a kind specified in paragraph 6(ii) of Schedule 1, if application for such approval was received before 1st January 1977 or later than 31st December 1977;
- (f) any expenditure in respect of the purchase of dairy cows or heifers relating to an application for assistance under these regulations received on or after 26th May 1977 and before 1st January 1980.

**10.** In respect of any development plan or plans for the same agricultural business in relation to which an application for assistance has been received on or after 1st February 1980, the appropriate Minister shall not approve for the purposes of grant under regulation 3(1) any expenditure which amounts in aggregate in respect of any period of 6 years to more than 220,000 ECU.

**11.—(1)** In respect of an application for the variation of an approved development plan received by the appropriate Minister on or after 30th November 1981, that Minister shall not approve for the purposes of grant under regulation 3(1)—

- (a) any expenditure in connection with the breeding or keeping of pigs (not being expenditure on the purchase of pigs) unless that Minister is satisfied that—
  - (i) such expenditure will not make possible an increase to more than 550 in the number of pig places on the land occupied for the purposes of the agricultural business to which the plan relates, and
  - (ii) the plan as varied provides that on its completion not less than 35 per cent. of the feeding stuffs required for the pigs kept on the land occupied as aforesaid can be produced from that land;
- (b) any expenditure in connection with the breeding or keeping of dairy cows or heifers (not being expenditure on the purchase of dairy cows or heifers) unless that Minister is satisfied either—
  - (i) that such expenditure is no more than is necessary to enable the agricultural business to which the plan relates to achieve or maintain an earned income which is not less than the comparable income calculated in accordance with regulation 8 in relation to not more than 1.5 labour units and that such expenditure will not make possible an increase in the number of dairy cows kept on the land occupied for the purposes of the agricultural business to which the plan relates on completion of the plan to more than 40 dairy cows per labour unit reasonably required for that business under the system of production then existing up to a maximum of 1.5 labour units, or
  - (ii) in the case of an agricultural business which in the opinion of that Minister reasonably requires more than 1.5 labour units under the existing system of production and in the carrying on of which dairy cows were kept at the date of submission of the development plan for approval, that such expenditure will not make possible an increase of more than 15 per cent. in the number of dairy cows so kept at that date.

(2) For the purposes of this regulation “pig place” means the facilities necessary to house one fattening pig; save that where the herd includes breeding sows, the facilities necessary to house one such sow shall be taken to be the equivalent of 6.5 pig places.



*Amounts of grant under regulation 3(1)*

12.—(1) In respect of applications for assistance received by the appropriate Minister before 1st February 1980 and subject to the provisions of paragraph (3) of this regulation and regulations 15 and 16, any grant payable under regulation 3(1) towards expenditure in respect of any work or facility or transaction of a kind specified in any of paragraphs 1 to 28 and 30 in column 1 of Schedule 1 shall be the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 2 of that Schedule, save that in the case of any work, facility or transaction which in the opinion of the appropriate Minister—

- (a) is for the purposes of, or in connection with, the carrying on of an agricultural business, or that part thereof, situated in a less-favoured area, the amount of grant so payable shall be the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 3 of that Schedule;
- (b) is for the purposes of, or in connection with, the carrying on of a horticultural production business as to which that Minister is satisfied that at all times during the period of 24 months ending with the date of application for approval of that expenditure for the purposes of a grant under regulation 3(1) there has been occupied for the purposes of that business not less than 1.6 hectares of land, calculated, as appropriate, in accordance with the provisions of paragraph (4) of this regulation, the amount of grant so payable shall be the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 4 of that Schedule;
- (c) is for the purposes of, or in connection with, the carrying on of an agricultural business, or a horticultural production business, of a kind described in regulation 6(b), the amount of grant so payable shall be 80 per cent. of the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 2 of that Schedule in the case of an agricultural business, or in column 3 thereof in the case of an agricultural business situated in a less-favoured area, or in column 4 thereof in the case of a horticultural production business.

(2) In respect of applications for assistance received by the appropriate Minister on or after 1st February 1980 and subject to the provisions of regulations 15 and 16, the amount of any grant payable under regulation 3(1) towards expenditure in respect of any work or facility or transaction of a kind specified in any of paragraphs 1 to 28 and 30 in column 1 of Schedule 2 shall be the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 2 of that Schedule, save that in the case of any work or facility or transaction which, in the opinion of the appropriate Minister—

- (a) is for the purposes of, or in connection with, the carrying on of an agricultural business, or that part thereof, situated in a less-favoured area, the amount of grant so payable shall be the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 3 of that Schedule;
- (b) is for the purposes of, or in connection with, the carrying on of a horticultural production business as to which that Minister is satisfied that at all times during the period of 24 months ending with the date of application for approval of that expenditure for the purposes of a grant under regulation 3(1) there has been occupied for the purposes of that business not less than 1.6 hectares of land calculated, as appropriate, in accordance with the provisions of paragraph (4) of this regulation, the

amount of grant so payable shall be the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 4 of that Schedule;

- (c) is for the purposes of, or in connection with, the carrying on of an agricultural business, or a horticultural production business, of a kind described in regulation 6(b), the amount of grant so payable shall be 80 per cent. of the proportion of that expenditure, if any, specified in relation to that work or facility or transaction in column 2 of that Schedule in the case of an agricultural business, or in column 3 thereof in the case of an agricultural business situated in a less-favoured area, or in column 4 thereof in the case of a horticultural production business.

(3) Any eligible person whose application for assistance has been received before 1st February 1980 and whose development plan is or has been approved may with the consent of the appropriate Minister be paid, in respect of a particular work or facility or transaction, grant at the rate specified in Schedule 2 in relation to that work or facility or transaction (if that rate is higher than the rate specified in relation thereto in Schedule 1), and the relevant provisions of paragraph (2) of this regulation shall then apply.

(4) For the purposes of paragraph (1) or (2) above, there shall be added to the actual area of land occupied for the purposes of the horticultural production business any area given by multiplying—

- (a) by 20 the area of land in any building so occupied for the production of rhubarb or mushrooms, and  
(b) by 20 the area of land so occupied which is or can at any time be covered by any glasshouse in use or available for use thereon, and  
(c) by 5 the area of any watercress bed on the land so occupied, and  
(d) by 5 the area of any land so occupied which is or can at any one time be covered by any structure (not being a glasshouse) in use or available for use thereon and clad with glass or other translucent material, including lights, cloches and plastic tunnels designed and used to give all round protection to crops, and  
(e) by 5 any part of the land so occupied which is necessary for access to horticultural produce growing or to be grown on any area mentioned in sub-paragraph (c) or (d) hereof.

(5) In this regulation—

- (a) the area referred to in paragraph (4)(a) hereof includes the superficial area of the soil or other material used for growing mushrooms in trays or on shelves;  
(b) “glasshouse” means a fixed or mobile structure, used for the production of horticultural produce for sale, which is mounted on durable foundations, is not less than 1.67 metres high at the ridge, and of which more than half the total area of the sides, ends and roof is of glass or such other translucent material as will, to the satisfaction of the appropriate Minister, give a durability and transparency similar to that of glass.

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

of that expenditure as appears to that Minister to be referable to the carrying on of that horticultural production business.

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

(8) The amount of any grant payable under regulation 3(1) 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 any of paragraphs 1 to 28 of Schedule 1 or Schedule 2 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 regulation.

(9) Where it appears to the appropriate Minister that the expenditure reasonably incurred in the carrying out of any development plan exceeds the expenditure approved for the purposes of grant under regulation 3(1) in respect of any work or facility or transaction of a kind specified in paragraphs 1 to 16, 20 to 23 and 28 to 29 in column 1 of Schedule 1 or Schedule 2, the appropriate Minister may, notwithstanding regulation 9(a), approve for the purposes of grant the difference between the amount of expenditure so approved, and the amount of expenditure actually incurred.

(10) Where it appears to the appropriate Minister that the expenditure reasonably incurred in the carrying out of any development plan exceeds the expenditure approved for the purposes of grant under regulation 3(1) in respect of any work or facility or transaction of a kind specified in column 1 of Schedule 2, the appropriate Minister may, notwithstanding regulation 10, approve for the purposes of grant the difference between the amount of expenditure so approved and the amount of expenditure actually incurred.

*Accounts and amounts of grant payable in connection therewith*

13.—(1) The accounts referred to in regulations 3(2), 5(a)(aa) and 5(b) are accounts relating to an agricultural business to which an approved development plan relates and the keeping of those accounts—

- (a) shall comprise—
  - (i) the drawing up of an annual trading account and profit and loss account and balance sheet, and
  - (ii) the systematic and regular recording during the accounting year of the transactions in kind and in cash carried out in the course of carrying on the agricultural business;
- (b) shall result in the submission to the appropriate Minister at the end of each accounting year—
  - (i) of a description of the general characteristics of the agricultural business, and in particular of the factors of production used, and
  - (ii) of a detailed balance sheet and trading accounts and profit and loss accounts, and

- (iii) of such information as is necessary to assess the efficiency of the management of the agricultural business as a whole, and in particular the earned income per labour unit and the income of the person carrying on the agricultural business, and as is necessary to assess the profitability of the main kinds of production of the agricultural business.

(2) Subject to the provisions of regulation 16, the amounts of grant payable under regulation 3(2) shall be, in respect of the first of the years in which the development plan is carried out, 259 ECU and, in respect of each of the next 3 years, 167 ECU.

*Amounts of guidance premiums*

14. Subject to the provisions of regulation 16, the amounts of grants payable by way of guidance premium under regulation 3(3) shall be calculated in relation to the number of hectares of land occupied for the purposes of the agricultural business to which the development plan relates, or in the case of a development plan which has been completed, related, being the number of hectares of land which in the opinion of the appropriate Minister is, or was, necessary for the breeding or keeping of cattle or sheep suitable for the production of beef or sheep meat in the carrying out of that development plan, at the rate of—

- (a) £30.56 per hectare in the first year;
- (b) £20.67 per hectare in the second year;
- (c) £10.52 per hectare in the third year:

Provided that no payment by way of such grant shall exceed £3,056 in respect of the first year, £2,067 in respect of the second year or £1,052 in respect of the third year.

*Standard costs*

15. In such cases, and subject to such conditions, as the appropriate Minister may from time to time determine, the cost of any work or facility, or the amount of any other cost or expenditure, shall, if the applicant for grant so elects, be taken for the purpose of determining the amount of any grant payable under these regulations as such standard cost or amount as the appropriate Minister may from time to time fix with the approval of the Treasury.

*Restrictions on grant*

16. The appropriate Minister may reduce or withhold any grant payable under these regulations in any case where—

- (a) assistance in respect of expenditure towards which such grant is claimed is or may be given otherwise than under these regulations, or
- (b) the carrying out or provision of the work or facility, towards the expenditure on which such 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, or
- (c) the greater part of the land affected by the development plan, in connection with the carrying out of which the grant is claimed, has been affected by another development plan within the immediately preceding 5 years.

*Recovery of grant and revocation of approval*

17. If at any time after the appropriate Minister has approved any expenditure for the purposes of a grant under these regulations or has made any grant under regulation 3(2) or (3) it appears to that Minister—

- (a) that any condition subject to which the approval was given or the grant has been made has not been complied with, or
- (b) that any work or facility in respect of expenditure on which the approval was given has been badly done or provided, or has been or is being unreasonably delayed, or is unlikely to be completed, or
- (c) that the person by whom the application for that approval or that grant was made gave information on any matter relevant to the giving of the approval or the making of the grant which was false or misleading in a material respect,

the appropriate Minister may on demand recover an amount equal to the grant or such part thereof as the appropriate Minister may specify and may revoke the approval in whole or in part; but before making a demand or revoking an approval in whole or in part under the preceding provisions of this regulation the appropriate Minister—

- (i) shall give to any person to whom any payment by way of such grant would be payable or from whom any such payment would be recoverable a written notification of the reasons for the action proposed to be taken by the appropriate Minister, and
- (ii) shall accord to each such person an opportunity of appearing before and being heard by a person appointed for the purpose by the appropriate Minister, and
- (iii) shall consider the report by a person so appointed and supply a copy of the report to each person who is entitled to appear before the person submitting it.

*False statements*

18. If any person, for the purposes of obtaining for himself or any other person any grant under these regulations, knowingly or recklessly makes a false statement, he shall be liable on summary conviction to a fine not exceeding £400.

*Rights of entry*

19. For the purposes of these regulations and, in particular, for the purpose of securing that grants under these regulations are made in proper cases only, any person duly authorised in that behalf by the appropriate Minister, or in Northern Ireland by the Department of Agriculture for Northern Ireland, may, upon production if so required of his appointment or authority, at all reasonable times enter upon and inspect any land, and inspect any premises, plant, equipment or livestock in respect of which grant under these regulations has been made or claimed.

*Transitional provisions*

20. Without prejudice to sections 16 and 17 of the Interpretation Act 1978(a) (which relate to repeals) the provisions of these regulations shall apply to applications for assistance received by the appropriate Minister and to development plans submitted to the appropriate Minister under the Farm and

---

(a) 1978 c. 30.

Horticulture Development Regulations 1973(a) or the Farm and Horticulture Development Regulations 1978(b) and such applications and development plans shall be deemed to have been made or submitted, as the case may be, under, in accordance with and for the purposes of, the provisions of these regulations.

*Revocations*

21. The regulations specified in Schedule 3 are hereby revoked.

In Witness whereof the Official Seal of the Minister of Agriculture, Fisheries and Food is hereunto affixed on 27th November 1981.

(L.S.)

*Peter Walker,*  
Minister of Agriculture, Fisheries and Food.

27th November 1981.

*George Younger,*  
Secretary of State for Scotland.

---

(a) S.I. 1973/2205, amended by S.I. 1976/743, 2187.

(b) S.I. 1978/1086, amended by S.I. 1979/1559, 1980/97, 419, 928.

Regulations 3(1)(a), 9(e) and  
12(1), (8) and (9)

## SCHEDULE 1

## ELIGIBLE WORKS AND FACILITIES AND RATES OF GRANT

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 and permanently sited durable structures for cladding with plastic (except living accommodation and buildings and structures designed and intended for horticultural use or for any use mentioned in paragraph 11 of this Schedule 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.	25	30	Not applicable
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.	40	40	Not applicable
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.	40	40	Not applicable
4. Provision, replacement or improvement of systems for the disposal of farm waste, except waste systems specified in paragraph 3 of this Schedule.	25	30	30
5. Provision, replacement or improvement of facilities for the supply of electricity or gas for agricultural purposes.	25	30	30

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. (i) Provision, replacement or improvement of facilities for the supply of water, including the provision, replacement or improvement of facilities for water storage.	25	50	30
(ii) Provision, replacement or improvement of facilities for water storage.	45*	70*	50*
7. Field drainage, including under-drainage and ditching.	60	70	60
8. Provision or improvement of farm flood protection works, protection or improvement of river banks.	25	50	25
9. Provision, replacement or improvement of roads, paths and other permanent ways, hard standings, fords, bridges, culverts, railway crossings, creeps, piers, jetties or slips.	25	50	30
10. Provision, replacement or improvement of sheep grids or cattle grids.	25	50	30
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 wintering.	25	50	Not applicable
12. Provision, replacement or improvement of permanent fences, hedges, walls or gates.	25	50	30
13. Provision, replacement or improvement of shelter belts.	10	50	30

\*In accordance with the provisions of regulations 3(1), 9(e) and 12(1) these rates of grant apply only to applications for approval received by the appropriate Minister on or after 1st January 1977 and not later than 31st December 1977.



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.
14. (i) Reseeding and regeneration of grassland and laying down of permanent pasture, including the application of lime or fertiliser (other than normal husbandry applications).	25	Not applicable	Not applicable
(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.	Not applicable	50	Not applicable
(iii) Clearance and reclamation of land; subsoiling; 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.	25	50	30
15. Orchard grubbing.	25	25	30
16. Provision, replacement or improvement of wirework for hop gardens.	25	25	Not applicable
17. Provision or installation or replacement of:			
(i) Plant or machinery (including fixtures and fittings) for agricultural purposes (excluding plant or machinery which has been used before installation or which is installed in, or is wholly for the benefit of, living accommodation or which is of a kind specified in subparagraphs (ii) and (iii) of this paragraph or paragraphs 24 to 26 of this Schedule).	10	15	10
(ii) Fans for barn hay drying and associated equipment, hay and silage making machinery (except tractors).	20	25	Not applicable
(iii) Milking and associated equipment, bulk milk tanks.	20	25	Not applicable

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.
18. Provision, replacement or improvement of stakes and wirework for vineyards.	25	25	25
19. Provision, replacement or improvement of stakes and wirework for cane fruit.	20	20	20
20. Claying or marling or soil mixing.	10	10	10
21. Provision or enlargement of permanent buildings, of permanently sited frames or of durable structures for cladding with plastic, designed and intended for the production of horticultural produce.	Not applicable	Not applicable	10
22. (i) 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 horticultural use (excluding any work or facility specified in paragraph 21 of this Schedule).	Not applicable	Not applicable	30
(ii) Provision or enlargement of permanent buildings designed and intended for horticultural use (excluding buildings of a kind specified in paragraph 21 of this Schedule).	Not applicable	Not applicable	30
(iii) 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 (excluding buildings of a kind specified in paragraph 21 of this Schedule).	Not applicable	Not applicable	30
23. Provision, replacement, improvement, alteration, enlargement or reconditioning of watercress beds.	Not applicable	Not applicable	30

**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.
24. Plant or equipment designed and intended for the production or harvesting of horticultural produce (excluding plant or equipment of a kind specified in paragraph 25 or 26 of this Schedule).	Not applicable	Not applicable	20
25. Plant or equipment designed and intended for the storage or preparation for market of horticultural produce (excluding plant or equipment of a kind specified in paragraph 26 of this Schedule).	Not applicable	Not applicable	20
26. Plant or equipment, including tractors and ancillary equipment, designed and intended for the cultivation of horticultural crops and produce.	Not applicable	Not applicable	10
27. (i) Purchase of livestock (except fresh water fish for food production).	10	15	Not applicable
(ii) Purchase of fresh water fish for food production.	10	10	Not applicable
28. Provision, replacement, improvement, alteration or enlargement of facilities for the farming of fresh water fish for food production.	10	10	Not applicable
29. Any work or facility incidental to the carrying out or provision of any work or facility specified in any of paragraphs 1 to 28 of this Schedule or necessary or proper in carrying it out or providing it or securing the full benefit thereof.	The rate appropriate to that work or facility in accordance with the provisions of the Scheme.		
30. Preparation of development plans.	25	25	25

## SCHEDULE 2

Regulations 3(1)(a), and 12(2)  
(8), (9) and (10)

## ELIGIBLE WORKS AND FACILITIES AND RATES OF GRANT

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 and permanently sited durable structures for cladding with plastic (except living accommodation and buildings and structures designed and intended for horticultural use or for any use mentioned in paragraph 11 of this Schedule 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.	32.5	37.5	Not applicable
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.	32.5	37.5	Not applicable
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.	32.5	37.5	Not applicable
4. Provision, replacement or improvement of systems for the disposal of farm waste.	32.5	37.5	32.5
5. Provision, replacement or improvement of facilities for the supply of electricity or gas for agricultural purposes.	32.5	37.5	32.5
6. Provision, replacement or improvement of facilities for the supply of water, including the provision, replacement or improvement of facilities for water storage.	32.5	50	32.5

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.
7. Field drainage, including under-drainage and ditching.	50	70	50
8. Provision or improvement of farm flood protection works, protection or improvement of river banks.	32.5	50	32.5
9. Provision, replacement or improvement of roads, paths and other permanent ways, hard standings, fords, bridges, culverts, railway crossings, creeps, piers, jetties or slips.	32.5	50	32.5
10. Provision, replacement or improvement of sheep grids or cattle grids.	32.5	50	32.5
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 wintering.	32.5	50	Not applicable
12. Provision, replacement or improvement of permanent fences, hedges, walls or gates.	32.5	50	32.5
13. Provision, replacement or improvement of shelter belts.	5	50	32.5
14. (i) Reseeding and regeneration of grassland and laying down of permanent pasture, including the application of lime or fertiliser (other than normal husbandry applications).	32.5	Not applicable	Not applicable
(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.	Not applicable	50	Not applicable

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.
(iii) Clearance and reclamation of land; subsoiling; 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.	32.5	50	32.5
15. Orchard grubbing.	32.5	32.5	32.5
16. Provision, replacement or improvement of wirework for hop gardens.	32.5	32.5	Not applicable
17. Provision or installation or replacement of:			
(i) Plant or machinery (including fixtures and fittings) for agricultural purposes (excluding plant or machinery which has been used before installation or which is installed in, or is wholly for the benefit of, living accommodation or which is of a kind specified in subparagraphs (ii) and (iii) of this paragraph or paragraphs 24 to 26 of this Schedule).	5	10	5
(ii) Fans for barn hay drying and associated equipment, hay and silage making machinery (except tractors).	5	10	Not applicable
(iii) Milking and associated equipment, bulk milk tanks.	5	10	Not applicable
18. Provision, replacement or improvement of stakes and wirework for vineyards.	32.5	32.5	32.5
19. Provision, replacement or improvement of stakes and wirework for cane fruit.	20	20	20
20. Claying or marling or soil mixing.	5	10	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.
21. Provision or enlargement of permanent buildings, of permanently sited frames or of durable structures for cladding with plastic, designed and intended for the production of horticultural produce.	Not applicable	Not applicable	5
22. (i) 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 horticultural use (excluding any work or facility specified in paragraph 21 of this Schedule).	Not applicable	Not applicable	32.5
(ii) Provision or enlargement of permanent buildings designed and intended for horticultural use (excluding buildings of a kind specified in paragraph 21 of this Schedule).	Not applicable	Not applicable	32.5
(iii) 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 (excluding buildings of a kind specified in paragraph 21 of this Schedule).	Not applicable	Not applicable	32.5
23. Provision, replacement, improvement, alteration, enlargement or reconditioning of watercress beds.	Not applicable	Not applicable	32.5
24. Plant or equipment designed and intended for the production or harvesting of horticultural produce (excluding plant or equipment of a kind specified in paragraph 25 or 26 of this Schedule).	Not applicable	Not applicable	20

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.
25. Plant or equipment designed and intended for the storage or preparation for market of horticultural produce (excluding plant or equipment of a kind specified in paragraph 26 of this Schedule).	Not applicable	Not applicable	20
26. Plant or equipment, including tractors and ancillary equipment, designed and intended for the cultivation of horticultural crops and produce.	Not applicable	Not applicable	5
27. (i) Purchase of livestock (except fresh water fish for food production).	5	10	Not applicable
(ii) Purchase of fresh water fish for food production.	5	10	Not applicable
28. Provision, replacement, improvement, alteration or enlargement of facilities for the farming of fresh water fish for food production.	5	10	Not applicable
29. Any work or facility incidental to the carrying out or provision of any work or facility specified in any of paragraphs 1 to 28 of this Schedule or necessary or proper in carrying it out or providing it or securing the full benefit thereof.	The rate appropriate to that work or facility in accordance with the provisions of the Scheme.		
30. Preparation of development plans.	32.5	32.5	32.5



Regulation 21

## SCHEDULE 3

## REVOCATIONS

Column 1 Regulations revoked	Column 2 References
The Farm and Horticulture Development Regulations 1973	S.I. 1973/2205
The Farm and Horticulture Development (Amendment) Regulations 1976	S.I. 1976/743
The Farm and Horticulture Development (Amendment) (No. 2) Regulations 1976	S.I. 1976/2187
The Farm and Horticulture Development Regulations 1978	S.I. 1978/1086
The Farm and Horticulture Development (Amendment) Regulations 1979	S.I. 1979/1559
The Farm and Horticulture Development (Amendment) Regulations 1980	S.I. 1980/97
The Farm and Horticulture Development (Amendment) (No. 2) Regulations 1980	S.I. 1980/419
The Farm and Horticulture Development (Amendment) (No. 3) Regulations 1980	S.I. 1980/928

## EXPLANATORY NOTE

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

These Regulations, which apply throughout the United Kingdom, are made under section 2(2) of the European Communities Act 1972. They consolidate and further amend the Farm and Horticulture Development Regulations 1978 which implemented Council Directive No. 72/159/EEC (OJ No L96, 23.4.72, p.1 (OJ/SE 1972(II) p.324)) on the modernisation of farms and Council Directive 75/268/EEC (OJ No L128, 19.5.75, p.1) on mountain and hill farming in certain less-favoured areas.

Grants are payable under the Regulations in connection with an approved development plan for an agricultural business if an application for assistance was received before 1st October 1980 (regulation 7(2)) but variations of a development plan may subsequently be approved (regulation 7(3)).

The further amendments to the 1978 Regulations are in accordance with Council Regulation (EEC) No. 1945/81 (OJ No L197, 20.7.81, p.31) and Commission Regulation (EEC) No. 2180/81 (OJ No L211, 31.7.81, p.28), both restricting investment aids for pig production, Council Regulation (EEC) No. 1946/81 (OJ No L197, 20.7.81, p.32) restricting investment aids for milk production and Commission Regulation (EEC) No. 3332/80 (OJ No L349, 23.12.80, p.19) which increased the limits on certain grants, and they apply to any application for variation of an approved development plan received on or after 30th November 1981. The principal changes are—

- (a) expenditure in connection with the breeding or keeping of pigs must not result in an increase to more than 550 pig places (regulation 11(1)(a)(i));
- (b) expenditure in connection with the breeding or keeping of dairy cows or heifers must not result in an increase in the dairy herd to more than 60 cows (for an agricultural business requiring  $1\frac{1}{2}$  labour units) or by more than 15 per cent. of the original herd size (for larger agricultural businesses) (regulation 11(1)(b)).

Another change is the expenditure on permanent framework for plastic clad structures will be eligible for grant (regulation 3(1)(a), Schedule 1 paragraph 1 and Schedule 2 paragraph 1).

In addition, the definition of "ECU" has been amended (regulation 2(1)), to relate it more clearly to the representative rate used for the purposes of the common agricultural structures policy of the European Economic Community which is fixed from time to time by Council Regulation. The sterling equivalent of 1 ECU on 1st January 1981 converted at the agricultural exchange rate was £0.618655.

SI 1981/1707  
ISBN 0-11-017707-X

