## EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations revoke and replace, in relation to England, the Agriculture (Maintenance, Repair and Insurance of Fixed Equipment) Regulations 1973 (the "1973 Regulations"). They prescribe terms, set out in Schedule 1, as to the maintenance, repair and insurance of fixed equipment which are deemed to be incorporated in every contract of tenancy of an agricultural holding except where they would impose on one of the parties to a written agreement a liability which under the agreement is imposed on the other. Schedule 1 divides between the landlord and the tenant of a holding the responsibility for maintaining, repairing and insuring fixed equipment, and imposes upon each party certain specific liabilities in regard to those matters.

The main changes to the 1973 Regulations are as follows, references being to paragraphs in Schedule 1.

Certain items have been added to the general repair and replacement obligations of the landlord under paragraph 1 including the repair and replacement of the electrical supply system. The list of items in respect of which the landlord may recover one-half cost from the tenant has been extended (paragraph 7).

Certain items have been added to the general repair and maintenance obligations of the tenant under paragraphs 9 and 11 including fixed equipment generating heat or power and slurry, silage and effluent systems.

The circumstances in which the tenant may execute repairs or replacements which are the liability of the landlord has been extended under paragraph 12 so that the tenant may repair fire and carbon monoxide detectors and underground water pipes without notice served on the landlord. (See also paragraphs 14(3)(b) and (c)).

The limit on the tenant's liability for replacement of roof tiles or slates is increased from £100 to £500 (paragraph 9(2)(e)).

Paragraphs 6, 13 and 17 includes provision for third party determination as an alternative to arbitration.

Regulation 3 prescribes time limits for the purposes of section 9 of the Agricultural Holdings Act 1986. Regulation 4 and Schedule 2 contain revocations. Regulation 5 requires the Secretary of State to review the operation and effect of the caps at paragraphs 9(2)(e) and 14(3)(c) of Schedule 1 and publish a report within ten years after they come into force and within every ten years after that.

A full impact assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector is available from Sustainable and Competitive Farming Strategy, Department for Environment, Food and Rural Affairs, Nobel House, 17 Smith Square, London, SW1P 3JR and is annexed to the Explanatory Memorandum which is available alongside the instrument at www.legislation.gov.uk.