



SCOTTISH LAND COMMISSION  
COIMISEAN FEARAINN NA H-ALBA

**Tenant Farming Advisory Forum**

**DRAFT Minutes of the Meeting of the Tenant Farming Advisory Forum (TFAF)  
held on Thursday 16<sup>th</sup> January 2020, NFUS Offices, Ingliston**

Present:		Actions:
Dr Bob McIntosh	Tenant Farming Commissioner	TFC
Sarah-Jane Laing	Scottish Land & Estates	SJL
Christopher Nicholson	Scottish Tenant Farming Association	CN
Angus McCall	Scottish Tenant Farming Association	AM
Gemma Cooper	NFUS	GC
Jen Willoughby	Scottish Government	JW
Emily Webb	Scottish Government	EW
Ian Austin	SAAVA	IA
Jeremy Moody	CAAV	JM
Andrew Wood	RICS	AW
Heather Bruce	Agricultural Law Association	HB
Sarah Allen	Scottish Land Commission	SA
James MacKessack-Leitch	Scottish Land Commission	JML

### **1. Welcome and Apologies**

TFC welcomed everyone and thanked NFUS for hosting the meeting.

Apologies from David Johnston (SLE), and Andrew McCornick (NFUS).

### **2. Minutes of the last meeting – 4<sup>th</sup> July 2019**

Agreed.

### **3. Presentation and discussion on implications of Brexit to the tenant farming sector in Scotland**

JM led discussion of a number of key issues facing the agriculture sector post-Brexit, these were:

- The likely end to area-based payments, and the likely drive to discourage stagnation;
- The pressures arising from climate change mitigation;
- The uncertainty around a future UK-EU trade deal, acknowledging that changes in trade flows could have a much more significant effect on farm businesses than subsidy reform;
- The wide productivity gap – which is poorly understood – will see low productivity farms suffer, particularly small livestock farms;
- The technology and skills gap facing the sector – akin to the horse v. tractor scenario a century ago;
- The availability of labour, in the short term concerned with EU seasonal workers in particular

- The long term impact of automation – particularly a trend towards smaller affordable machinery which could reduce the benefits associated with economies of scale;
- The trend towards specialism over generalism – akin to the experience of UK manufacturing sector – UK agriculture will have to specialise in high quality niche products to remain viable.

JM suggested that Scotland may lag behind the rest of the UK in terms of pressure for change as the current basic payment system is proposed to be protected until 2024, whereas in England (and Wales) significant changes are proposed from 2021 in their Agriculture Bill.

JM noted that agriculture is good at being “uncertain” and there is likely to be a division between people who change to adapt and those who dig in with their current systems. We need to consider what can we do to enable current and future farmers to move through this period of change positively.

Overall, JM indicated Brexit will have a transformational effect on agriculture not seen since the rebuilding post-WWII. In many respects it will accelerate the inevitable changes, but it will also likely lead to a much more diverse industry.

#### 4. Update from TFC

Casework – remains steady, with a noticeable rise in re-contacts over the period. Most contacts are still from tenants. A significant number of new contacts were regarding the Amnesty.

Mediation – a mock mediation event organised and supported by ALA and SLC will take place on the 25<sup>th</sup> March, at Battleby. Members were encouraged to register early. AM suggested independent press coverage would be useful in promoting the benefits of mediation.

CN reported on meetings taking place with the Crown Estate Scotland and Forestry and Land Scotland regarding tree planting on agricultural holdings. All parties agreed it was a worth exploring how planting could be carried out. CN suggested TFC/SLC might like to join the working group established by CES. TFC suggested that this is likely to become a significant issue, and opportunity for tenants and landlords, with SG target of 168,000ha new planting over the next 10years. Larger scale woodland developments may provide significant business opportunities including retirement planning. How tenants might be involved in opportunities arising merits further investigation as existing diversification legislation is unlikely to provide the necessary structure.

<b>Action</b>	<b>SA to circulate invitation to mock mediation event to members.</b>
<b>Action</b>	<b>SA to discuss press coverage with SLC coms teams</b>
<b>Action</b>	<b>SA/TFC to investigate how best to progress ideas on moving the sector forward on the development of arrangements that encourage landlords and tenants to join together in woodland creation schemes on tenanted holdings.</b>

#### 5. Review of TFC functions

EW updated members on the review. A survey will be issued to TFAF members shortly, which they are free to pass on to colleagues and share with their memberships.

EW clarified that the review is of the functions of the TFC, not a performance review of the current TFC. The survey will focus on the powers available to the TFC and whether there is a need to update or change these.

<b>Action</b>	<b>All to complete the survey.</b>
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## 6. Land Matching Service

GC updated members on the roll out of the Scottish Land Matching Service (SLMS). Ian Davidson has been in post for a few months, and has attended 19 events to promote the service.

Twitter account is now live, a logo has been produced, the new website should be live by the end of February, and there has been a good transfer of registrations from the NFUS Joint Venture hub.

There are currently 43 registrations with the SLMS (of which 36 are seeking land).

Future plans are to hold surgeries for older farmers, and to support the upskilling of land seekers.

## 7. Farming business incubators

JML presented a paper on how business incubators might be transferred to farming. Further work is on-going on developing the concept with stakeholders.

SJL/IA suggested contacting South of Scotland Enterprise as their business development managers (dairy sector) had some experience that might be relevant.

<b>Action</b>	<b>JML to update members on progress once the concept has been discussed with stakeholders.</b>
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## 8. Discussion on increasing the availability of farmland in Scotland

JM highlighted the lessons from the Republic of Ireland income tax relief to promote land letting. In the Scottish context this would likely only apply to retiring owner-occupiers, so the impacts could be limited.

JM and others noted that accountants are not necessarily giving the best advice with regard to Inheritance Tax, and Agricultural Property Relief in particular.

SJL indicated that tax was probably not as critical a driver for change as is perceived, landowners often have different priorities.

GC noted that the Tenant Farming Forum had previously written a paper on this matter, much of which is still relevant.

Members agreed it would be useful to pull all the various tax thinking together in a comprehensive document.

<b>Action</b>	<b>Members to send relevant tax papers to SLC</b>
<b>Action</b>	<b>SLC to look at producing a comprehensive tax paper.</b>

## 9. SG Update

JW provided an update on the implementation of the remaining parts of the 2016 Act.

Relinquishments and Assignations – a solution to the Limited Partnerships issues is hopeful, and working towards an implementation date of May, this is not guaranteed and should be treated with caution.

Rent Reviews – still working on some technical issues (conversion of standard labour requirements). Hoping to be ready for implementation in May, but may take longer. TFC will be publishing a Code and/or Guide alongside.

Repairing Tenancies – work has commenced and is tied to the rent review work and hope to introduce both at the same time.

JW clarified that rent review notices issued under current legislation would be carried out under existing system.

Removal of pre-emptive right to buy register has stalled as transfer of data is proving difficult.

Once the above items are enacted, sale where landlord in breach will be the only remaining part of the 2016 Act not in force.

The current planning consultation about changes to permitted development rights <https://consult.gov.scot/local-government-and-communities/reviewing-and-extending-pdr/> closes 28 Jan.

## **10. AOB**

SJL informed members that David Johnstone was to step down as SLE Chair in April, but was to remain SLE's lead on agricultural holdings and would like to remain as a member of TFAF in that capacity.

## **11. Date of next meeting**

Members agreed to be flexible. Likely next meeting in July 2020.

<b>Action</b>	<b>SA to circulate a date nearer the time</b>
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