



SCOTTISH LAND COMMISSION
COIMISEAN FEARAINN NA H-ALBA

**Mediation in the Tenant Farming Sector
Online Webinar
7 and 8 December 2020**

PITLOCHIE FARM, FIFE

BRIEFING NOTES TO PARTIES

1. Key plot points

- Notice to terminate the limited partnership has been served to take effect on 28 May 2021.
- George Smith has been the general partner of the farm partnership since 1995.
- George Smith is 55 years old and had hoped his daughter, Megan Smith (aged 25), would take over in due course.
- Sean Bellway has recently taken over running the landlord's interests following the medical condition of his father.
- The landlord has hotel interests in London, residential interests in Edinburgh, Fife and Glasgow (used for short term holiday lets) and four farms in Fife.
- The tenant is yet to prepare an inventory of improvements under the amnesty. This will include a potato store on the farm.

2. The Parties

Landlord

- **David Johnstone, Scottish Land & Estates** - Mr Sean Bellway, Director of Gateside (the landlord), who has full authority to make decisions on behalf of Gateside.
- **Mark Fogden, Savills** - Gateside's land agent.
- **Heather Bruce, Turcan Connell** - Gateside's solicitor.



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Tenant

- **Christopher Nicholson, Scottish Tenant Farmers' Association** - George Smith, the tenant.
- Megan Smith, George's daughter, is a party to the Agreement to Mediate and may be contacted by telephone during the mediation process if required.
- **Tom Oates, youngsRPS** - the tenant's land agent.
- **Hamish Lean, Shepherd + Wedderburn**, solicitor for the tenant.

3. Synopsis of key terms of the lease

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| Landlord: | Gateside Land Improvement Company Limited |
| Tenant: | Pitlochie Farmers, a Limited Partnership in respect of which the Limited Partner is now Sean Bellway (having taken over from his father, Vincent Bellway), an associate of the Landlord for the purposes of sections 70 and 72 of the Agricultural Holdings (Scotland) Act 2003 and the General Partner is George Smith, farmer of Pitlochie. The Partnership started on 27 th May 1995. |
| The Farm: | Pitlochie Farm extends to now just under 900 acres of arable ground, grade 3(1) or 3(2) on the Macaulay Land Use Map (some land was resumed following a mediation in 2009). There are now two cottages on the farm (following the resumption of one during the 2009 mediation). There is a farmhouse standing within its own garden grounds with six bedrooms, four public rooms and usual other offices. There is a traditional steading and a large potato store, grain drier and new store complex. |
| Period: | The Lease commenced on 28th May 1995 and is now running from year to year. Notice terminating the partnership and thus the lease has been served to take effect on 28 May 2021. |
| Reservations: | The Lease contains the usual reservations of minerals, sporting rights, rights of access, rights to the water, rights to create servitudes and all woods and trees. Irrigation is not permitted. There is no resumption clause. |
| Use: | The Farm is let as a mixed arable and stock farm, and specifically not for dairying or for vegetable growing or other forms of intensive use. |



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| Fixed Equipment: | The statutory provisions are incorporated into the Lease. There was a Post-Lease Agreement dating from July 1995 under which the tenant was obliged to carry out all repairs to the fixed equipment, even those necessitated by fair wear and tear and natural decay, but this was then annulled in 2009 when a rent review took place. There is a record of condition in terms of section 5(1) of the 1991 Act. |
| Residence: | There is a requirement for the General Partner of the tenant to reside on the Farm. |
| Stocking etc: | The Farm is to be fully stocked and equipped with the tenant's own stock and equipment. |
| Assignment and Sub-Letting: | There is a specific prohibition against assignment or sub-letting. |
| Quotas, etc: | There is a right of pre-emption at market value covering quotas and other subsidy entitlements. |
| Irritancy: | There is a comprehensive irritancy clause entitling the landlord to bring the Lease to an end on any breach of the Lease. |
| Environmental: | The tenant is required to observe all environmental statutes relating to protection of wildlife, etc. The Farm is within a nitrate vulnerable zone. |