

NEWS RELEASE
Scottish Tenant Farmers Association
Culmailly Farm
Golspie
Sutherland
stfa@tfascotland.org.uk

MOONZE RENT REVIEW CASE APPEAL

The wide sense of relief felt amongst tenant farmers at the reduced rent set by the Scottish Land Court on the rent review case on Moonzie Farm has been short lived. The news emerged this week that the Land Court's decision on the case is to be appealed to the Court of Session by the landlord, Richard Morrison-Low is very disappointing but comes as no surprise. It has been closely followed by the tenanted sector and the court decision in June which set the rent at a reduced figure of £20,800 was regarded as a victory for common sense in delivering a workable economic rent. The landlord had been seeking an increase from £22,000 to £32,000.

This landmark rent review case, the first in two decades, covered a range of complex issues in the 10 day hearing, the most significant being the way in which Single Farm Payment should be treated in the context of rent reviews. The court decided that SFP, should be excluded from the rental calculation, and it is understood that the landlord's appeal focuses on this decision.

For several years now, the STFA has been consistently critical of the rent review process and believes it is now crystal clear that the time is ripe for change before more damage is done to the sector as tenants face bankruptcy in standing up for themselves.

Commenting on the news, STFA Chairman Angus McCall said; "Although the Agricultural Holdings Act of 2003 attempted to simplify dispute resolution, especially over rents and make it more affordable, it has taken many years for a case to get this far. Now it will go on even longer being batted between courts. The system isn't working and favours the better-heeled and well funded.

The Moonzie case demonstrates the flaws inherent in a system relying on an arcane method of reviewing rents based on an "open market" which does not exist and a judicial procedure which can take years to complete. Potential costs in dispute resolution are out of all proportion to the rent difference in question. It is now time for sense to prevail in what is essentially a valuation exercise – agreeing a fair rent for a farm.

"This appeal against the Land Court decision prolongs the agony for the tenant and his family. He did not initiate the original action and has had to act in self defence in protecting his business. Indeed, the landlord may even be able to serve his next rent notice before it comes to court, completing a circle of perpetual litigation. In the meantime the case will rack up eye watering costs for both sides.

The delayed outcome of the Moonzie case will paralyse the tenanted sector for the next year or more and prolong the free for all that many rent reviews have descended into. Too often they become a war zone with any notion of partnership between landlord and tenant thrown completely out of the window.

"There is clearly a need to get back to basics and devise a simplified way of setting fair agricultural rents based on the productive capacity of the holding, the economics of farming and the respective inputs by landlord and tenant. As we enter a period of economic austerity, Scottish agriculture cannot afford to be distracted by such a shameful waste of economic resources and at such expense of human stress and emotion."

STFA believes that until the industry and the Scottish Government takes a firm grip and commits to an overhaul of the procedure for reviewing farm rents to restore fairplay and balance, tenants will continue to be fair game to the predations of an unworkable system which is utterly failing them.

For further information, contact:

Angus McCall: 07767 756840