

News Release
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STFA CALL FOR AN END TO RENT FIASCO

At a meeting in Elgin yesterday with representatives of the Scottish Tenant Farmers Association Cabinet Secretary Richard Lochhead pledged to help find solutions to the problems of fixing farm rents. STFA believes that the current system of settling rents has become too complex, time consuming and costly and, as a consequence is failing the industry.

The recent Moonzie rent case, heard by the Land Court in March of this year is a prime example of what can go wrong. What should have been a simple valuation exercise has escalated into a complicated legal battle which occupied 10 days of the Court's time and has cost both sides tens of thousands of pounds – far more than the sums in dispute.

In discussing the matter with the Cabinet Secretary STFA has proposed a two point approach to making rent reviews simpler, fairer and less expensive:

- The establishment of a panel of suitably trained and accredited experts who would be qualified to either fix rents or act as arbitrators if a rent could not be agreed. The panel would follow a code of practice and common set of rules.
- Simplification of the statutory rent process so that rents are assessed according to what the farm is capable of producing rather than on the outmoded "open market" basis which operates at present

Cabinet Secretary for Rural Affairs Richard Lochhead said: "Tenancy issues are of course often complex but regulation is there for a purpose which is to offer protection and safeguard tenant farming's contribution to Scotland.

"All those involved - tenant farmers, landlords and the courts – recognise the current review process is too complex, costly and time consuming. We need to find a modern, workable solution which better reflects the true value of both individual farms and markets. The Scottish Government will continue to examine this issue with a view to proposing changes to the formal process of setting rents as soon as is practicable."

Speaking after the meeting Chairman Angus McCall said; "We have had a very positive meeting today and the Cabinet Secretary has expressed his willingness to look into ways of sorting out the farm rent situation which is fast becoming a fiasco. Taking a simple rent dispute to the Land Court has the potential to get out of hand as we have seen with Moonzie. Both sides can agree to use arbiters to resolve a dispute and settle the rent, but there is a legacy of distrust from the old statutory arbitration system. We need to create a new arbitration model and a panel of qualified experts who will win the trust and confidence of all parties. The Cabinet Secretary has indicated he is willing to assist in achieving this.

"With the Moonzie decision under appeal, rent reviews will be at a standstill, it is hard to see how the Land Court could undertake any rent cases until the appeal court expresses its opinion on the various issues under challenge. There are at least half a dozen rent disputes on the court's waiting list with another ten or so still unsettled from the May round.

“The signs are that next November and May will be even busier with many livestock farms receiving rent notices. It will also be difficult for landlords and tenants to agree rents without knowing what the rules are. We have asked Richard Lochhead to use his influence with the courts to see if this appeal can be heard as a matter of priority so that the tenanted sector can get back to business”

For further comment:

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