

# Summary: Review of Agents Report

**TENANT FARMING** 

### Background

When the Scottish Land Commission was established in 2017, one of its first tasks was to assess the relationship between landlords and tenants of agricultural holdings. Research Resource (RR) conducted a survey between 2017 and 2018, revealing that 17% of the 914 tenant farmers and 121 landlords surveyed were dissatisfied with the conduct of agents. In response, the Tenant Farming Commissioner (TFC) made recommendations to improve agent operations, as required by the Land Reform (Scotland) Act 2016 (Section 36). RR was later re-engaged to review progress made since 2018. Rather than repeating the original survey, a smaller study was conducted through interviews with agents to gauge if further research was needed.

#### Recent research

16 in-depth interviews were carried out with a mixture of small and large companies with 12 interviews carried out with agents, defined as 'Land Agents and other professionals who act on behalf of Landlords or Tenants, such as agricultural advisors, factors, surveyors and solicitors. A further four interviews were carried out with representative bodies to get a broader overview of the industry.

When asked about the progress made in adopting the TFC guidance, responses were generally positive, awareness was high amongst all organisations, and most had made changes because of the guidance. Agents all noted that they refer to the guidance themselves and refer others to the guidance.

A small number of organisations said they had not made changes specific to the guidance and felt they were already behaving in a way which reflected the guidance, adhering to their own professional standards.

The general perceptions of both the role of the guidance and the influence of the TFC in relation to the conduct of agents were positive. However, there were some negative responses regarding the additional expense that the guidance was bringing to the rent review process.

From the perspective of representative bodies, again, the perception was positive both about awareness of the guidance and relationships in the sector. Training and awareness raising is carried out across most organisations ensuring that staff are familiar with the guidance. Specific attention is given to interpersonal skills training, and feedback loops exist either in a formalised manner such as through internal meetings, highlighting learning points from challenging cases, staff appraisals and continuing professional development (CPD) sessions. For smaller companies CPD would be delivered through informal conversations to learn lessons.

All agents noted that they do adhere to professional standards with the Law Society of Scotland being the main organisation noted by lawyers and solicitors. Other affiliate organisations were the Royal Institution of Chartered Surveyors (RICS), Scottish Agricultural Arbiters & Valuers Association (SAAVA), Scottish Tenant Farmers Association (STFA) and the Institute of Auctioneers and Appraisers. One organisation also noted that they are ISO9001 accredited and are externally audited against this.

In terms of the Law Society, there was believed to be crossovers between CPD expectations, standards of conduct and ethics, record keeping and obligation to the people served and the TFC guidance. It was noted that due to the professional standards under which solicitors work that the guidance just enhances existing practice. Despite the cross over between the requirements of the Law Society and the TFC guidance, it was believed that the guidance is a positive addition to the sector.

### In summary

From the report it is apparent that the role of the TFC and the guidance produced has had an overall positive impact on the industry, the guidance is being used extensively by agents working on behalf of both landlords and tenants. The recommendations made by the TFC in 2018 are being largely adopted by the industry and staff training is being prioritised in line with the guidance and its underpinning themes are being incorporated into continued professional development sessions.

The RR review also demonstrates that recommendations made in 2018 have been largely adopted by the industry, although this represents too small a sample size to be statistically robust, indications are that there have been changes in behaviour amongst agents working for both landlords and tenants of the agricultural industry. Representative bodies reported a general improvement in relations between landlords and tenants and specifically that relationships were less confrontational. An important observation was that engaging the TFC gave an important first step to resolving a problem before escalation which has been helpful.

There remains some friction between aspects of professional standards which are not compatible with following every aspect of the guidance and there will always be limitations to qualitative research such as this based on small sample sizes, but significant progress is being made. Along with the positives there is the reality that poor practice does remain.

## **Action proposed**

It is proposed that efforts are made to continue to raise the profile of the TFC to reach those who are not currently accessing the support through both the Tenant Farming Helpline and guidance. To measure if the positive trajectory continues and determine whether further work is required, it is recommended that the Commission to undertake a further review of the issue in five years time.

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