

# Review



2016  
The magazine from Bell Ingram  
bellingram.co.uk

## **Electricity Storage in 2016**

Heralding the Era of Energy Storage

## **Land Reform – Time to Draw Breath?**

Mike Blair declares 'that is not all'

## **A Day in the Life of...**

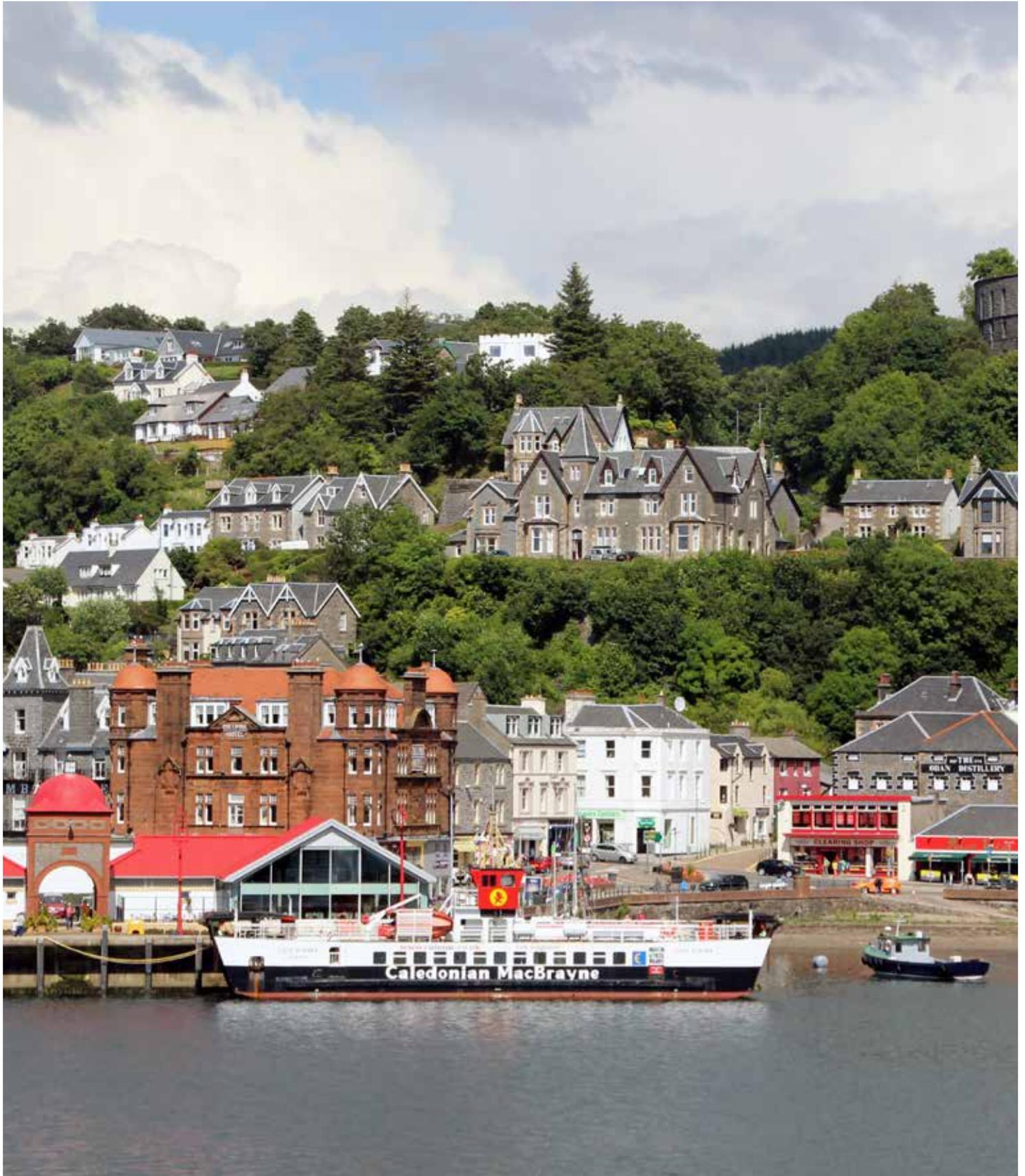
Tales and tails from the islands

## **Rules of Engagement**

Partnership in rural land management

## **Northeast Focus**

Farming land prices not set to plummet





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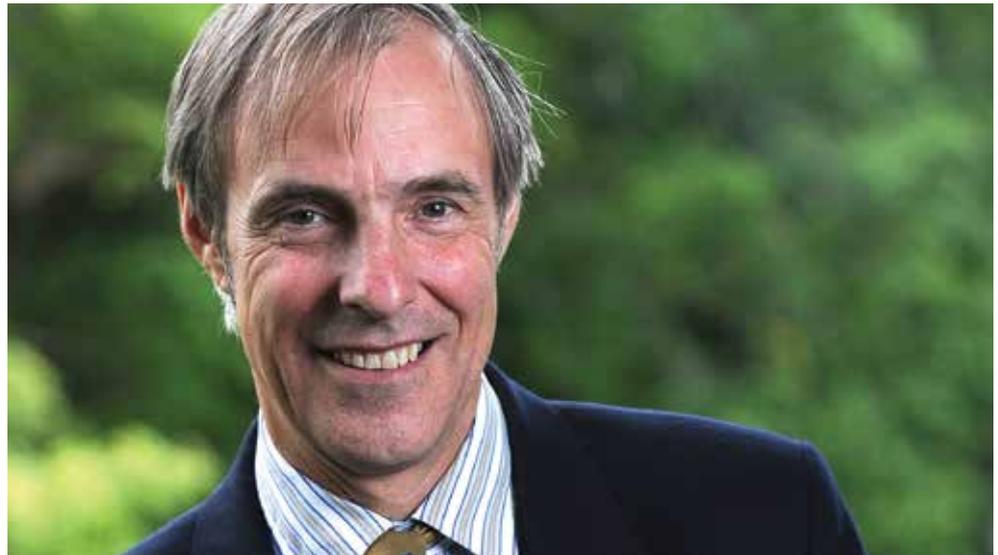
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**Cover photo**  
The ferry docking at Oban Harbour  
(Jamie Cowie, Aberdeen office)

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## Welcome

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Managing Partner



This time last year, it was felt that the results of the General Election and the Scottish Independence vote would bring stability to the UK and Scottish economies. A year on, however, the result of the EU Referendum has generated further uncertainty within the rural and property sectors and raised the possibility of a second independence debate in Scotland.

In our experience, Brexit is serving as an excuse for buyers to make below asking price offers and for sellers to delay bringing their properties to the market resulting in a growing pool of pent up demand. In this Review, our Agency Manager in Perth, Carl Warden, discusses this demand and considers factors affecting the property market in more detail including elections, referendums and the Government's tax on second homes.

The farming community is suffering from the poor handling of the rural payments and this is also affecting the forestry sector; delaying felling and planting schemes. As a result, we are seeing an increase in the number of land based businesses seeking to borrow through the Agricultural Mortgage Corporation (AMC), for whom we are agents, and we feature two such case studies in this Review.

Land reform in Scotland is further fuelling uncertainty. Our guest writer, Mike Blair from Gillespie Macandrew, considers which of the Land Reform Review Group's proposals contained in its 2014 Report have yet to be implemented and the affect they may have on land values and management practices.

Notwithstanding the above, there is no doubt that farm land is still in high demand with sales of arable land in particular continuing to set record prices on an annual basis, in spite of low commodity prices and delays in rural payments. In his article, James Petty considers current and anticipated factors affecting farm land values in the northeast of Scotland.

Despite significant reductions in subsidies for renewable energy installations reducing the number of windfarms and hydro schemes, there is still an appetite to explore how these schemes can provide a return. The next major breakthrough could well be in energy storage, which Joe Fergusson argues may be closer to reality than we think.

I do hope that you enjoying reading this Review and find the topics covered of interest. As always, we welcome feedback and would be delighted to hear from any of our readers.

## Scottish Enterprise Rural Leadership Programme (SERLP)



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Mark Mitchell receiving his graduation certificate from Scottish Enterprise's Managing Director of Operations, Adrian Gillespie



In 2006, Scottish Enterprise (SE) piloted the Rural Leadership Programme with a mere nine attendees, all of whom were directly involved in agriculture. The success of this first programme encouraged SE to make it an annual event with the 2015 intake increasing to forty-four participants from the full spectrum of rural businesses. Ten years after the first course, the number of graduates, known as "Rural Leaders", has expanded to over 400.

I took part in the Scottish Enterprise Rural Leadership Programme (SERLP) in 2015/16 along with forty-three other professionals from across Scotland. Participants comprised a cross section of rural life from traditional farmers, estate owners, and farm shop owners to rural engineers, surveyors, accountants, bank managers, tourism managers, a chilli farmer and a plastic cow seller. With such a diverse collection of participants, the businesses represented ranged from one man bands to international conglomerates. These varied backgrounds meant no one profession

dominated and topics were scrutinized and debated from angles that many would not normally have considered.

SERLP is not your run of the mill course with no exams and no real homework to do but you very much get out of it what you put in. During the twelve days of the programme, information is fired at you and you are encouraged/ expected to not only consider your own context but to advise the others on their business and individual aspirations. Three-hour long mentoring sessions also engender inward analysis and confidential discussion around any personal goals.

Running from November 2015 until late March 2016, we attended a series of localised one day workshops in three groups, known as North East, South East and South West. Workshops covered Leadership (personal skills and self-analysis), Effective Communication (essentially media training) and Innovation. I was surprised at how quickly we bonded as a group with encouragement to network and car share to discuss the lessons learnt before and after workshops.

In late January, the forty-four were brought together in a two-day workshop as billed "Apprentice meets Dragons Den". We were split into groups of six and tasked to develop an innovative idea to present to the group and a panel of SE judges. While two days seemed plenty of time, presentations by previous graduates and significant networking elements (we ate very well) meant that preparation time was constrained.

A highlight of the course was the visits to the Scottish Parliament, Scottish Europa in Brussels and Westminster Palace with full day briefings on each institution. We met and quizzed Richard Lochhead (Cabinet Secretary for Agriculture), around 20 MSPs, three Scottish MEPs, Lord Lindsay, and Dr Eilidh Whiteford (SNP MP). The opportunity to directly question these individuals was unique as was their evident desire to meet with us.

Our trips to the three parliaments followed significant events. In Holyrood, the MSPs were debating the Land Reform Bill. Our two very full days in Brussels immediately followed David Cameron's visit negotiating the UK's relationship with the EU. In Westminster, Boris was opting out of the EU and during PMQs David Cameron gave Jeremy Corbyn advice on his dress.

The workshops were a great experience where I gained new insights into myself and reinforced others and the trips to the Scottish, European and Westminster Parliaments were full on, shattering and amazing all at the same time, but the real benefit of the course was getting to meet and build rapport with politicians, to build friendships and most importantly to have gained forty-three additional sources of information and advice.

I enjoyed and benefited from participating in the Scottish Enterprise Rural Leadership Programme; being taken beyond the familiar and out of my comfort zone. I'll remember the 'accountability ladder' for years to come, striving to be accountable and not a victim. I certainly feel that I have a better grip on how the Holyrood, Westminster and European Parliaments work and, perhaps more importantly, their individual strengths and weaknesses. Having graduated and received my certificate, I too am a "Rural Leader" and am fully committed to putting what I have learnt into practice while keeping in touch with my fellow Leaders and forging links with fellow alumni.

## Cows might fly



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The first culvert is lowered into place

The Bell Ingram Design team has taken on its most unusual project to date - to create a 'flyover' for cattle at the Royal Highland Show.

The Royal Highland and Agricultural Society of Scotland approached Bell Ingram Design with the unique contract in a bid to solve a complicated human traffic problem at the main show ring at the Ingleston showground.

In previous years, the main pedestrian walkway would be temporarily closed at constant intervals throughout the day to allow livestock to pass from the holding ring into the show ring. That forced hundreds of visitors to stop and wait until it reopened, which in turn caused blockages.

Now, thanks to Bell Ingram's innovative construction, livestock were able to travel via the new flyover, while the crowd were free to move through an underpass without delay.

Iain Cram, Director at Bell Ingram Design, spoke of the intricate detail that is required to complete this one-of-a-kind project: "it's fair to say that it's not every day you get asked to design a footpath for herds of livestock. This commission was all about creating a better user experience for the thousands of people who visit the Royal Highland Show.

"The project was more than a little different to the norm, so was not without its challenges. For example, we knew the animals can spook very easily which means that they may not have been happy to use the flyover. We had to take this into consideration and designed the ground of the crossing as a stone farm track, so that it feels natural under hoof.

"This was an unusual and significant win for Bell Ingram and we believe our expertise and experience in land and property design were vital aspects in bringing this unique solution to life."

The project was more than a little different to the norm, so was not without its challenges. For example, we knew the animals can spook very easily which means that they may not have been happy to use the flyover

Willie Gill, Chairman of The Royal Highland and Agricultural Society of Scotland, said the underpass was part of a £1.6m investment ahead of this year's show. He said: "This underpass is yet another demonstration of the Society's commitment to sustaining the Royal Highland Show's position as a world-class event.

"By improving the flow of livestock and people through the showground, everyone's experience is improved greatly. Fewer hold-ups mean there's more time to enjoy our celebration of the best in farming, food and rural life."

The livestock crossing proved a great success at the 2016 Royal Highland Show; significantly alleviating congestion for visitors. Bell Ingram Design is now hopeful that the Royal Highland and Agricultural Society of Scotland (RHASS) will proceed with the proposed second livestock crossing at the western end of the main arena.



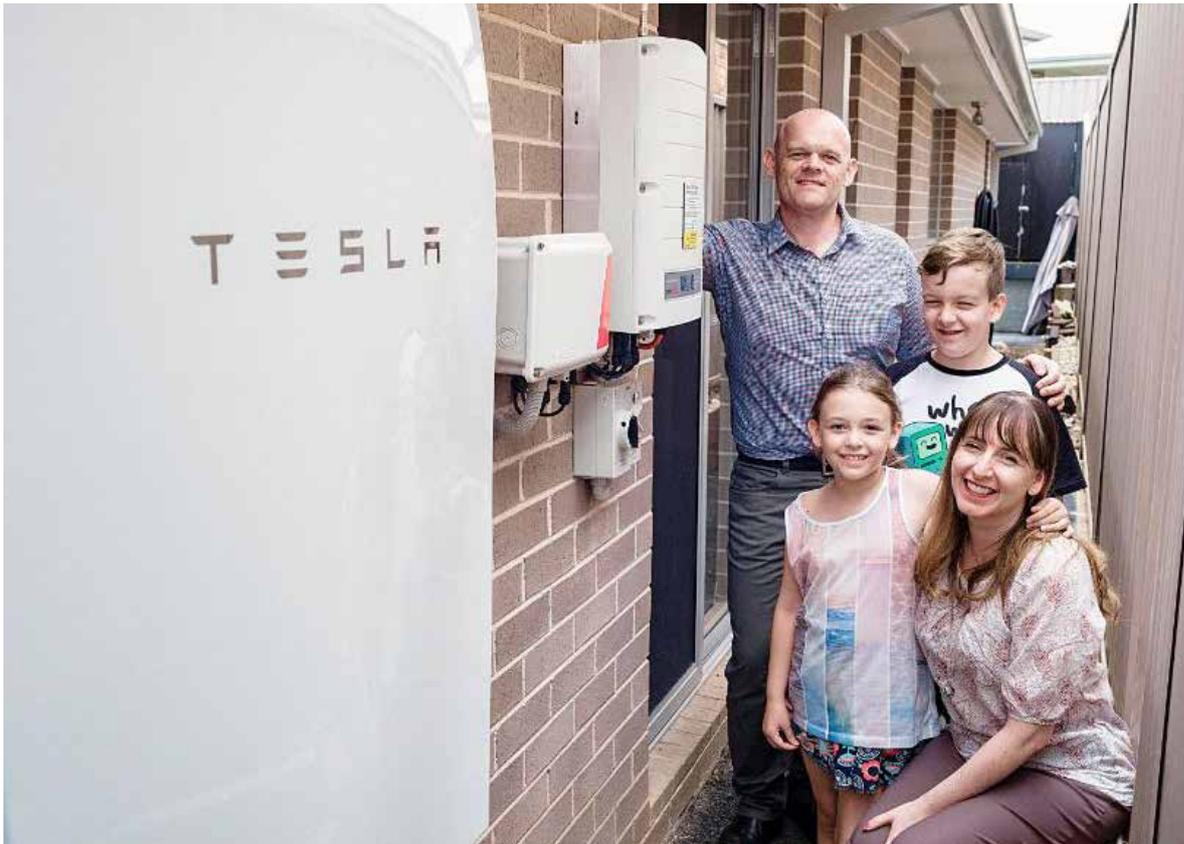
Contractors guide the second culvert into place (top). The finished underpass and livestock bridge (right)



## Electricity Storage in 2016



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Tesla Powerwall installation in Australia (Copyright Tesla Corporation)

Humanity is on the cusp of its Era of Energy Storage. This may sound like an odd statement given that people have been storing electricity in lead-acid batteries for over 150 years. A few things have changed, however, which together are transformational. Firstly, the growth of electricity generation not directly linked to the demand for it. Secondly, an explosion in demand for better batteries for electric vehicles. Thirdly, the advance of 'smart' control and the so-called Internet of Things (IoT).

The results of this convergence are: a great need for electricity storage to act as a buffer between generation and demand, a steep fall in the cost of batteries, and the ability to remotely control their operation in very clever ways. Flavour of the month are Lithium-based batteries although development of many other electricity storage technologies, from fly wheels to

liquefied air, continues apace.

We are now in the absurd situation where we expensively maintain the generating capacity to cover our peakest moment of electricity demand in the year whilst we already have, sitting stored in batteries of all sorts, gigawatt hours of power, plenty to carry us through any demands exceeding two-thirds of that peak. As soon as we can devise the ability to call on the nation's battery 'fleet' to support the grid at those critical moments, at least a third of our oldest, most inefficient generation plant will be redundant.

This may sound like a dream but London-based Moixa Technology already runs a fleet of several hundred of its domestic-scale batteries, each linked to a small solar PV system, as a 'virtual power station', ready to cut demand or supply power to the grid within milliseconds of a signal. There

are still issues to be overcome but this is an exciting glimpse of the future.

London-based Moixa Technology already runs a fleet of several hundred of its domestic-scale batteries, each linked to a small solar PV system, as a 'virtual power station'

As our wheezing old coal power stations drop out of action one-by-one, our houses, electric cars, laptops and mobile phones will be drawn inexorably into the IoT so they can be charged when consumption is low and called

on to even out ripples of peak demand which would otherwise result in fossil-fired stations being stoked up or diesel engines roaring into life.

At the other end of the scale, eventually more than our baseload demand should be supplied by a new fleet of nuclear reactors which, like ocean-going tankers, have a will to carry straight on, meaning that when consumption drops below their output, their surplus electricity will have to be stored somewhere until demand picks up again, or be dissipated into the atmosphere or sea. The options are for massive electricity storage onsite and/or the intervention of the IoT to top up the nation's plugged-in batteries.

But what does this mean for us now today? Whilst research and development continues at feverish levels from Silicon Valley to China, at this stage the demand for electricity storage is primarily by island communities, those involved in research and pilot programmes, and publicly-funded projects chosen for their ability to overcome multiple problems and so add more value.

Battery prices per kWh of storage, having fallen around 70% since 2011, will continue downwards until the other installation costs (box, cabling, labour, etc) render the total unresponsive to further falls. By this point the feasibility for many purchasers should be clear, hopefully even without any publicly-funded incentive.

Benefits for individual householders and commercial electricity consumers can include:

- *The savings available by storing power when it is free or relatively cheap and using it later when buying it would be fairly expensive;*
- *Raising of the average value of renewable generation by storing it during low tariff periods and then exporting it during the peak periods;*
- *Saving on supply charges or overcoming the need for costly connection upgrades at commercial sites by 'peak lopping' – using stored electricity whenever demand exceeds a set level.*

The Distribution Network Operator will be able to apply active network management techniques to use battery capacity to correct voltage and frequency imbalances.

Studies have indicated that it could serve the grid better if storage was located more centrally, say at substations or even power stations. However, with small systems on the market at £1,500-6,000 for 2-7kWh, aimed at the mass market of domestic PV-related retrofits, the stage appears set for the retail, 'behind the meter' end to take off first.

Battery prices per kWh of storage, having fallen around 70% since 2011, will continue downwards until the other installation costs (box, cabling, labour, etc) render the total unresponsive to further falls

At the moment the law excludes network operators from operating storage, beyond any existing pumped storage plus a de minimis token amount, but when they do install it they will present a major competitive challenge to other potential players by virtue of their position in the market.

Another problem is the current lack of any accepted official definition of electricity storage. At the rate that such issues are dealt with in relation to grid issues, it will be years before a straightforward route to commercial storage on the network appears.

So, for the time being the field is open for small building-scale storage for which an economic argument can already be made under the right circumstances. It is predicted that by 2018, larger commercial building-scale systems will fall in price to the point of viability. There are a number of existing providers ready to sell you a system. It would be wise to speak to an independent technical consultant before making a choice of system and a decision to purchase. To optimise the payback, the size and type must be carefully matched to your particular situation.

Guest contributor

## Land Reform – Time to Draw Breath?



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### How did we get here?

After the passage of the Land Reform (Scotland) Act 2016 in April, followed closely by the Election, one might be forgiven for thinking that there should be a pause in the stream of activity which started with the appointment of the Land Reform Review Group (LRRG) in 2012 and its predecessors back to 1999.

The 2016 Act is heavily dependent on the passage of guidance and regulations to put “flesh on the bones”. For example, regulations will be required under the Community Right to Buy procedures, and for farm rent reviews. Also, the Scottish Land Commission has to be set up and start its work. One might think that getting all this machinery working will keep everyone concerned pretty fully occupied for many months if not years but as Dr Seuss said “but that is not all, no, that is not all!”

### More still to come?

If one goes back to the 2014 LRRG Report, one can see that many proposals did not make it into the

2016 Act. It is worthwhile reminding ourselves of what these are. The stated aim of the LRRG Report was to (a) “enable more people in rural and urban Scotland to have a stake in the ownership, governance, management and use of land...” (b) “assist with the acquisition and management of land by communities...” and (c) “generate support, promote and deliver new relationships between the land, people economy and environment in Scotland”. This was a very wide remit. Some of the potentially most significant proposals are detailed below.

### Compulsory purchase powers

The LRRG pointed out that everyone agrees that a compulsory purchase system going back in part to a legislation passed when Queen Victoria was only 26 (in 1845) could do with some modernisation. As well as a general update of compulsory purchase law, however, the LRRG recommended a “pre-emptive right to buy” to be available for public authorities. This was in effect a warning to proprietors of the possibility of a compulsory purchase

order in the future. One can imagine such a notice being placed on ground like that used for the landfalls of the new Forth Bridge.

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### Other community options relating to land

The Report suggested that “communities” should have (1) a “right to register an interest in land” which would result in an obligation to inform the community of sales and changes of ownership, (2) a “right to request public land” to buy publicly owned land and buildings, (3) a general right to buy [already in the Act], and (4) that a community group should have a “right to request a CPO” as a last resort to make sure that land came into



community ownership or control. If these or similar rights are created, the impact on the current owners, and the potential value of their land, will be considerable.

#### **Urban renewal**

The point was made in the Report that getting vacant land redeveloped was a less than straightforward process, and that across the country there are many privately owned brownfield sites with which nothing very much is being done and which might be put to use of general benefit to the country. In parallel with the reform of the compulsory purchase system, a compulsory sale order was suggested. This would allow the council or the Government to require vacant property to be auctioned where it was no longer in the public interest for the owner to retain the land without use or if intending to sell it. The LRRG thinking is that many owners are kidding themselves in believing that sites are of value and it would be better for the country at large for such sites to be brought back into some kind of use.

#### **Site assembly – acquisitions**

The Report recognised that for a developer to assemble a site can be quite difficult where there are a great many owners to negotiate with. The last owner to settle with the developer can find themselves in a “ransom” position and the Review considers this to be a hindrance in getting developments to happen. The suggestion is to apply the rule about company takeovers to the acquisition of land. When a public company is taken over, once more than 90% of the shareholders accept the offer from the bidder, the remaining shares can be compulsorily acquired by the bidder on the same deal. The idea would be to apply this to defined areas of land so that there would be no point in trying to hold out to the very end of the site assembly process in hopes of getting a larger price. This could also of course remove the use of ransom strips in the future if the ransom strip area was within the proposed development site. Similar procedures exist in other countries.

#### **The Housing Land Corporation**

One of the most radical suggestions is a “back to the future” proposal with the concept that land would be compulsorily purchased at not much more than its current use value by public body or an approved private body in some kind of partnership agreement with the public authority, and that land could thereafter be developed. Apparently, this is how much of the post World War II public housing development took place.

#### **Summary**

As can be seen, there are a considerable number of suggestions made by the LRRG which are still “in the drawer”. If they were to be implemented, they would have very significant effects on land values and the way in which business has been done for the last 30 or 40 years. In the world of Land Reform, this is indeed a time to draw breath, but “that may not be all”.

## Northeast Focus – Farming Land Prices Not Set to Plummet



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The North East of Scotland has experienced a strong market for farms, particularly commercial farms, and bare land over the past decade or so with land having trebled in value. I can recall, not so many years ago, arable land just starting to make £2,000 per acre and in the past two to three years this has breached the £6,000 per acre level. There are a number of emerging uncertainties including low commodity prices, CAP reform, Brexit, Scottish politics including Land Reform and local economic factors, particularly the significant falls in oil prices affecting the north-east Scotland economy.

Over the past 10 – 15 years the supply of land and farms has been below long term averages. At the same time, demand has been strong where desirable residential factors are present or where investment prospects are good. The residential market in the north east has remained stronger throughout this period than in other areas of the UK due to the relatively good employment rates and earning potential in the Aberdeen area arising from the oil industry. Indeed, during the recession of 2009/10 while the rest of the UK saw

a severe economic effect, the Aberdeen area went on almost as if nothing had happened, such was the oil economy effect. Whilst there was an initial dip in oil prices at that time, demand soon returned and oil prices surged to over \$100 per barrel and it felt like Aberdeen was in boom times again.

You might say “So what? What has oil to do with the farm market?”. Whilst the farm market is still dominated by farm buyers, we do see a number of properties selling to non-farming buyers who have made money in other industries including oil and also fishing. Some such buyers were buying farms with a residential interest; to have an attractive house with their own land surrounding. In other cases, people with significant wealth generated from high earnings or when selling an oil service business, were advised by accountants to invest in farmland and forestry. Both offer good returns combining income and capital growth as well as providing tax shelters for capital gains or inheritance purposes. Land with a renewable energy element also can attract interest as it is a reliable income stream.

The RICS produces a Land Market

Survey every six months based on agent opinions of land values and trends. The February 2016 report covering the second half of 2015 seems to reflect what we are seeing here in the Aberdeen and north east area which is an increase in land supply, falling demand from farmers due to low produce prices, and late and reducing CAP payments creating a downbeat sentiment amongst farmers. In addition, the oil downturn appears to be affecting the higher end of the housing market in Aberdeen and, as a consequence, those who at one time were buying attractive residential farms are no longer in the market. Whilst there are many well paid oil executives still in Aberdeen, the continuing uncertainty about oil prices and job security means no-one wants to move up the housing ladder in case they have to relocate to secure new employment.

In addition to local market factors, CAP Reform is likely to reduce most farmers’ subsidy income. Subsidy rates have always had an effect on land values and therefore a decline may occur now a new system with generally lower payments is in place. The previous CAP payment system which ended in 2014 allowed some farmers to semi-retire and still collect subsidy by letting out land to a neighbour. The new regime largely prevents this and is probably one factor behind the increasing supply of land coming to market. Poor farming returns, levelling or even declining land values and an ageing farming population are also factors.

### Over the past 10 – 15 years the supply of land and farms has been below long term averages

The recent vote to leave the EU is likely to continue to create uncertainty in the market for some time to come. Land will, however, always sell providing the price reflects the underlying factors in the market. Very few farmers regret buying land over the long term. Farming sentiment can easily improve if weather and prices become more favourable and despite the pessimistic tone of the above comments I do not foresee a collapse in land prices.

## Revised Permitted Development Rights for Renewables



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Meadow Mill on the left benefits from the solar panels installed on its modern neighbour to the right



The Scottish Government extended householder permitted development rights again in March 2016 to the benefit of those seeking to take advantage of modern domestic microgeneration equipment. The installation, alteration or replacement of an air source heat pump on or within the curtilage of a dwelling is now permitted where it is to be used for the purposes of providing domestic heating or hot water. Familiar caveats still apply, such as not being allowed to protrude more than one metre from the outer surface of an external wall and not to be installed on any principle elevation or listed building. Provided the pump complies with MCS standards, there is now no longer a requirement to apply to the planning authority to determine if prior approval will be required for the siting or external appearance of an air source heat pump.

These new permitted development rights build on those which started to be introduced\* in 2009 for domestic and non-domestic buildings. These now include the installation of most microgeneration technologies including flues for biomass boilers, ground source heat pumps and free standing wind turbines for dwellings. On non-domestic buildings, this includes heat pumps, solar panels and biomass boilers.

As the range of new technologies continues to become more efficient and understood, these changes provide opportunities for owners to install equipment without the need to submit a planning application.

Where consent is still required, however, up-to-date planning advice on renewables is now readily available (for example, from SNH on small scale wind turbines and SEPA on 'Run of River' hydro schemes) which supports the Scottish Government's aim to remove barriers to the uptake of renewable energy at a local level.

Bell Ingram Design has continued to advise a range of clients, both domestic and non-domestic, over the past 12 months on the requirements for planning permission and building warrants for microgeneration equipment. We have seen the successful installation of equipment on business premises in Dundee, Stirling and Blair Atholl. We are currently embarking a project for National Trust at Derry Lodge on the Mar Lodge Estate and a private B Listed house in Perthshire. Whilst barriers continue to be removed by the Scottish Government, it is always wise to seek professional advice from the outset for any project to ensure you make the right decisions at an early stage and avoid unnecessary expense or delays.

Bell Ingram Design was approached by Dundee Industrial Heritage Trust which owns Meadow Mill, a Category B Listed Building within the Blackness Conservation Area. The not-for-profit Trust wanted to install PV panels on the roof of the listed building to reduce energy bills for its tenants which include WASPS. We advised that installation would be unlikely to be supported because of the adverse impact it would have on the character and appearance of the listed building. We suggested that the roof of the modern building that they owned on the adjacent site might be used instead. This proved to be a viable solution, supported by the Council planners as a modern technology within the industrial heritage setting of the Conservation Area. Planning permission was granted without conditions and the installation is now complete and operational.

\*As amendments to *The Town and Country Planning (General Permitted Development) (Scotland) Order 1992*

## A day in the life of... an island hopping estate agent



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It's an early start this morning to pack for the ferry which I'll be taking to Uist later on this evening but first I need to head to our Bonar Bridge office to work on some sales particulars. It's a beautiful day and today's viewings include a former farmhouse above the village of Culrain with spectacular rural views and a traditional cottage overlooking the Balblair Forest, near Ardgay. I then head home to collect my bags before the two and a half hour drive to Skye to catch the ferry. Another hour and half in the car at the other end takes me to my hotel in South Uist.

Thursday begins with Uist smoked salmon and scrambled eggs (which is always a good start) followed by appointments at two properties at Lochboisdale which confirm that not all visits result in instructions to sell. The first property was subsequently

sold privately to a family member while the second owner was struggling to secure a mortgage on his house built using homemade bricks and was looking for a 'letter of opinion' of value.

Another ferry took me to Barra in the afternoon where I visited the beautiful Northbay House. One of the joys of travelling so widely and visiting so many homes is that I get to make many new friends: of the four legged variety! The ferry offered just such an opportunity where I met a gorgeous 15-year-old huskie on the way to Barra for her holidays. By the time I reached the Isle of Barra's Beachside Hotel for dinner, I was really missing my own dogs so the very kind owners lent me their three fabulous black Labradors to take for a walk on the beach.

Friday involves a bit more sea-

faring and I'm on the 9.25am ferry to Uist. Thankfully I don't get stranded at sea (this time!) and it's a quick drive to catch the next ferry to Skye. I make

One of the joys of travelling so widely and visiting so many homes is that I get to make many new friends: of the four legged variety!

it home just in time to pick up my little boy and get him home for tea. It's a real privilege to get to see so much of our beautiful country in the name of work but there truly is no place like home.



Looking back to Barra

Clockwise from top:  
Waiting for the boat  
to Barra at Eriskay  
Harbour, Northbay  
House, beach at  
Barra, four legged  
friends Jake and Isla



## Rules of Engagement



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Community consultation event at the Carnoustie Hotel for Festival of House

for Scotland) recognises the roles communities play in planning decision-making in their best practice framework known as SP=EED: Scottish Planning = Effective Engagement and Delivery. In identifying who can use the framework, PAS describes it as “an essential resource for any organisation or person designing, carrying out and assessing an engagement process”. The document then goes on to provide a fairly comprehensive list of organisations and individuals who may benefit from using SP=EED as well as contexts within which it may be applied. Given PAS’s history, it is perhaps not surprising that there is a heavy emphasis on planning related activities.

Notwithstanding the lessons to be learnt from the planning system, stakeholder engagement is no longer solely planning led. Increasingly, our public sector, regulated and not-for-profit clients are asking us how we propose to engage with local community stakeholders when delivering their project work. Framework tenders now expect us to demonstrate our credentials in the fields of stakeholder engagement and community consultation. Projects that do not involve a planning application are including significant elements of formalised stakeholder engagement. Local communities are being consulted on everything from Deer Management Plans to outdoor music festivals, such as T in the Park and Festival of House, with a view to securing improved designs as well as engendering greater levels of acceptance and ownership.

Despite the best intentions of those involved, it is fair to say that not all stakeholder engagement is effective and following some key rules of engagement can make a dramatic difference to the outcome of the process. Timing, content and method are all critical components with the advent of online questionnaire tools and social media providing greater choice. In general, the key is to start early but be clear about the process so that people know what they are being consulted on and when. Ask them how, when and where they want to be engaged. Work with them to identify their communication needs whilst avoiding consultation fatigue. Most importantly, remember that true engagement involves communication and consultation. Listening to your stakeholders stimulates trust and mutual respect, resulting in a partnership approach to deliver the best outcome for your project or initiative.

Several years ago, I described what I was doing as “stakeholder engagement on contentious energy projects” and was promptly told that “those are just words – they don’t mean anything”. At the time, stakeholder engagement as a formalised activity was not widely known and many people would simply not have had any reason to actively “engage” as a “stakeholder” in the development process. The terminology was unfamiliar and the processes unknown.

The last ten years have seen the role of stakeholder engagement in the planning process grow dramatically with the introduction of the Planning, etc (Scotland) Act 2006 and its associated categorisation of development into local, major and national applications as well as the Community Empowerment (Scotland) Act 2015. Related policy and guidance aimed at delivering effective stakeholder engagement have subsequently emerged. Environmental Impact Assessment (EIA) and development management processes

have historically made provisions for engagement with prescribed statutory consultees but planners and others are now being tasked with achieving increased community involvement in a meaningful and transparent manner.

Contentious energy projects have been at the forefront in proactively engaging local community stakeholders. Renewable energy developers in particular have long recognised the benefits of establishing positive long term relationships with local communities, in part through the administration of the community benefit fund which is aimed at delivering real economic benefits to affected communities. These developments have typically involved far more comprehensive community stakeholder engagement activities than the fairly basic pre-application consultation requirements of the Planning Act. The result is invariably greater levels of acceptance and refined development proposals that reflect the needs and aspirations of local residents.

PAS (formerly Planning Aid

## Has ‘Referendum’ been replaced by ‘Never-endum’?



Carl Warden, Senior Associate, Estate Agency  
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Perth office



Perhaps! Like most people, we thought life would soon settle and we would all move on after the 18th of September 2014. However, the Referendum raised a number of difficult questions and the resulting uncertainty stalled the property market.

Straight after the Referendum, our attention was drawn to the new taxation replacing Stamp Duty in Scotland – LBTT (Land and Buildings Transaction Tax) beginning in April 2015. Even before its introduction, an amendment was made introducing an additional tax band.

The LBTT payment for sales between £750,000 and £1m in Scotland is, on average, 84% higher than the Stamp Duty Land Tax (SDLT) payment applicable across the rest of the UK, and 80% higher than the previous structure operating before December 2014. See example in table 1.

From 1st April 2016, we now have a 3% supplement on the purchase of properties for the purpose of letting and on second homes. This supplement will be 3% of the total price for all second home purchases above £40,000 and

will be levied in addition to the current LBTT rates. See example in table 2.

There is an expectation that values will start absorbing the turbulence of recent political and taxation challenges and begin the road to recovery.

Mainstream markets, below £400,000, have started to see the benefit of the Scottish Government’s initiatives, and seem less affected by political decisions and ongoing debate. Prime markets, above £400,000, are still coming to grips with the progressive taxation burden and this market seems caught up in indecision. Certain prime locations and city spots continue to perform well, even after taking LBTT into account.

Scotland remains outstanding value for money compared to other parts of the UK and the five year forecast offers modest annual growth in Scotland.

Not to disappoint with the ‘Never-endum’ theme, Brexit has now raised the possibility of a second Scottish independence referendum in addition to ongoing ambiguity surrounding the process of the UK’s extrication from the EU. From a property market perspective, ongoing debate and political uncertainty are unlikely to speed things up.

Purchase PRICE	SDLT – rest of UK (Stamp Duty Land Tax)	LBTT – Scotland (Land and Buildings Transaction Tax)
£350,000	£7,500	£8,350
£500,000	£15,000	£23,350
£750,000	£27,500	£48,350
£1m	£43,750	£78,350

Table 1 – Land and Buildings Transaction Tax

Purchase PRICE	Before April 2016	After April 2016
£150,000	£100	£4,600
£200,000	£1,100	£7,100
£300,000	£4,600	£13,600

Table 2 – Land tax levy & second home supplement

## Agricultural Mortgage Corporation (AMC) Focus



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The Agricultural Mortgage Corporation (AMC) specialises in providing mortgage finance to farmers and land-based businesses. It offers medium and long term mortgage finance on amounts in excess of £25,001. Repayment or interest only lending is available or a combination of the two. AMC funding can run alongside existing banking arrangements and loans are tailored to suit individual needs with competitive variable or fixed rates of interest and terms from five to 30 years. The AMC flexible facility is a realistic alternative to overdraft finance.

As Local Agents, Bell Ingram's experts have extensive experience of working with AMC and their customers. The Bell Ingram team of AMC agents stretches from Aberdeen to Perth, with experience throughout Scotland in all types of applications and valuations to assist in successfully securing finance for land-based businesses. The following case studies illustrate the benefits of going down the AMC route.

### Case Study Family Home in Perthshire



Iain and Kathleen Kelly farm in Highland Perthshire, overlooking Loch Tay near Killin. They run a hill flock of 300 ewes on the 90 acres of land which they own, together with 230 acres rented on seasonal grazings on the slopes of Ben Lawers. They have, for many years, been living in a timber chalet, similar to those normally used for temporary holiday accommodation. They secured planning permission for the erection of a new house in July 2014 and in 2015 Bell Ingram were asked to prepare an AMC loan application to fund the new house. Following confirmation of the loan and a formal security valuation, building works commenced.

Early in 2016, Kathleen Kelly contacted AMC for an additional loan on a flexible basis (akin to an overdraft). This was due to delays in the construction of the new house owing to weather, price increases on some of the materials, and significant delays in payment of subsidies by the Scottish Government experienced by many farmers. At this point, Sarah Tyson of Bell Ingram was able to add in the partially build house to the security taken by AMC and the additional flexible facility was duly approved.

The timber framed house designed by local architect Henry Patterson is now almost complete. It has energy efficient features with large gable end windows making the most of the spectacular views over Loch Tay and benefits from additional secure garaging for vehicles and quad bikes. The new house will be a very comfortable permanent home which is economic to run. It will, of course, also provide a significant addition to the capital value of the property. With the help of AMC, both initially for the main capital required, together with additional short-term funding, the Kellys have been able to get the best from their property and enhance the farm assets for the next generation.

## Case Study

### Boghead Holiday Cottages



In 2012, Thomas and Fiona Jackson took a big step on the farming ladder by giving up their County Council holding in Gloucestershire and relocating to a new farm they purchased in Aberdeenshire, Boghead near Lumsden, a few miles south of Huntly.

The plan was to operate a pedigree Aberdeen Angus beef herd and closed flock of sheep whilst at the same time developing diversified income to the farm. Fiona is a qualified dental nurse so she set about securing part time off-farm employment as well as working on the farm. Thomas, as a graduate of agricultural college, set about preparing a farm budget for the new venture. Prior to purchasing the farm, Thomas had spent a considerable amount of time researching farms to buy and also what grants and subsidies were available to develop their business. The farm at Boghead seemed ideal for their business plan: as well as having good grassland for livestock, there were traditional steading buildings and an old mill which looked ideal for conversion to holiday cottages.

Thomas' research had identified that were funds available through the SRDP scheme for up to 50% of the cost of renovation of farm buildings for holiday lets. However, like many of the best laid plans, it did not work out as anticipated. By the time the farm had been purchased and there was no going back, the Scottish

Government reviewed the grant scheme and withdrew the funding for farm buildings. Fortunately, Thomas and Fiona had been able to purchase the farm and put up new livestock buildings without requiring any finance. They had, however, run out of funds to complete the holiday cottages. They were then faced with a dilemma, to abandon the diversification and both work part time off-farm or to seek their own finance and complete the new enterprise.

Thomas and Fiona are a determined farming couple and do not give up easily. Thomas approached AMC for a loan and James Petty, AMC Agent at Bell Ingram's Aberdeen office, visited the farm to discuss the application. It is important to gather the correct information and present it clearly for consideration by AMC's credit department. James worked closely with Thomas and Fiona to prepare the application in accordance with AMC's requirements.

The loan application was successful and AMC provided the funds for the first two holiday cottages. Boghead Holiday Cottages are two bedroomed cottages available for short or longer term holiday lets from July 2016. For availability and bookings, please contact Thomas and Fiona Jackson (Tel 07768 571569, email: [tejboghead@gmail.com](mailto:tejboghead@gmail.com))

## Feeling bulldozed?



Stewart Hamilton, Associate, Rural Land Management  
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 Forfar office



Farmers and landowners may increasingly be feeling bulldozed by utility companies, private firms, or renewable companies wishing to secure access over their land for a range of infrastructure energy projects. Bell Ingram's land agents are ideally placed to advise on how to negotiate the best terms and ensure your interests are protected.

For over 40 years, Bell Ingram has worked for and against the UK's water, gas, telecommunications, electricity, and renewables companies, as well as other developers; agreeing rights of access, compensation, lease terms and land purchase deals. Bell Ingram can provide expert local advice on what a utility company will pay for the rights they are seeking or for the land which they wish to purchase, as well as the value of compensation due for any works carried out on land.

Some utility firms will present an agreement or document for a farmer or

landowner to sign without explaining that it is a legally binding document or suggesting that legal advice be taken before signing. Given that these agreements are prepared on behalf of the utility company, it is perhaps not surprising that the content prioritises their interests as opposed to those of the landowner.

With a long history of working for and against utility companies, Bell Ingram's land agents are thoroughly versed in the relevant compulsory purchase and compensation legislation, as well as having detailed market knowledge of land values, rental levels, and rates of compensation.

A recent example whereby Bell Ingram negotiated compensation in relation to a new pipeline saw three landowners receive combined compensation of almost £50,000 in the first year to cover loss of crop, restricted access, site meetings and flooding, with high levels of subsequent claims in the

succeeding years.

Bell Ingram is also able to advise on issues associated with land drainage which may be affected when a utility company installs new infrastructure and subsequently reinstates the land. Similarly, the timing of land reinstatement following any works can be vital to its success; a factor not always considered by the utility company. Bell Ingram has successfully negotiated with utility companies to delay reinstatement until improved weather and ground conditions prevail, thereby increasing the chances of successful reinstatement of the farmer's land.

If you are approached by any company or individual asking for access onto your land, seeking rights to install equipment or requesting that you sell some ground, then please contact your nearest Bell Ingram office and seek expert advice.

## Recent appointments

**Andrew Thompson – MRICS**

Associate, Rural Land Management  
Oban Office

Andrew joined this year after working in Inverness and various locations throughout England; most recently in Cumbria as an Estate Manager for the National Trust's Agricultural & Residential Let Estate. He heads up the rural land management function in our Oban office and is keen to look for opportunities to develop and make use of the expertise from across the firm to deliver effective, efficient and progressive land management.

Areas of interest: Private Estate Management, Rural Land Management

**William Banham - MSc MRICS**

Associate, Estate Agency  
Oban Office

Will joined the Oban office of Bell Ingram in 2015 and heads up estate agency throughout coastal Argyll and the Inner Hebrides. Will has extensive rural estate agency experience and is a qualified chartered surveyor.

Areas of interest: Estate Agency, Valuations

**Mayuko Morgan – MSc**

GIS Technician, Mapping & GIS Services  
Perth Office

Mayuko joined Bell Ingram late 2015 as a GIS technician. Previously, Mayuko has diversified her skills through taking on various roles including remote sensing technician, environment regulatory officer, translator and software developer.

Areas of interest: Mapping & GIS Services

**Moira Webley**

Property Sales Assistant, Estate Agency  
Perth Office

Moira came into property sales in 2006, changing focus after many years in the conveyancing department of a legal firm. Moira has developed excellent relationships with clients, visiting sellers in their properties all over Perthshire and nurturing prospective buyers. She assists Carl Warden in the day-to-day running of Bell Ingram's residential business in the Perth office.

Areas of interest: Estate Agency

**Carl Warden**

Senior Associate, Estate Agency  
Perth Office

Carl joined Bell Ingram in 2016 to head up the Residential Agency Department in Perth. He has been marketing property in the Perth and Kinross area for almost 30 years and has a wealth of experience selling prime residential property; from period homes to contemporary developments. Carl is well known in the local area, having developed excellent relationships with buyers and sellers, and is able to offer a comprehensive and professional service.

Areas of interest: Estate Agency

**Jonathan Still**

Forestry Manager, Forestry Management  
Perth Office

Jonathan joined Bell Ingram in February 2016 having just completed a FdSc Forestry degree from University of Cumbria. He previously spent 6 months in California studying giant redwood ecological systems at Humboldt University. Before that he was a forester with Bawtry Forests Ltd.

Areas of interest: Forestry, Woodland Management



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#### Land & Sporting Capital Values – Scotland

Best Arable	£7,000	to	£12,000	Per acre
Secondary Arable	£3,500	to	£7,000	Per acre
LFA Arable	£2,000	to	£4,000	Per acre
Permanent Pasture	£850	to	£3,000	Per acre
Rough Grazing	£450	to	£1,000	Per acre
Hill	£50	to	£750	Per acre
Productive Conifer Woodland	£1,300	to	£4,300	Per acre
Pre-Production Conifer Woodland	£800	to	£1,900	Per acre
Stags	£12,000	to	£40,000	Per Stag
Driven Grouse	£3,500	to	£5,000	Per Brace
Salmon	£2,500	to	£8,000	Per Salmon

#### Land Values – North England

Best Arable	£10,000	to	£13,000	per acre
Secondary Arable	£7,500	to	£10,000	per acre
Permanent Pasture	£6,000	to	£9,000	per acre
Rough Grazing	£3,000	to	£6,500	per acre
Hill	£1,500	to	£3,000	per acre
Woodland	£3,000	to	£6,500	per acre

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