

Agricultural Landlord and Tenant Code of Practice for England



Foreword

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This Code of Practice is designed to foster and encourage clarity, communication, and collaboration in the tenanted sector. It provides guidance on the standards of behaviour expected from all landlords and tenants as well as those providing professional advice in connection with agricultural tenancy matters. It has been produced by a cross sector Expert Working Group who represent every facet of the tenanted sector. Particular thanks are due to Charles Cowap as lead author and all members of the Expert Working Group who have produced this Code collaboratively.

Working together for a thriving agricultural tenanted sector was the key theme of the Government response to the Rock Review. This Code is endorsed by the member organisations of the Farm Tenancy Forum. As a result, it is hoped that all parties involved in tenancy agreements and their advisers will follow it for the good of the industry as a whole.

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Industry organisations who have endorsed this Code of Practice:

Agricultural Law Association
Association of Chief Estates Surveyors
Central Association of Agricultural Valuers
Country Land and Business Association
Institutional Landowners Group
National Farmers Union
National Federation of Young Farmers Clubs
Royal Institution of Chartered Surveyors
Tenant Farmers Association



Executive summary



The Agricultural Landlord and Tenant Code of Practice for England, has been

SUHSUHG IROORZLQJ 'HIUD.V UHVSQRQH 0D\ WR WKH 5RFI
WRJHWKHU IRU D WKULYLQJ DJULFXOWXUDO WHQDQWHG VHFWRU

7KH FRGH LV IRXQG HG RQ **clarity, communication and collaboration.**

The code uses the word **should** to describe minimum standards expected of landlords and tenants, and their professional advisers, unless good reasons suggest otherwise.

6SHFLÀF VHFWRQRV FRYHU WKH LQLWLDO JUDQW RI D WHQDQF\ U
term, the payment of rent, rent reviews, improvements, access to environmental schemes and other business opportunities, termination and renewal, disputes and the role of professional advisers and agents.

Each section is characterised by commitments to clear communication, realistic timetables and expectations, mutual respect, the long view, and clear and
GRFXPHQWHG DJUHHG RXWFRPHV WR QHJRWLDWLRQV FRQGXFWH
The spirit of these sentiments should continue where disputes arise, with a view to their fair, practical and cost effective resolution. It is hoped that tenants and landlords, professional advisers and agents will promote the adoption and application of the code.

Introduction

7KH 5RFN 5HYLHZ :RUNLQJ WRJHWKHU IRU D WKULYLQJ DJULFXC
SXEOLVKHG LQ 2FWREHU FDOOHG IRU D FRGH RI JRRG SUDFWL
of agricultural landlords, tenants and their professional advisers. The government
DFHSHWG WKLV UHFRPPHQGDWLRQ LQ LWV UHVSRQVH WR WKH UH
the Farm Tenancy Forum to prepare a code.

This document is the Agricultural Landlord and Tenant Code of Practice for England. It exists to support landlords and tenants, and their professional advisers, to establish and maintain positive, productive and sustainable commercial relationships. It aims to foster positive landlord-tenant relationships, achieved through dialogue and a sense of fairness and proportionality. The code of practice **should** also be helpful when problems arise, including serious differences of opinion between parties.

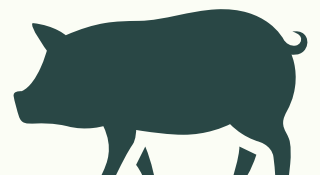
The code recognises the great variation in the individual circumstances of landlords and tenants and it **should** be used and applied in a way which is appropriate and proportionate to the circumstances. However the common theme throughout is the FRGH·V JHQHUDO SULQFLSOHV RI FODULW\ FRPPXQLFDWLRQ DQG F
application of the code to all tenancies is important to secure the future success of the agricultural tenanted sector in England.

The language of the code:

This is a voluntary code. Landlords and tenants remain bound by the terms of their agricultural tenancy agreements and must work within an existing framework of law and regulation. The code does not replace or replicate these minimum legal obligations. It does not extend the law or create new legal obligations. It does seek to foster improved working practices in the interests of a thriving agricultural tenanted sector. Professional advisers will be bound by their professional duties to their clients. The code seeks to move the industry beyond these minimum requirements.

The code uses the word **should** to specify acceptable standards which are regarded as the minimum under the code, applicable unless there are good reasons for GHSDUWXUHV IURP WKH FRGH 2WKHU H[SUHVVLRQV OLNH ¶PD\ F
actions which are also desirable but may not be appropriate or necessary in all circumstances.

7KH ZRUG ¶SDUW\· LV XVHG WR UHIHU ERWK WR ODQGORUGV DQG WH
advisers are urged to assist their clients in understanding and applying this code subject to their agreed terms of reference, professional standard frameworks and other instructions.



Three key principles

7KH &RGH KDV WKUHH NH\ SULQFLSOHV ZKLFK DUH

- 1 Clarity:** DV WR WKH GHÀQLWLRQ RI LQWHQWLRQV H[SHFWDWLRQV of problems if they do arise;
- 2 Communication:** which **should** be clear and timely, considered, and tailored to the needs and situation of the recipient;
- 3 Collaboration:** the code of practice encourages a collaborative and cooperative approach. This is based on the belief that landlords and tenants can achieve much more when they work together in a positive spirit of common endeavour.



The code and key events during a tenancy

Grant of tenancy, selection of tenant and agreement of tenancy terms

- **Should provide** including recognition of its limitations and any special or unusual features of the proposed tenancy agreement. This **should** include the key terms on known, repairing and insuring obligations, obligations under environmental or other schemes and permitted use clauses. It is also helpful to highlight example sporting rights; option and exclusivity agreements; wayleaves and



Routine engagement during the tenancy

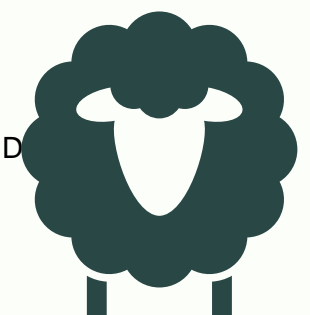
Both parties **should** agree suitable and proportionate arrangements for regular liaison and engagement during the term of the tenancy. It can be helpful if written records are kept of these arrangements, the topics discussed, the outcomes agreed and further actions required.

Paying rent

- Landlords **should** make clear to tenants when and how rent is to be paid;
- 7HQDQWV ZKR HQFRXQWHU GLIÀFXOWLHV LQ SD\LQJ WKHLU UHQW QRWLI\ WKHLU ODQGORUGV DQG GHVFULEH WKHLU GLIÀFXOW\ DV V
- Landlords **should** FRQVLGHU D WHQDQW·V UHSUHVHQWDWLRQV DV WR OD payment of rent. Landlords and tenants may wish to negotiate revised terms. The parties **should** document the agreed outcomes of these negotiations carefully and fully.

Rent reviews

- Both parties **should** inform themselves of the procedure and terms on which rents can be reviewed;
- Discussions and negotiations about rent reviews **should** start in good time. The party initiating the rent review **should** suggest a broad timeframe for further discussions. The parties **should** respond to one another in a timely fashion and generally work to avoid unnecessary delay in the review process;
- It may be helpful to discuss other points of common interest such as the need for IXWXUH LQYHVWPHQW HFRQRPLF RXWORN GLYHUVLÀFDWLRQ V of repairs and improvements so that any points arising may also inform the terms on which a new rent may be agreed. This can be more important where routine engagement between the parties between reviews has been minimal or non-existent;
- Agreed outcomes **should** be recorded in writing, both parties having a copy of this record. The written record **should** also note anything else which has been agreed as part of the rent review. It may be helpful if the record is signed and dated by both parties, or their agents;
- Where disputes arise negotiations should continue to be conducted in a constructive and timely manner. Both parties **should** VHHN WR UHGXFH D the issues which have to be referred to dispute resolution.





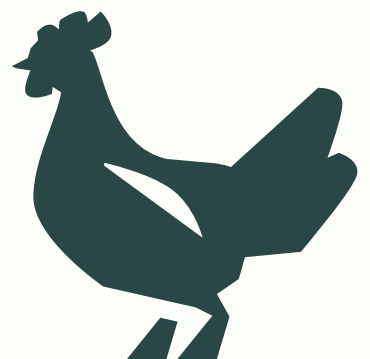
Repairs and improvements

- Landlords and tenants **should** understand their respective repairing obligations;
- The need for repairs **should**



The code and key events during a tenancy

- Parties **should** seek professional advice on matters which are outside their





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