

Staff

Water Aid

On Saturday 12th June five intrepid adventurers from Davidson & Robertson Rural drove past Balquidder to Inverlochlarig to start their ascent of Cruach Ardrain (1046m) for the biennial WaterAid Charity Munro Challenge. The route started with the "bagging" of Beinn Tulaichean (946m) before tackling Cruach Ardrain. The fine weather spurred the team on with them arriving at the Challenge Munro for 1pm - comfortably within the midday to two o'clock challenge window set by the organisers.



(L-R, Martin Hall, Michael Reid Thomas, Niall Milner, Edward Dunbar, Chris Edmunds)

After descending to the Inverlochlarig Burn the team quickly returned to the car and celebrated their success with a well earned pint at the Kings House Hotel.

SAAVA

Martin Hall has recently been elected Vice President of the Scottish Agricultural Arbiters and Valuers Association (SAAVA). The election took place at the AGM in March and is a 2 year post. Martin comments, "this appointment coincides with an exciting time for SAAVA, with the link up with CAAV (sister organisation in England and Wales), the roll out of examinations in Scotland, as well as the recognition of SAAVA in the new Arbitration (Scotland) Act 2010."



Benjamin Reid Thomas

Charles and Sukhy Reid Thomas are pleased to announce the birth of Ben Reid Thomas on 21st June 2010. All are doing well and enjoying all that family life brings.



Davidson & Robertson

RURAL

Newsletter No 8
July 2010

Welcome to our summer Newsletter.

As I write this, The Royal Highland Show has just finished and what a show it was, glorious weather, a record attendance and a fantastic shop-front for Scottish Agriculture.

In this Newsletter we will look at some topical items in the form of the current turmoil in telecom mast leases, a look at electricity generation and the new Feed in Tariffs, as well as our usual update on news in the firm.

*Finally, I would like to extend an invitation to you to join us for a refreshment at **Dalkeith Show on Saturday 10 July** and/or **Biggar Show on Saturday 24 July**. We shall also be in attendance at **Stewartry Show on Thursday 05 August**. We look forward to seeing you there.*

Best Wishes



S Martin Hall – Director



We are pleased to announce the appointment of Robert Shearlaw as Chair of the Board of Directors. Robert, who will be well known to many of you was, until recently, vice-chairman of First Milk, and takes up the post in August.



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'The answer my friend is blowing in the wind'

There has never been a better time to invest in small scale renewable wind turbines.

With the introduction of the Government's Feed In Tariff (FITs) scheme in April 2010 there has been huge interest from landowners and farmers alike in this scheme. If your land is in a suitable location and can be easily connected to the grid via a single or three phase connection, then it is feasible to connect a turbine from 3kW up to 50kW.

The FITs pay a flat rate for every kW hour of electricity produced. This is linked to RPI for a period of twenty years. In addition any surplus electricity attracts an export tariff payment of 3p/kW (or more on the open market) when sold to the grid.

The challenge for most landowners, presuming their land is suitable for erecting a turbine, is not "if" but "what" turbine to go for and what size. This is dependent on a number of factors but in theory the bigger the machine the more wind it harvests. This returns a higher FITs income stream and improves the ratio of electricity produced and consumed on farm against that consumed from the grid.

With high demand from existing and new clients for advice and management of small scale turbine projects, Davidson & Robertson Rural is currently undertaking a review of turbine manufacturers and products on the market. This review has included visiting manufacturing premises, speaking to the companies' management and making independent judgements on products and service levels in order to provide our clients with the best possible impartial and independent advice specific to their site and circumstances. This is vitally important given the volume of turbine suppliers currently operating within the UK market.

Davidson & Robertson Rural provide independent advice on small scale wind projects and have considerable direct experience within our team of staff who can provide you with one-off or tailored advice on your project. Manufacturers' and resellers' primary focus is often based on selling you their machine rather than the best product for your specific circumstances. For further information please contact Huw Connick or Charles Reid Thomas.



Turmoil in Telecoms?

Many landowners with Telecoms Masts are being contacted by the mast operators seeking one or more of the following:-

- Immediate rent reduction
- Consent to assign to a third party (usually as part of an amalgamation of networks)
- Amendment to tenancy terms
- Early termination of lease

Background

The mobile telecoms industry is a mature market in the UK, with generally wide coverage and little room for growth. As a result the key players are focusing on cutting costs. New technology has made mast sharing much easier and in recent months joint ventures have been announced between H3G and T-Mobile and between O2 and Vodafone. These operators are now looking to share masts, and this will leave some masts redundant. How many is a matter of conjecture. In the H3G/T-Mobile joint venture approximately 5,600 sites, out of a total of 18,000, have been earmarked for potential removal. Telecoms tenants are now actively seeking rent reductions of up to 40%, often where no rent review is due, or where there is a clear indexed formula in place. This is done under the threat of only retaining sites on 'sustainable terms' and exercising the break clause for those who do not agree to their terms. The operators are also approaching landowners direct, rather than their agents, no doubt in the hope that professional advice will not be taken.

Advice

Landowners faced with such requests should look closely at the terms of their tenancy agreements. If possible, an assessment of the network in the area should be undertaken to assess where competing sites may be. An assessment can then be made as to whether to enter into negotiations or hold the operator to the terms of the agreement. If the decision is to negotiate, then one off payments may be obtained, favourable amendments made to the lease and costs/fees met by the operators. If in any doubt take advice.

If a site is surplus, landowners should beware of accepting masts back in the hope of attracting another user. This is unlikely and may attract rates and other costs. The costs to an operator for decommissioning sites can be several tens of thousands of pounds.

Finally, the future is not all bleak. For those sites retained, the network is facing strong demand from users of mobile broadband and smart phones. Also, networks are keen to ensure coverage in rural areas, where mobile phones are now an essential lifeline, as network coverage is a strong marketing tool. Market evidence shows that rents are holding firm.

