
EXPLANATORY NOTE

(This note is not part of the Order)

The Agricultural Holdings (Scotland) Act 1991 (“1991 Act”) and the Agricultural Holdings (Scotland) Act 2003 (“2003 Act”) allow for tenants of agricultural holdings to claim compensation for improvements they make to their holding during their tenancy. This right is available to tenants on quitting the holding, at the termination of the tenancy.

Compensation for improvements to land which is part of a tenancy formed under the 1991 Act (“1991 Act tenancies”) may be claimed under section 34 of the 1991 Act, and compensation for improvements to land which is part of a short limited duration tenancy, limited duration tenancy and modern limited duration tenancy may be claimed under section 45 of the 2003 Act.

This Order varies Parts II and III of schedule 5 of the 1991 Act. Schedule 5 of the 1991 Act lists the types of improvements that tenants of 1991 Act tenancies, short limited duration tenancies, limited duration tenancies and modern limited duration tenancies may claim compensation for. These changes update schedule 5 of the 1991 Act in accordance with modern farming practices.

The variations made to schedule 5 are not applicable to improvements that were begun before the coming into force of this Order.