

ABOUT LOCHABER MONITOR FARM

Farm name **Strone Farm, Lochaber Monitor Farm, Banavie, Fort William, PH33 7PB**
Meeting Number **12 – Succession Planning** **Heather Wildman (Saviour Associates)**
Meeting Date **Monday 18th March 2019**

Next Meeting- June 2019 – Grass utilisation

Strone Farm is run by Chris and Malcolm Cameron as a family partnership and in total, the business farms 1,788 hectares.

Cattle: 40 Limousin cows producing store calves. Cows are in-wintered.

Sheep: 500 Cheviot ewes, producing store lambs. Mainly Lleyntups and hoggs kept as replacements. Ewes lambed away.



Management Group: James Colston (Chair) John MacAulay, Paolo Berardelli, Peter Kennedy, and Ewen Campbell

Aims of Meeting:

A focus on the importance of starting your business succession planning.

- How to tackle this difficult and often sensitive topic, breaking down myths and barriers, offering practical tips and advice
- Suggest some questions farmers should ask themselves at the start of the planning process.

FARMERS UPDATE

- Scanning recently completed and results are above past years. The flock scanned at 130% this year compared to 120% in 2018 (and similar in previous years). Although the weather was better at tugging this year, we think one of the main reasons behind the improvement was the earlier weaning of the lambs (as they went into the finishing trial). So this lambs finishing exercise last autumn has had beneficial knock on effects.
- The Business Group had a really interesting and successful trip to the Scottish Parliament at Holyrood for a meeting with MSP's: Fergus Ewing, Cabinet Secretary for the Rural Economy, Donald Cameron MSP - Shadow Cabinet Secretary for the Rural Economy and Kate Forbes MSP - Minister for Public Finance and Digital Economy. We discussed issues affecting Lochaber farmers and crofters including the fragility of farming in the west, the value of support payments, LFASS, sea eagle predation, and hill farming providing Scotland's farming brand image



KEY MESSAGES

The key messages delivered from this meeting were:

- Spend time thinking of and writing down your vision, goals and aspirations. Both for you as a person and for your business. Where do you want to be in 1 year, 5 years, and 10 years? It has been proven that plans that are written down (rather than kept in your head), have a much higher chance of success.
- Ensure you use professional advice when planning ahead – accountants and solicitors can save you money in the long term and are essential to set up key aspects such as wills, power of attorney and partnership agreements
- Talk to your family about your plans – open communication is the key to success.

AREAS OF DISCUSSION

Succession Planning – lead by Heather Wildman of Saviour Associates

There are 3 key steps to follow to ensure successful succession planning:

Identify your **Vision** – your goals, dreams, ambition. You should have a 1 year, 5 year and 10 year vision

Communication – write it down, say the words out loud, share it with others who will be involved or impacted, and most importantly own it.

Collaboration - can you do it alone, if not who or what do you need to help you?

When succession planning you need to:

- Recognise that each farming business solution is different and unique
- Obtain professional legal and accounting advice
- Communicate openly with family members and professionals
- Recognise differences in generational values within the family



The main principles for succession planning are:

- to work out what the existing generation wants to do – retire with dignity, where they'll live and what will they do in retirement
- to identify the needs and aspirations of each family member in each generation
- to understand the financial performance of the business
- to manage expectations amongst family members
- to build, maintain, and if necessary, repair relationships between family members
- to look at transferring management and control of the farm over time
- to sort out how to transfer ownership or sale of the farm
- what agreement should there be for the incoming generation and what provision is there for the non-farming children

To prepare for an emergency (accident etc) the business needs to be flexible and ensure that key information is not just kept by one member of the team. This includes items such as important passwords, do you have power of attorney, up to date partnerships agreements.

OPPORTUNITIES/CHALLENGES

Your Succession Plan

Each participant was challenged to identify one item that they would action based on the discussions on the night. Responses included:

- Meeting with the accountant to bank accounts will not be frozen on death of a partner.
- Setting up power of attorney
- Ensuring more than one person has access to the key business passwords
- Communicating my vision with other members of the family
- Sorting out the signatories with the bank
- Make a will
- Review our will
- Look into the tenants amnesty
- Make a 5 and 10 year plan



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