



SCOTTISH LAND COMMISSION
COIMISEAN FEARAINN NA H-ALBA

Minutes of the meeting of the Scottish Land Commissioners held on Tuesday 3rd September 2019, Longman House, Inverness.

Commissioners Present: Andrew Thin (Chair), Lorne MacLeod, Megan MacInnes, Sally Reynolds, David Adams (Land Commissioners)

In Attendance: Hamish Trench, Sarah Allen, Posy MacRae, James MacKessack-Leitch, Caron Munro (Scottish Land Commission), Maggie Bruce (Audit Scotland), Simon Cuthbert-Kerr (Scottish Government)

Apologies: Bob McIntosh (Tenant Farming Commissioner) gave his apologies for this meeting.

It was noted that the discussion on organisational development will include the possibility of a new office for the Commission which is being developed by Scottish Canals and Andrew Thin is also the Chair of Scottish Canals.

1. Minutes of previous meeting 6th August 2019

The minutes were agreed as an accurate record of discussion. Actions 19080601, 19080603 and 19080604 have been discharged. Action 19080602 has been held until the Commissioners Meeting in November.

Matters arising

It was advised that the minutes of the Staffing and Remuneration Committee have been approved by email.

Report from the Chair of the Audit and Risk Committee

The Chair of the Audit and Risk Committee provided the Commissioners with an update from the Committee. There has been full attendance from ARC members at the Committee meeting of the previous day. He advised that BDO have recently carried out audits on Financial Planning and Communications and Stakeholder Engagement which both received moderate assurance.

At the ARC meeting Audit Scotland introduced their work on the annual audit and annual accounts to the Committee and presented a positive 'clean' report. They also reported no unadjusted misstatements. Assurances have been received from the management team that financial processes will be reviewed and amended to reduce any misstatements in future years. The Committee agreed to recommend that the Commissioners approve the annual report and accounts.

Action 19090301	Amend the wording in the last sentence of the third bullet point of the report from the Chair of the ARC to read ‘Audit Scotland reported no unadjusted misstatements.’
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2. 2018/19 Annual Report and Annual Audit Report

Hamish introduced the Audit Scotland annual report and the Scottish Land Commission Annual Report and Accounts. He drew Commissioners attention to the key messages and the recommendations in Audit Scotland’s report.

Hamish advised the Commissioners that there were a number of issues found in the preparation of the working papers, but the Commission has now put appropriate measures in place to reduce the issues from happening again next year. Lorne advised that the Audit and Risk Committee are content with the management team responses.

Commissioners considered the Audit Scotland recommendations and management responses. Commissioners asked about proportionate implementation plans for the recommendation for medium and long term financial planning. Hamish advised that both internal and external audit made a recommendation to the Commission to look at medium and long-term financial planning. The Commission will incorporate this into the next business plan and strategic plan development processes.

Commissioners also considered the work outstanding on putting in place KPI performance monitoring. It was noted that considerable work has been undertaken including commissioned contract work supporting the development of long-term indicators. Commissioners agreed this should be brought to a conclusion ahead of the next annual business plan, and noted that the ARC intend to consider proposed KPIs at their next meeting.

It was requested that headings within the annual report are made clearer what they are referring to in future years and that any pictures in the report have captions linking to areas of work.

Action 19090302	Communications Team to reflect on formatting opinions for next year.
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The Commissioners agreed to approve the annual report and accounts. The annual report and accounts were signed by the Chair and Chief Executive.

Note: – Maggie Bruce left the meeting at this point.

3. Review of Organisational Development Strategy

Commissioners noted the significant progress delivered in improving systems and developing the culture of the organisation, and emphasised the importance of the organisation actively working to retain high levels of motivation and dynamism.

It was proposed that the Commission should consider going for external benchmarking awards such as 'Investors in People'. It was also suggested that the Commission should make more of its commitment to CSR and staff wellbeing.

Commissioners asked for feedback on the staff development days and were advised that the days were focussed on team dynamics, working with others and being able to challenge and give constructive feedback to others. It was agreed that motivation and challenge need to be reflected throughout the organisation from Commissioner level, through staff.

Commissioners strongly supported the intention to make use of inward and outward secondments, noting that this is an effective way to keep the organisation refreshed and dynamic. Commissioners recognised that this kind of approach needs systematic commitment in time and resource in order to make it happen.

Action 19090303	Management Team to incorporate these proposals into an updated organisational development strategy.
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The Commissioners were advised that an options appraisal was carried out to review available office options for the Commission and determine the most appropriate option. It is thought that the Scottish Canals option is the preferred option for the Commission, meeting staff and organisational needs and costs. Hamish advised that the Scottish Government will need to approve any move and a formal case will be made to the Commissioners to approve.

4. Expenditure Approval: 'Assessing the Full Economic Benefits of Productive Re-Use of Land'

Hamish advised that he is satisfied that the level of expenditure requested is required for this piece of work. He advised that Shona has looked at similar economic impact assessment projects and the amount of work and expertise that is required for this type of project. The intention of this piece of work is that the outcomes can be put into practice immediately.

Commissioners sought assurances on the skills required to undertake the work, the type of contractor expected, the applicability of the outputs in practice and the affordability within current budget.

The Commissioners were advised that there is appetite for the type of tool that will be developed in this project, indicated through early discussions with Scottish Enterprise and the Scottish National Investment Bank. The tool will be aimed at public sector and be compliant with the green book but will be relevant to private sector bodies with social responsibilities. It was also advised that the Commission has looked into appropriate contractors to carry out this project to ensure that there are appropriate people available with suitable skills. The expenditure is included within the planned and profiled budget spend for the Vacant and Derelict Land workstream.

The Commissioners approved the expenditure proposed on this project.

Note: – Simon Cuthbert-Kerr joined the meeting at this point.

5. Modernising Land Ownership Workstream – next steps

The Commissioners were advised that the workshops ran by the Commission on the scale and concentration of ownership report were constructive, providing challenging questions and discussion, ideas and proposals to take the work forward, and commitment among stakeholders to working on several of the issues raised in the report. There have also been a number of follow-up discussions with stakeholders following the discussions at workshops.

Hamish gave a presentation to the Commissioners outlining the next steps for the Commission in progressing the scale and concentration recommendations in the current year.

It was suggested that considering different governance models and international examples of varying governance models will be essential in developing both ideas and evidence for potential alternative options.

The Commissioners discussed the range of views expressed through the workshops on the role of a public interest test. It was noted that stakeholders views range widely from those opposed to any such test, to those who see merit in a test that could be focused on monopoly power, or one that may also help influence land use. Commissioners agreed the principal focus for development of such a test should be on regulating the concentration of power, rather than for example a wider ‘fit and proper’ person type test.

Commissioners agreed that further work to explore and articulate the benefits of a more diverse pattern of land ownership would help progress this work.

The Commissioners discussed the need to consider ECHR and the wider framework of economic, social and cultural rights, and ensure that the human rights rationale behind the recommendations is clearly developed and articulated. the opportunity to draw on international practice and experience to build confidence in the human rights rationale was noted. Simon Cuthbert-Kerr confirmed that the Scottish Government will be holding a human rights/land reform seminar to help explore some of the issues further.

It was suggested that the Commission should think further about how best to ensure a joined-up government approach on public sector disposal of land. Commissioners also emphasised the value in continuing to promote land owners taking a proactive approach to identifying potential sales and disposals within the private sector.

It was agreed that the first stages of the proposed tax and fiscal work should focus on identifying the main levers of tax influence.

6. Report on International experience of Community and Municipal Ownership

The Commissioners were advised that the Commission is looking to learn from other countries models of land ownership. A key point drawn from the report is that other countries often have hybrid governance models of land ownership which combine community, private and public ownership models.

Commissioners agreed that this report provides significant learning and examples that will influence much of our work. Commissioners emphasised particular value in taking forward work on alternative governance models.

The Commissioners agreed that it would be beneficial for the Commission to have a discussion with the local government team in Scottish Government about the connections with local governance reform.

It was agreed that the report should be considered in terms of short-term implications for our immediate work, including on Common Good Land, trusts, governance and housing delivery, and longer term lessons that will shape future work. Commissioners also asked that significant thought be given to how best to communicate this report given the large volume of information.

7. Update from Scottish Government Land Reform Policy Team

Simon Cuthbert-Kerr provided the Commissioners with an update following the recently published Programme for Government and the structural changes within the Scottish Government sponsorship and policy teams. The Commissioners discussed the implications of the Programme for Government for the work of the Land Commission.

It was agreed that there is a need for the Commission to continue to build links across Scottish Government directorates given the wide scope in the nature of the Commission's work.

8. 2019 Conference update

Posy presented the final conference programme to the Commissioners. The Commissioners expressed their thanks to Posy and the communications team in arranging the conference.

Action 19090304	Posy to send the Commissioners a list of attendees for the conference
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9. Any Other Business

Compulsory Sales Order update

It was advised that Ministers have confirmed that legislative action on compulsory sales orders has been delayed due to time pressures of Scottish Government.

Action 19090305	Hamish to schedule a further discussion on human rights into the future programme for Commissioners meetings.
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Date of Next Meeting: 5th November 2019

**Scottish Land Commission
September 2019**