



SCOTTISH LAND COMMISSION  
COIMISEAN FEARAINN NA H-ALBA

## Meeting of the Commissioners

**Tuesday 4<sup>th</sup> October 2022, on completion of board visit**  
Dunecht Community Hall

# A G E N D A

Item no	Item	Paper no	Action	Lead
	Welcome/Apologies			Sally Reynolds
	Declarations of Interest			Sally Reynolds
1.	Minutes of the previous meeting: 6 <sup>th</sup> September 2022	1	For agreement	Hamish Trench
2.	Diversification of land ownership project	2	For discussion	Charlie Davis
3.	Collaboration with Crown Estate Scotland	3	For discussion	Hamish Trench
4.	AOB			

**Actions from Board Meetings - Update of actions to date**

Action number	Date Raised	Context	Action Detail	Responsible	Date Required	Date Closed	Comments
22090601	06/09/2022	Update from SG	Hamish and Fiona Taylor to arrange an appropriate date for the boards annual meeting with the minister and 6 monthly meetings with the Chair	Hamish Trench			Sponsor team seeking potential dates with Minister's Office
22090602	06/09/2022	Strategic Plan	Hamish to schedule workshop discussions on the strategic plan for the November board meeting	Hamish Trench			Scheduled for 11 Nov



## Commissioners' Meeting, 4<sup>th</sup> October 2022

### PAPER 2

#### Diversification of Landownership

<b>Purpose:</b>	To discuss the Diversification of Landownership Project
<b>Business Plan context:</b>	Providing advice for policy and practice on diversifying the pattern of land ownership; Support for implementing and learning from diversification approaches in practice.
<b>Previous board papers:</b>	N/A
<b>Action required:</b>	For discussion identifying key factors contributing to the success of the projects' aims.

#### 1. Context

This project aims to identify and support practical routes to diversifying the concentrated pattern of land ownership in Scotland. These aims sit against the backdrop of changing market drivers particularly in forestry and farming, and new drivers such as markets for ecosystem services. These influence who is acts in the market, their agility and liquidity, affecting market values and pace.

The Commission's Strategic Plan 2020-2023 sets out the Commission's delivery focus on reforming land rights; reforming land markets; and encouraging responsible land ownership and use. To give informed advice to legislators and practitioners, the Commission should explore the practicalities of delivering diversification, its opportunities, and challenges.

Principle 2 in the Scottish Land Rights and Responsibilities Statement states:

*"There should be a more diverse pattern of land ownership and tenure, with more opportunities for citizens to own, lease and have access to land."*

The protocol on [Diversification of Ownership and Tenure](#) (August 2020) sets out practical expectations for achieving a more diverse pattern of land ownership, management, and use. These focus on how owners of land can create opportunities for local businesses, residents or community organisations through purchases, leases and other collaborative working approaches.

The Good Practice Programme has encouraged landowners to consider diversification of land ownership through the protocol, training and self-assessment programme, and provided support to organisations to explore this further. Dedicated resource was necessary to further our understanding of the benefits and challenges of diversification, provide practical support to landowners, and develop resources for wider use.

The Governance and Leadership chapter of the Natural Capital and Land: Recommendations for a Just Transition Advice to Scottish Ministers published this year, also recognised the

opportunity for more collaborative governance models, stating that the Commission will support and facilitate more collaborative governance and provide practical guidance.

Charlie Davis joined the Commission in July 2022 to deliver a 2 year project to accelerate the development of mechanisms to materially broaden landownership in Scotland. This project builds on research published by the Commission into alternative governance models towards change of control and links closely to the Commission’s ongoing Community Wealth Building work in the public sector encouraging proactive estate management.

The project will focus on supporting development of proportionate mechanisms to broaden access to ownership and control over land by:

- engaging with landowners and other organisations with ambitions toward diversification of control of either their current, or newly acquired, holdings
- identifying opportunities to overcome current barriers to asset transfers in the current land market
- identify alternative routes to diversification through collaborative working
- understand better the barriers to collaborative working.

## 2. Objectives

The project will identify routes to the material diversification of land ownership and control in Scotland; understand the barriers and opportunities of diversification of land ownership for different organisations; provide practical support to a number of organisations to achieve diversification; and create the framework for a wider group to enact diversifications themselves. The aims of the project are:

- to promote diversification of land ownership as an opportunity, particularly relating to significant acquisitions of mixed assets where surplus land can be transferred to other parties, or investment models allow for incorporation of other forms of governance either in achieving core land management objectives, or subsidiary to those objectives.
- to demonstrate how diversification of land ownership applies in different scenarios where scale, objectives and constitutions vary; at both whole property scale and at the scale of discrete enterprises.
- to influence a wider group to take diversification of land ownership seriously in land management, for example through engagement with professional advisors or membership organisations of private and institutional landowners.
- to provide examples of good practice in approaching and delivering diversification of ownership and tenure.

The project will address diversification in both rural and urban contexts, and with a range of organisation types; public, community and private landowners, natural capital scheme developers and investors.

## 3. Delivery

### 3.1 Aims

This project will be delivered through;

Aim	Method	Examples
Supporting organisations to formulate proportionate diversification approaches	Coaching and material involvement of the Commission in progressing projects and pilots. Developing new routes to overcome barriers.	CES; SCDI; Palladium; FLS (See Appendix).

<b>Gathering</b> data on the barriers and opportunities faced by diversification	Through project participant organisations, and broader conversations with those exploring diversification methods.	Above and other stakeholders; CLS; SLF; private landowners, ADMG/BASC; SL&E.
<b>Influencing</b> a wider group to appreciate the need for and approaches to diversification	Internal and external comms strategy with a focus on sharing findings with the public, but with tailored engagement to normalise diversification and upskill professional advisors in the practicalities of diversification.	Professional advisors; Natural Capital Developers; Public Bodies; Public.

### 3.2 Scope

Given constraints of time and resource, the project prioritises high impact work with replicable outcomes. The project has to date identified 8 specific partners (see Appendix 1), supplemented with peripheral areas of engagement.

The aspiration is to stagger work packages to manage workload, with more leads developed in the second project quarter, specifically extending to private and community landowners, and engagement with professional advisors to landowners. The project plan also leaves capacity for iterative inclusion of work packages as they emerge from other areas, such as the Cairngorm National Park self-assessment cohort.

There is no intention to conduct a public call for participation in the project.

## 4. Outcomes

### 4.1 Success

The project will be successful in so far as;

- Appropriate support is provided to catalyse moves towards diversification or formal strategies for diversification
- The Commission gains a greater understanding of the barriers and opportunities of diversification, and the findings elucidate clear routes to diversification and what is necessary to facilitate them
- Project findings are disseminated and influence attitudes to diversification
- Project findings inform new avenues for Commission research, delivery, and advice to legislators

### 4.2 Outputs

- Summative project report including findings, case studies, and recommendations.
- A series of engagement events.

**Commissioners are asked to consider key drivers of success that may influence the project scope and aspirations.**

**Charlie Davis, Project Manager**

## Appendix 1

Project	Other Parties	Type	Overview	Outcome
<b>Crown Estate Scotland*</b>	Scottish Land Fund; Social Investment Scotland	Public Body	<p>In recognition of the barrier the pace and inflation of the land market poses for community's seeking to acquire land, CES and SLC seek to launch a pilot to use CES resource to bridge acquisitions to support land market entry for community groups.</p> <p>SIS: Seeking to develop fund to bridge funding gap for communities with natural capital interests, inc. business support and grants for investment ready schemes.</p> <p>Stage: SLC active in project development. Commitment to collaborate from SLF and SIS.</p>	Successful pilot with better understanding of community capacity/aspirations/barriers/opportunities.
<b>Palladium</b>	NatureScot; Hampden;	Public/Private/Community landowner	<p>Facilitate large-scale nature recovery schemes in delivery and sourcing investment and offtakes. SLC to support developing alternative governance models that can be built into schemes to delivery social impact beyond 'community benefit'.</p> <p>Support community consultation, engagement, benefits distribution, and integration of governance models a as blueprint for Palladium project delivery, and other schemes.</p> <p>Stage: Commitment to work with SLC</p>	Blueprint for governance models integrated into natural capital investment models.
<b>North Lanarkshire CC (Ravensraig Regeneration Project)</b>	Green Action Trust	Local Authority	<p>Facilitate establishment of a community body with capacity to take on management of green spaces within regeneration area. Community engagement work underway. Interim steering group to constitute group and make key land use decisions.</p> <p>Stage: Commitment to work with SLC</p>	Community body with access to land to meet their objectives. Blueprint for similar post-industrial regeneration projects.
<b>Forestry &amp; Land Scotland</b>		Public Body	<p>Seeking support in practicalities of diverse governance on surplus land resulting from acquisition. Develop pilot consultation over an area identified to understand community appetite.</p> <p>Stage: Provisionally agreed to work with SLC on development of consultation.</p> <p>Agreed to include them on Community Leadership Group Board.</p>	Pilot of shared governance model of surplus land where acquisition isn't possible for communities.
<b>Private Rural Estate (Currently anonymised)</b>		Private Landowner	<p>Develop a refined diversification policy to have transparency over the criteria they use to response to approaches from the community over land acquisition or shared management.</p> <p>To demonstrate transparency and proactivity in relation to community acquisitions and shared governance.</p> <p>Stage: Commitment to work with SLC.</p>	A blueprint for similar land holdings.
<b>Private Rural Estate (Currently anonymised)</b>		Private Landowner	<p>Collaborative governance model of deer management to achieve ecological objectives, as a vehicle for greater community engagement.</p>	A blueprint for similar landholdings.
<b>UHI/NatureScot</b>	Potential to engage BASC	Deer Management Organisations	<p>Develop methods for deer management as a vector for greater involvement and control especially in natural capital motivated acquisitions and management.</p> <p>Early engagement with groups to explore appetites and possibilities for provision of deer management infrastructure, community stalking, supply chains for venison sales.</p>	Pilot for a community deer management syndicate funded by natural capital schemes to increase participation.
<b>SCDI</b>		Membership network for sustainable, inclusive economic growth	<p>Aim to launch an investment vehicle to buy land, develop profitable natural capital schemes, dispose of surplus to communities and recycle profits.</p> <p>Want support to manage reputational risk and ensure that community interests are met sufficiently. Could act as effective bridge for acquisitions, or other governance models.</p> <p>Stage: Commitment to work with SLC.</p>	Blueprint for bridging mechanism. Better understanding of community capacity/aspirations/barriers/opportunities.

\*HT to present paper on this area of work



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## Commissioners Meeting 4<sup>th</sup> October 2022

### PAPER 3

#### Collaboration with Crown Estate Scotland - Facilitating Community Land Ownership

<b>Purpose:</b>	To consider proposed collaboration with Crown Estate Scotland to facilitate community land ownership
<b>Business Plan context:</b>	Reforming Land rights: Providing advice for policy and practice on diversifying the pattern of land ownership;
<b>Previous board papers:</b>	21 June 2022: Land and Natural Capital: Recommendations for a Just Transition
<b>Action required:</b>	To consider and agree proposed focus for collaboration

#### 1. Background

In our advice Land and Natural Capital: Recommendations for a Just Transition we committed as part of our recommendations on leadership and governance to collaborate with Crown Estate Scotland as follows:

*The Commission and Crown Estate Scotland collaborate to pilot facilitation of community-led land acquisition that brings together aspiring community owners, finance sources and Crown Estate Scotland's land acquisition capability to explore governance options;*

The intended purpose, agreed with Crown Estate Scotland, is to explore how they can use their role as a public land owner in a proactive way to enable community land ownership. In the current land market high prices and the speed of transactions are significant barriers to community participation. The pilot will trial the potential for Crown Estate Scotland to acquire land with the specific intention of transferring ownership of all or part to community control over a longer planned timescale. In this way it could act as a bridge into community ownership, providing time for a community to assemble the required finance and planning.

The intention is that Crown Estate Scotland would recoup the value at the time of onward transfer, so that capital can be recycled into enabling the same in other places. This will be a challenging process with a number of risks to be managed, therefore a pilot approach is proposed over the coming two years to explore how such an approach could be structured.

## **2. Pilot Project**

We propose that the Commission collaborate with Crown Estate Scotland in designing and running this pilot.

Key considerations to be addressed in the pilot will include:

### **a) Financial**

The proposed approach will rely on a clear risk management framework which addresses both:

- Project balance sheet - how to secure a viable funding package.
- Project cash flow – how to ensure money is available when needed.

The pilot will also be able to consider the opportunities to draw on natural capital finance to support such an approach, where in some cases it could form part of a viable financial package.

### **b) Governance**

Effective governance arrangements for the period of ownership within Crown Estate Scotland and for the transition to community control, including:

- implications of different means of sourcing finance (e.g. through sale of rights/restructuring) for the both long term community control and value recovery for CES; and
- sufficient flexibility to enable capacity of community partner to build and assume greater control in long term

### **c) Project selection criteria**

The pilot will need to be framed carefully in setting out transparently the scope and circumstances in which Crown Estate Scotland may be able to act in this way.

### **d) Reputation and relationships**

Even if the pilot provides proof of concept the implementation of such an approach will likely be limited by available finance and will need to be carefully targeted. It will be important not to raise expectations within the pilot phase. The approach will be designed with the involvement of key stakeholders and has already engaged Community Land Scotland and the Scottish Land Fund.

## **3. Informing wider policy/leadership**

This collaboration will provide learning to inform the Commission's wider work on diversification of ownership and governance. It will help understand ways to support and finance community ownership that complement the Scottish Land Fund and gauge the degree of support and capacity required in making this kind of approach work. It will help inform opportunities to develop similar complementary approaches with other public land owners and thinking on how the role of public land ownership can evolve.

#### **4. Next steps**

- a) Project plan – our staff team is working with Crown Estate Scotland to develop a project plan and put in place the necessary project management.
- b) Project Officer – We consider that dedicated resource will be needed to develop and implement the pilot. We propose to jointly fund a fixed term project officer with Crown Estate Scotland in order to deliver this.

#### **Recommendation**

The Board is asked to consider the proposed pilot and support collaboration with Crown Estate Scotland to develop this.

*Hamish Trench*

*September 2022*