



SCOTTISH LAND COMMISSION
COIMISEAN FEARAINN NA H-ALBA

Minutes of the meeting of the Scottish Land Commissioners held on Tuesday 1st June 2021

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

In Attendance: Hamish Trench, Posy MacRae, Emma Cooper, Shona Glenn, David Stewart, Caron Munro (Scottish Land Commission), Fiona Taylor (Scottish Government)

Apologies: Bob McIntosh (Tenant Farming Commissioner)

Declarations of Interest: No Declarations of Interest were noted

The Chair welcomed Fiona Taylor from the Scottish Government Sponsor Team to the meeting.

The Chair noted an adjustment to the agenda with an update from the Chair of the ARC after the minutes and a post-Election update from Fiona before AOB.

1. Minutes of previous meeting 11th May 2021

The minutes were agreed as a true and accurate reflection of the discussion subject to the following amendment:

- Page 2, paragraph 2 add 'and that the approach remain flexible to future needs of the organisation and staff' to the end of the last sentence.

All actions have been taken forward.

Matters Arising

Commissioners' engagement with the Human Rights Advisory Group

Hamish proposed that a commissioner should participate in this group in an observer role, noting that this status would provide clarity that the Commissioner does not have a role to direct or advise. The board agreed that Megan be nominated to this group on this basis and asked Hamish to circulate in writing the terms of reference of the observer role.

Action 21060101	Hamish to send note of the observer role to the Commissioners for information.
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2. Audit and Risk Committee (ARC) update

Lorne provided the Commissioners with an update from the Audit and Risk Committee meeting on 31st May. He advised that the term of office for the co-opted member of the ARC comes to an end in June and that the committee recommend that the Commissioners agree to extend this appointment by one year. The Commissioners noted the benefit of this appointment and agreed to extend by one year.

He advised that the Committee received an update from BDO, the internal auditors, of all previous audit recommendations and noted the positive report and advised that BDO noted the help and co-operation from staff.

He advised that there has been a new risk added to the risk register in relation to home working and hybrid working, to reflect a new risk anticipated as the Commission moves to a different blend of home and office working in due course.

He also advised that the Committee reviewed the draft unaudited annual report and accounts and recommended that they are passed to Audit Scotland for auditing.

3. Review of Land for Housing and Development: final report and recommendations

Shona provided the Commissioners with an overview of the changes that have been made to the paper since they viewed the draft and advised that what the Commission is proposing in this paper would mean significant changes to how housing is delivered in Scotland. She noted that the team have revisited the focus on land market failures. She also advised that the Commission has received legal advice regarding the operation of compulsory purchase orders which will be added into the report.

The Commissioners discussed the paper in depth. The main points of the discussion were:

- Commissioners noted that this is a set of significant proposals that would involve a big change in culture in the way land is brought forward for housing. It is therefore not a single communications event, it will need a longer-term ongoing communications strategy to help stakeholders understand the opportunity and proposals.
- It was agreed that our communications of the proposals should emphasise their relevance to macro-economic stability – i.e., the proposed direction would in time help stabilise house prices, building a more resilient and sustainable economy.
- Timing for publication of this report should be carefully considered, in the context of Ministerial and Parliamentary priorities, and engaging stakeholders.
- It was noted that the Commission needs to combine the big picture relevance to Scotland's economy with a realistic pathway to implementing the recommendations from the report to emphasise that it should not be an all or nothing approach. Discussion with government should also explore the payback/return on public value that would be achieved by investment in the proposed recommendations.
- The Board agreed the draft report and endorsed the analysis and recommendations.

- The Board asked staff to develop a communications strategy that looks beyond the initial launch of the report to further engagement on the ideas, to proceed with publication at an appropriate time and agreed to take stock of engagement in future meetings.

Action 21060102	Commissioners to be informed of communications plans ahead of publication and an update on engagement to be provided at the next meeting.
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Note: David Stewart left the meeting after this item.

4. Taxation of land and property – interim report and next steps

Note: Kathie Pollard and James MacKessack-Leitch joined the meeting at this point.

The Chair noted his thanks to Lorne for chairing the advisory group on this area of work.

Shona and Kathie presented the Commissioners with an update on this work to bring them up to speed with the work that has been done and the issues requiring consideration in terms of strategic direction. Kathie gave a presentation of ten short-term options for tax reform on land and property which were discussed at the advisory group. Shona also gave a presentation to the Commissioners on options for longer-term tax reform options.

The Commissioners discussed the report in depth and considered the next steps. The main outcomes of the discussion were:

- The value and importance of the work done on principles of the approach was noted, this will be an important part of communicating our work on tax.
- The effectiveness of tax as a lever to influence diversification of land ownership – the modelled example of an LBBT supplement is considered to be likely to have a marginal effect on the outcome, but the principle is sound and merits further consideration.
- The relationship between land and wealth was noted, and the need for clarity of purpose. For example, it was noted that diversification of ownership could be likely as a result of a broader objective of taxing wealth.
- The implications of green finance and carbon trading/values for the land market is moving up the agenda rapidly and is likely to be an area the commission will need to consider in relation to tax. Parallels with other ‘windfall’ gain examples in natural resource and other sectors were noted as being relevant for future consideration.
- Commissioners agreed the importance of maintaining close liaison with Scottish Government, so that the Commission’s work remains focused on the relationship between tax and land and is framed within the government’s wider objectives and priorities for taxation.
- Commissioners agreed that staff should work towards a set of advice for government, particularly focused on the principles and the near-term options considered, for likely publication in the autumn. At the same time, it was agreed it would be helpful for the Commission to set out the opportunities we see for longer term work and reform and seek a view from Scottish Government on the relative priority of this work for the Commission.

Action 21060103	Commissioners to receive a draft report setting out proposed advice to government for consideration at their September meeting
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Note: James MacKessack-Leitch left the meeting after this item.

5. Public Meetings Programme

Hamish advised Commissioners that staff are developing a new programme of communications to connect our work to the big themes of the new Parliament. This will include a new blog series and a set of short briefing papers that bring together our existing work in different ways. In addition, an initial short briefing for MSPs will be sent in June, with a covering message from Andrew to introduce the Commission's work. Posy noted that the blog series will connect the Commission and the role of land to priorities such as climate, economic recovery, human rights, and this format will also link into our conference. Commissioners supported the proposed approach.

Andrew noted that the online format for public meetings will continue, and he would like to test the format of other Commissioners taking a role in chairing the meetings. The Commissioners discussed the current format of public meetings and agreed to continue with location specific meetings. It was agreed that these are meetings for the board of the Commission to engage directly and be accountable to people, which fulfil a different function from other topic-specific events led by staff. It was agreed the comms team will provide a briefing specific to the location for each meeting, and that the advertising, positioning and running of the meetings should reflect a two-way conversation – so that the Commission is hearing directly from people about their place and local experience, as well as communicating about our work.

The value of being able to offer follow up discussion on specific cases/local issues, particularly through our good practice team, was noted and should be built into the way we run the meetings.

Action 21060104	The Communications team will investigate format options including audio for attendees to ask questions at the public meetings.
Action 21060105	Communications team to book dates for VPMs until the end of the financial year.

Note: Kathie Pollard left the meeting after this item.

6. Post-Election update from Scottish Government Sponsor Team

Fiona provided the Commissioners with an update from the Sponsor Team and noted that there is not yet a full understanding of Ministerial priorities at this early-stage post-election. She noted that she anticipates meeting with Ms McAllan in the coming weeks and that a call with the SLC chair and the Minister is also likely to be scheduled soon.

She also noted that she is advising that the Minister continue with the previous approach of meeting with the board of Commissioners on an annual basis.

7. Any Other Business

Next Meeting

It was noted that the board will have an informal outdoors meeting in Inverness with the management team on 22nd June which will replace the July Commissioners Meeting.

SLE Report

David asked for clarity on how the Commission will respond to the recent report from Scottish Land and Estates in relation to concentrated ownership proposals. Andrew advised that he has recently been in touch with their chair, to help ensure continued constructive engagement. Hamish advised that the Commission will engage directly with SLE on aspects of their report, and seek to ensure the proposals and the implications are well understood. He noted that engagement on what may be included in a land reform bill will be led by the Scottish Government.

Date of Next Meeting: 7th September 2021

**Scottish Land Commission
June 2021**