

# Summary of Research and Recommendations



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# Foreword

Land is fundamental to delivering on Scotland's national ambitions for the economy, climate and nature as well as being key to thriving communities, housing and local places.

Since its establishment in 2017, the Scottish Land Commission has been at the forefront of fresh thinking and research to shape reforms in law and policy as well as changes in responsible practice.

We are at an important time of change in Scotland's land, with legislative reforms as well as significant changes in land use, public expectations, and practice on the ground.

The research and associated recommendations published by the Scottish Land Commission address a wide range of topics to inform these changes and shape Scotland's programme of land reform. Our research has frequently looked internationally to learn from what others around the world do, as well as looking at previous experience in Scotland and the UK.

Our research and recommendations cover issues relevant to both urban and rural Scotland that include land ownership, land markets, tax and fiscal policy, natural capital, vacant and derelict land and housing land supply.

This brief guide sets out a summary of our research to date and links to key publications.



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Hamish Trench Chief Executive



## Land ownership

# Scale and concentration of land ownership

The Commission investigated the issues associated with scale and concentration in Scotland's pattern of land ownership. The **investigation** found that the core public interest issue is the concentration of power over local decision making, and the risk of localised monopoly.

The Commission made **recommendations** to address the risks associated with localised concentration of power and the impacts on communities and local economies including:

- Introducing a public interest test at the point of transfer of significant land holdings
- Giving more statutory weight to the Land Rights and Responsibilities Statement
- Introducing an obligation for significant land holdings to engage on and publish a management plan

The recommendations were also informed by **research** into international practice in interventions in land markets. This found it is normal in many countries to set some public interest parameters on who can own how much land.

One such mechanism is the French SAFER system. Our **research** into how this has evolved and operated over the past 60 years provides valuable insight and lessons on the political and legal acceptability of such land market interventions in the context of a modern European economy.

#### Community land ownership

Our **recommendations** to normalise community ownership as an option across Scotland include:

- A shift from reacting to land sales to community ownership being embedded as a proactive part of local place planning
- Strengthened and more consistent support provision across Scotland's geography
- A more strategic approach to using publicly owned land to support community ownership
- More strategic long term funding for both capital and development
- Opportunities to simplify statutory right to buy and asset transfer provisions to ensure they remain an effective option

These recommendations are informed by a **review** of the effectiveness of current community ownership mechanisms. The Commission's **research** on international experience of community, communal and municipal ownership identifies learning that can be applied in Scotland. This highlights the opportunity to use more diverse and mixed governance models beyond assuming ownership is wholly private, public, NGO or community.

The Commission has also published an **analysis** of financing options to support a more strategic approach to drawing on other finance sources to complement the Scottish Land Fund.



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#### **Common Good Land**

The Commission's **research** on ways to modernise Scotland's system of Common Good land proposes options to renew the legal framework. It shows that Common Good land, effectively our oldest form of community ownership, could deliver much greater benefit to urban communities with a modernised legal framework.

### **Compulsory Sales Orders**

The Commission published a detailed **proposal** for the way in which Compulsory Sales Orders could operate to support reuse of vacant and derelict land. A Compulsory Sales Order mechanism would introduce a new power for local authorities, to be used when ownership or unrealistic expectations of value are preventing a site being brought into productive use.

#### Land governance

Our research has consistently pointed towards land governance as an effective way of delivering more accountable decision-making as well as more diverse ownership, as set out in our **briefing**.

**Research** on understanding the benefits of diversification in ownership, tenure, and control from different economic sectors and internationally shows how different governance approaches can improve resilience and productivity without impacting on efficiency.

Thinking about governance also helps open up space for new ideas and innovative practice, our **discussion paper** provides a number of provocations that highlight the types of models and possibilities that could be possible by pushing the boundaries of our current system.

#### Human rights

Land reform in Scotland reflects the Scottish Parliament's ambition to realise economic, social and cultural rights as well as the framework of established property rights. We published a **discussion paper** by a leading King's Counsel (KC) on 'balancing rights and interests in Scottish land reform' that looks at current human rights law and its implications for new proposals addressing land ownership.

This work notes that, within the constraints of the devolution settlement, Parliament has broad discretion in identifying what is in the public interest. It explains the key issues that courts will consider when legislation is applied in individual cases. It concludes there is no obvious barrier to introducing measures such as those proposed in our advice on concentrated land ownership provided the law is clearly stated, procedures are fair and transparent, and that each use of powers is rational and justified.

In 2021 we set up our Land and Human Rights Advisory Forum, an expert forum that discusses the relationship between property rights and wider economic, social, and cultural rights. The Forum brings together leading legal thinkers with expertise in land, property and human rights, from academia and practice, to provide independent, impartial advice to the Commission on the human rights implications of policy proposals and ideas. The outcome of the Forum discussions can be found on our **website**.





# **Rural land market**

The Commission has developed improved reporting and information on the rural land market, including insights and data reports for the years 2021-23. The insights **reports** draw on interviews with land agents to understand what is happening in the market, the motivations, trends and direction. The data **reports** seek to develop a methodology for regular reporting using Registers of Scotland data.

The reports provide information on the value, location, area and type of transaction as well as key trends such as the implications of natural capital value, and the extent of off-market transactions. The findings show less than 1% of Scotland's land being sold annually, with on average 93% of sales being for areas less than 500Ha.

The reports identify policy implications in relation to:

- The risk of further concentrating land ownership
- Limited opportunities for communities and individuals to participate in the market
- Challenges associated with natural capital investment
- The risks of ownership and decisions where land is acquired

# Carbon and nature finance and land use change for net zero

#### Carbon and nature markets

The Commission has published recommendations to deliver on Scottish Ministers' commitment for a just transition, in which climate and nature investment benefits communities. The **recommendations** include:

- Stronger regulation of carbon and nature finance markets
- Stronger regulation of the land market
- Greater use of conditionality in public funding for land use, for example forestry grant funds
- More joined-up and accountable land use planning at a regional scale
- Use of more diverse governance models for land ownership that benefit communities

We have also published **Guidance** to support the practical delivery of social and economic benefits to communities from land and nature finance investment as well as discussion papers **exploring** the economic and **legal** context for carbon and nature finance in relation to land.

#### **Regional Land Use Partnerships**

We have published **recommendations** for the development of Regional Land Use Partnerships in Scotland, which would enable a step change in land use decision making for net zero and increase local accountability. The recommendations address the purpose and functions, the geography, governance and implementation of the Partnerships which are now being piloted by Scottish Government.

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# Land for housing

The Commission's **review** of housing land supply makes recommendations for a new approach in which public bodies take a leading role in the housing land market, to create a more strategic and public-interest led approach to ensuring land is brought forward for housing in an affordable and effective way.

Recommendations include:

- Repurposing publicly owned land to deliver affordable housing
- Introducing Regeneration Partnership Zones to speed up development where sites are in multiple ownership
- Introduce new approaches to use uplift in land value to reinvest in delivery
- Create a new public land agency function with powers and resources to ensure a steady long-term supply of development land

The Commission's review of housing land supply makes recommendations for a new approach in which public bodies take a leading role in the housing land market

The review was underpinned by a series of research and analysis publications including:

- A **review** of lessons from land allocation, assembly and delivery in other European countries, which shows a more proactive role for the state and models which share land value more productively.
- A **review** of lessons from current policy and practice in Scotland
- A **review** of the role of land in enabling new housing supply in rural Scotland
- An **investigation** into land banking in Scotland
- Analysis of the relationship between residential land and house prices
- A **review** of historic experience in attempts to capture land value uplift and advice on options for land value capture

The Commission has subsequently published more **research** on the case for greater transparency in the use of option agreements for development.

# Taxation

# Vacant and derelict land

#### Land reform and taxation

The Commission's **advice** to Ministers on land reform and taxation proposes strengthening the role that land value plays in the tax base. Our recommendations include practical steps such as bringing all land onto the valuation roll so that governments have more options open to them in future, as well as recommendations for changes in devolved taxes and in the reliefs applied in capital taxation that is reserved to the UK Parliament.

#### Land value taxation

The Commission's **research** on international experience in the use of land value taxation identifies learning and potential policy options for Scotland. It reviews the use of different approaches to land value taxation in over 30 countries and identifies key practical issues that Scotland would need to address in order to progress land value taxation including:

- Public engagement and wide political support
- The need for completed land registration and information systems
- Implications for the planning system
- Agreement on valuation approaches

The Commission convened a national crosssector taskforce to transform Scotland's approach to bringing a longstanding legacy of vacant and derelict sites back into productive use. The taskforce published a series of **recommendations** on better use of data, regeneration strategy, financing and stopping the flow of new derelict sites.

We have also published an **analysis** of Scotland's vacant and derelict sites and options for re-use, an **assessment** of the impact of vacant and derelict sites on communities, **guidance** on full economic appraisal of land re-use and a **review** and **guidance** on funding sources to support reuse of vacant and derelict sites.



Our recommendations include practical steps such as bringing all land onto the valuation roll so that governments have more options open to them in future

#### Torwood Hill, Falkirk

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### **Tenant farming**

The Tenant Farming Commissioner has published a series of **Codes of Practice** and **Guidance** to support good relations between agricultural landlord and tenants. The Commission has published a **Guide** to the use of Alternative Dispute Resolution in the Agricultural Holdings sector, together with the **learning** from a pilot mediation scheme run by the Commission. This helps provide alternatives to costly legal proceedings when there are landlord/tenant disputes.

The Commission has also published **research** on increasing land availability for new entrants to agriculture and a **guide** to the use of joint ventures with new entrants to encourage the use of more flexible approaches.



#### Ord Hill, North Kessock



## **Good Practice in Land Rights and Responsibilities**

As well as the research and recommendations for policy and legislation, the Commission has published a series of **Protocols** to support the practical implementation of Scotland's Land Rights and Responsibilities Statement.

The Protocols set out expectations for responsible practice in relation to:

- Community Engagement in Decisions Relating to Land
- Transparency of Ownership and Land Use Decision-Making
- Land Ownership by Charities
- Land Ownership by Private Trusts
- Diversification of Ownership and Tenure
- Negotiating Transfer of Land to Communities
- Good Stewardship of Land
- Common Good Land
- Responsible Natural Capital and Carbon Management.

We have published **research** on the value of early engagement in planning, guidance for public bodies on community wealth building and a range of **resources** to support community engagement in practice. Our review of Good Practice Casework looks at three years' experience of casework to provide information on the issues being raised and the learning we can take from it.

We have published research on the value of early engagement in planning, guidance for public bodies on community wealth building

# Downloads

### Land ownership

	Investigation into the Issues Associated with Large scale and Concentrated Landownership in Scotland
	Review of Scale and Concentration of Land Ownership
	Research on interventions to manage land markets and limit the concentration of land ownership elsewhere in the world
	Review of France's SAFER Land Market Interventions
	Community Ownership and Community Right to Buy
	Review of the effectiveness of current community ownership mechanisms and of options for supporting the expansion of community ownership in Scotland
	Review of International Experience of Community, Communal and Municipal Ownership of Land
	Community ownership financing: Options to complement the Scottish Land Fund
	Delivering greater benefit from common good land and buildings
	Compulsory Sales Orders
	Land Governance
	Understanding the Benefits of Diversification in Ownership, Tenure, and Control
	Land Governance Futures - Towards Common Relationships
	Balancing rights and interests in Scottish land reform
Ŵ	Land and Human Rights Advisory Forum

#### **Rural land market**



#### Carbon and nature finance and land use change for net zero



#### Land for housing



#### **Taxation**

Land Reform and Taxation: Advice to Scottish Ministers
Investigation of Potential Land Value Tax Policy Options for Scotland

#### Vacant and Derelict land

Transforming Scotland's Approach to Vacant and Derelict Land
Vacant and Derelict Land Task Force: Phase One Report
Assessing the Impact of Vacant and Derelict Land on Communities
Guidance on Assessing the Full Economic Benefits of the Productive Reuse of Land
Review of the funding sources for the re-use of vacant and derelict land
Funding sources for bringing vacant and derelict land back into use

### **Tenant Farming**

Ô	Tenant Farming - Codes of Practice
Q	Tenant Farming - Guidance
	Alternative Dispute Resolution In The Scottish Agricultural Holdings Sector
	Mediation in the Tenant Farming Sector Lessons and Feedback from a Pilot Scheme
	Increasing the Availability of Farmland for New Entrants to Agriculture in Scotland
	A GUIDE TO – Joint Ventures with New Entrants

### Good Practice in Land Rights and Responsibilities



Ma tha sibh ag iarraidh lethbhreac den sgrìobhainn seo sa Ghàidhlig, cuiribh post-d gu **commsteam@landcommission.gov.scot** no cuiribh fòn gu **01463 423 300**.

If you would like to request a copy of this document in Gaelic, please email **commsteam@landcommission.gov.scot** or call **01463 423 300**.



# Contact us

Scottish Land Commission An Lòchran 10 Inverness Campus Inverness IV2 5NA



O1463 423 300

www.landcommission.gov.scot

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