



SCOTTISH LAND COMMISSION
COIMISEAN FEARAINN NA H-ALBA

Commissioners Meeting
12 June 2024, 13.30pm. Macdonald Resort,
Aviemore.

A G E N D A

Item no	Item	Paper no	Action	Lead
	Welcome/Apologies			
	Declarations of Interest			
1.	Minutes of the previous meeting	1	For agreement	Chair
2.	Minutes of Staffing and Remuneration discussion held on the 06/03/24	2	For information	Chair
3.	Commissioners Update	Verbal Briefing	For information	Commissioners
4.	Audit and Risk committee report	Verbal Briefing	For information	Lorne MacLeod
5.	Housing Land Supply – Follow up to roundtable.	3	For discussion	David Stewart
6.	Small scale land holdings project.	4	For discussion	Miranda Geelhoed
7.	Public land leadership.	5	For discussion	Hamish Trench
8.	Land Reform and Taxation – scoping next steps.	6	For discussion	Kathie Pollard
9.	AOB			



SCOTTISH LAND COMMISSION
COIMISEAN FEARAINN NA H-ALBA

Minute of the meeting of the Scottish Land Commissioners held on Tuesday 7 May 2024 at An Lóchran, Inverness.

Commissioners Present: Michael Russell (Chairman) Deb Roberts, Caig Mackenzie, Lorne McLoed, Sally Reynolds (Land Commissioners), Bob McIntosh (Tennant Farming Commissioner)

In Attendance: Hamish Trench, Emma Cooper, James MacKessack-Leitch, Scarlett Macfarlane, Felicity Peall, Kathie Pollard.

Apologies: None

Declarations of interest: None

1. Minutes of previous meeting 05 March 2024

The wrong draft of the minutes had been circulated, it was agreed the actual draft minutes should be circulated and approved by email.

Matters Arising: None

2. Commissioners Update.

Commissioners provided updates on key activities on behalf of the Commission since the March Board meeting.

3. Land Reform Bill update.

Hamish provided a verbal update on the Land Reform Bill. He noted the call for views published by the Net Zero, Energy and Transport Committee and confirmed committee clerks have asked the Commission to give evidence in June. He also noted a call from the Finance and Public Administration Committee for views on the financial memorandum.

The board agreed to schedule further discussion sessions for board and staff on key proposals in the bill that require further consideration in the Commission including land management plans and lotting.

24050701	Hamish to schedule series of online meetings on the land reform bill.
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4. Land Reform Bill Draft Submission to NZET committee.

Hamish introduced the draft response for board consideration.

The board welcomed the proposed response and in discussion identified the following aspects to be developed further or strengthened:

- Reference to strengthening implementation of the Land Rights and Responsibilities Statement, particularly in relation to land management plans and the value of increased disclosure;
- The need for clear criteria for lotting;
- The interaction of the proposed Land and Communities Commissioner with the existing Land Commissioners;
- Reference to the Commission's original advice on the public interest test;
- More reference to what our land market evidence shows providing context for the scale thresholds;

It was agreed that the response should reflect the board's view that the proposed Land and Communities Commissioner should be required to consult with Land Commissioners, in order to ensure effective integration within the operation of the board.

Bob noted that there are a number of areas in Part 2 of the bill on which there is shared agreement among stakeholders on the Tenant Farming Advisory Group. However, he also noted a number of aspects that require further clarification. He also noted requirements as drafted for the Tenant Farming Commissioner to appoint valuers, which should not be necessary, unless parties cannot reach agreement.

Bob also noted the tension inherent in proposals which may improve the rights of existing tenants but may further reduce the amount of land which is available for future tenancies. The board agreed the response should acknowledge the decline in the extent of the tenanted sector.

The board agreed the scope of the response, subject to additions to reflect the points discussed. The board asked that where relevant, references should be included, and the response should make full use of the Commission's published research.

The board agreed to delegate sign-off of the final response to the Chair and Chief Executive.

24050702	Hamish to amend and finalise response for sign off by Michael
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5. Vacant and derelict land progress report.

David presented the paper on Vacant and Derelict land, highlighting the positive progress found in the research report. The board welcomed the research and paper, noting the positive story it shows.

Commissioners asked for information about the types of re-use and noted the relevance to the housing challenge. The board welcomed the proposed next steps, noting the importance of discussing the findings with key partners, and asked David to provide a further paper in July summarising the next steps and recommendations for further action.

24050703	Vacant and derelict land research report to be circulated to Commissioners for information
24050704	Paper on next steps to come to board following partner discussions

6. Land Governance workstream – research on international experience in Natural resource governance.

James Introduced the paper on research on international experience in natural resource governance. He noted the scope of phase one and summarised the six case studies being considered in more depth in phase 2. On completion of the phase 2 report, the board will be asked to consider the implications for the Commission's work and advice.

The board welcomed the progress and noted the importance of being able to advise on ways to secure public value from natural resource management. The current context of nature finance and renewables sector were discussed. As a general point it was agreed that reports will normally be circulated to Commissioners prior to publication or decisions about further steps.

24050705	CLES Phase 1 report to be circulated to Commissioners for information
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7. Quarterly Progress report – Q4 of 23/24.

Hamish introduced the final quarterly report for 2023/24 looking at the delivery, finance, risk, communications, and casework.

Commissioners agreed that the organisation's KPIs should be refreshed. Hamish noted that staff have already begun to identify some improved KPIs, and it was agreed this should be reviewed in the second half of the financial year.

Delivery – Commissioners welcomed completion of delivery for the financial year, noting that the contracts due in Qtr. 4 were completed as planned.

Finance review – Hamish noted this is not yet a final accounts position but gives a good indication of the final out-turn. Commissioners noted the final position is marginally above the target 2% underspend but is a reasonable position given in-year changes and requests for reduced spend from Scottish Government.

Audit and Risk – The strategic risk register was examined by the board with questions on cyber security and the dynamic external environment. No further changes to strategic risks were identified.

Communications – Scarlett introduced the communications report focusing on output during the final quarter. The board welcomed the communications analysis and the proactive approach.

Casework – Discussion highlighted the relatively high proportion of cases from the Highlands and Islands area.

8. Medium term financial planning.

Hamish introduced Paper 6, noting the challenge of the medium-term financial position which requires either reductions in scope of delivery or increase in resource.

The board considered the scenarios to be a sensible basis for planning but noted the high level of uncertainty given single year budget settlements. The board noted that the central planning scenario would require changes to the delivery model beyond year two or three. Commissioners also noted that within this timeframe there will likely be further resource pressures arising from the land reform bill. It was agreed that the Chair and Chief Executive should continue to review future resourcing with the sponsor team.

The board affirmed the importance of the current means identified to manage our medium-term financial position which includes fixed term contracts ending as planned, review of each vacant post before a decision to recruit, seeking savings when service contracts are reviewed. The board noted the limited scope a small NDPB has to make savings in core governance and business systems.

The board asked that further consideration be given to collaborative working and opportunities to draw on external funding, particularly in developing long term research relationships. For example, the role of central Scottish Government RESAS research was flagged as an opportunity for more effective joint working.

24050706	Paper 6 (Medium term planning) to be included in the next Audit and Risk committee agenda, on the 10 June 2024.
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9. Conference Update.

Scarlett confirmed the conference programme is now agreed and arrangements in place. Attendance is fully booked with a waiting list. Further briefing for the running of the day will be provided nearer the time.

AOB

Hamish noted there is a forthcoming consultation by Scottish Government on its future tax strategy that the Commission will wish to respond to.

Hamish also noted a revised approach to publication of the land market report this year. Due to a change in timing for the data analysis, the Commission will proceed with publication of the rural land market insights report separately, as it has in past years.

Date of Next Meeting: 12 June 2024

**Scottish Land Commission
May 2024**



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Commissioners Board Meeting 12 June 2024

Paper 2

Minute of the meeting of the Staffing and Remuneration Committee held on Tuesday 5 March 2024 at An Lóchran

Commissioners Present: Michael Russell (Chair), Sally Reynolds, Lorne MacLeod, Deb Roberts (Land Commissioners), Bob McIntosh (Tenant Farming Commissioner)

In Attendance: Hamish Trench, Nikki Nagler

Apologies: Craig Mackenzie

Declarations of Interest: None

1. Staff survey

Nikki introduced Paper 1 on the staff survey results, noting the response rate, comparisons with previous results and key areas to be aware of.

Members sought more information about the change in survey and trend data available. Nikki confirmed that in response to staff feedback, the format of the survey had been changed in early 2023. This means that trend data on the specific questions is available over two surveys in the current form.

Members noted the responses and sought assurance that follow-up action is in place to address key areas. Nikki confirmed that she is working through the Staff Engagement Forum to understand better what underlies some responses and what practical actions can be taken to deliver improvements.

In response to feedback about staff/board contact, members asked that ways to increase the informal contact between board and staff are identified, noting the importance for both board members and staff of mutual understanding and informal communication.

Members expressed caution about interpretation of results in a small sample size, noting the challenge in undertaking robust staff surveys in a small organisation.

Members also questioned whether it is appropriate to run such a comprehensive survey three times each year, proposing that this be reduced to two if the survey retains its current form, so that there is an effective balance of seeking feedback with time to action improvements.

Action 24030501	Hamish and Nikki to consider opportunities for informal board and staff time
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Action 24030501	Nikki to feedback to future committee or board meetings on follow-up actions following further engagement with Staff Engagement Forum
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2. Staff pay award

Hamish confirmed that agreement has been reached with the union to implement a two-year staff pay award for 23/24 and 24/25. The agreement is on the terms previously agreed by the board, without the element of pay coherence.

He explained the Commission had sought to offer pay coherence with Scottish Government bands up to Band B3. Over the years small differences have meant that some of our bands are lower than the Scottish Government equivalent. The board had previously agreed to seek to address this in order remain competitive in attracting and retaining staff. However, Scottish Government pay policy team considered this was out with the parameters of public pay policy and we were therefore unable to offer it.

Members welcomed the agreement reached with the union, thanking all staff involved.

Members also agreed that the commission should continue to seek to address the question of pay coherence and that staff should hold further discussions with sponsor team this year to consider how this can be addressed in future.

Nikki noted that while the staff pay award has been agreed for a two-year period, the 24/25 pay awards for Commissioners and CEO will need to be considered in line with public pay policy.

Action 24030503	Nikki to revert to committee when pay policy proposals for Commissioners and CEO pay award are available
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Commissioners' Meeting 12 June 2024

PAPER 3

Housing – Follow-up to roundtable on rural housing land supply

Purpose:	To consider the key issues arising in the roundtable discussion and next steps
Previous board papers:	March 2024, May 2024 (Stakeholder Roundtable)
Action required:	For discussion.

Background

In its February meeting the board agreed that the Commission should give high priority to converting its work on land for housing into action that helps meet Scotland's housing challenge.

A paper was taken to the March board meeting setting out the Commission's current work on housing and putting this in the context of other actors' work to increase the supply of housing and the quality of place.

A roundtable discussion with key stakeholders was held on 7th May. At the same time, a team from the University of Glasgow have been carrying out research on practical steps to increase the supply of developable land for rural housing. The research brief states:

The overall objective of this work is to put forward practical recommendations that would deliver a 10-year supply of land to meet housing need and demand and support the growth opportunities available in much of rural Scotland. The emphasis goes beyond identifying land in the Local Development Plan, to ensuring it is in active ownership that will enable development.

This report will be available to inform a fuller discussion on the Commission's advice at the July meeting. In the meantime, Commissioners are asked to reflect on the key themes of the roundtable discussion to inform this.

Summary of Main Points from Housing Roundtable (May)

Support to develop Local Place Plans (LPPs) in identified priority areas:

Local Place Plans (LPPs) are broadly regarded as a helpful tool to involve all parties (especially communities) in land use planning, and to provide a spatial plan to meet identified housing (and other) needs. The challenge is making sure

that communities have the support and expertise required to develop viable plans.

Resource constraints mean planning authorities and key agencies will not be able to support these everywhere but there is greater opportunity to deliberately target support to remote rural communities as well as to areas with significant economic growth potential.

Clear guidance on Valuation and Disposal for Public Bodies:

Our round table discussion made it clear that there are still issues with public bodies either holding onto land or buildings that others could use productively or seeing best value as meaning the highest financial receipt. Sharing practice and clarity on the definition of Best Value and the importance of public bodies reviewing their assets and disposing of surplus assets that could be better developed by others would see the public sector provide valuable leadership.

Flexibility in housing models and financing

Examples were given in which current constraints on rural housing support prevent communities taking a lead in delivery in some cases where the community would be in a position to act. There is a need to ensure as much flexibility as possible so as not to preclude viable options.

Public Interest and Land Assembly:

The roundtable agreed on the importance of public bodies taking a lead in order to a) reduce risk for developers, investors and communities; and b) ensure limited land supply is used in the public interest. The use of statutory tools, such as CPOs, was highlighted as a backstop where a need for housing has been demonstrated but the landowner is unwilling to engage. Public leadership could include:

- Increased public sector expertise and support to identify and de-risk sites;
- Active land acquisition including extending the use of land banks and land banking funds (The Highland Land Bank Fund has been successful in unlocking land for development to enable delivery of affordable and midmarket housing);
- Influencing the reform of CPOs to seek to ensure that they can be practically applied in identified areas of housing need and areas with opportunities for economic growth.

Voluntary tools could also be used to enable the identification and de-risking of appropriate sites, for example Masterplan Consent Areas (MCAs), which are currently being consulted on by the Scottish Government.

Clarity on barriers and focused intervention

The discussion noted that in some cases land supply is not the constraining factor, often finance and infrastructure costs will be the constraint. As well as the potential interventions identified, the discussion also flagged the value of a

shared and more targeted focus across key agencies and land owners in areas where land supply does remain a constraint.

Conclusion:

The Board is asked to consider and provide feedback on the key issues raised in the roundtable discussion.

A paper in July will bring together the issues raised in the roundtable with the findings from research by the University of Glasgow to propose the advice the Commission can put forward to government and partners.

David Stewart
June 2024



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PAPER 4

Land Governance: Access to land for small scale ownership and management

Purpose:	To discuss the project 'Access to land for small-scale land ownership and management'
Business Plan context	1.2 More Diverse Land Governance
Previous board papers:	N/A
Action required:	For Discussion

Background

In 2019, the Commission committed to engaging with stakeholders to review options that would stimulate greater diversity in private ownership, including policy interventions that would stimulate wider availability of smaller scale landholdings. Responses by the public to an online-survey had revealed that access to land at small-scales was a key ask of many participants, particularly for the purposes of food growing, woodland creation and management and housing. Yet, our 'Scale and Concentration' evidence also emphasised barriers to small-scale land use, such as high capital costs, a lack of opportunities, a lack of expertise in the sector, e.g., in relation to the negotiation of small land sales, and a bias in public finance in favour of large-scale use (e.g., fiscal policy, and agricultural policy).

Since then, our work has evolved to frame questions of land ownership and land use together, to consider new opportunities for diverse governance. It is within this context that our work on small-scale land ownership, management, and use should be placed.

When discussing small-scale land opportunities, we recognise that in the diverse Scottish context small is relative, depending on locality and land use. For this project, we will adopt a flexible and proportionate definition of 'small-scale' on a case-by-case basis.

Objectives and activities

The project aims to contribute to delivery of the Scottish Land Commission's vision that the ownership and use of land supports thriving people and places, through diversification of ownership and governance. The project aims to create an in-depth understanding of the importance of small-scale land access in Scotland, break down barriers to small-scale land ownership, management and use and support the realisation of new small-scale land opportunities. Miranda Geelhoed, Land Governance Adviser, will act as the project-lead, acting under direct supervision of James MacKessack-Leitch, and with contributions from members of the policy team and practice team, for example, to provide feedback, lend expertise on specific topics and support research activities.

The project is shaped around four key objectives/priority areas:

1) To promote and support collaborative approaches to enable and increase access to land for small-scale land ownership, management, and use.

This work will be developed in parallel with our wider work on innovative governance. This allows for learning from governance models such as leases, joint ventures, management agreements and community and cooperative ownership, as well as national and international case studies. We will work together with stakeholders to develop learning from existing best practices, including through case studies, and see how different collaborative models could help create new opportunities for small-scale land access.

2) To promote and support public sector leadership in increasing access to land for small-scale land ownership, management, and use.

This work will consider existing opportunities in law and practice for public sector leadership, for example, in relation to Common Good assets, as well as new or underused models such as Council creation and ownership of (small) farms. It will also rely upon our wide international evidence base of public, state and municipal ownership and leadership to explore potential new inclusive, public, and mixed governance models. We will make policy recommendations where appropriate, and we will work with public bodies to help overcome barriers to new small-scale land opportunities on public land.

3) To take lessons from crofting for land reform and our work on small-scale land opportunities and support crofting's development.

The Commission has regular meetings with the Crofting Commission to explore connections between land reform, land governance and crofting (law reform). Activities in relation to this objective are to be developed in a collaborative manner, and the workshop on common grazing's at the SLC Conference provides a first opportunity to discuss topics of shared interest and further develop thinking around the crofting model. Insofar as appropriate, we will support the Crofting Commission with crofting's development and consider the potential value and learning that the crofting model can offer our wider work on land reform and small-scale land opportunities.

4) To identify and help address public policy and finance barriers to realising small-scale land ownership, management, and use.

The cost of land and tenancies and barriers to obtaining finance have been highlighted to us by many stakeholders as key issues that inhibit small-scale land use. There are opportunities to generate a better understanding of the role of public policy and finance in inhibiting and supporting small-scale land use, to learn from international experiences and to link up with the Commission's proposed work around land value.

Business Plan and Strategic Plan Fit

In terms of the Business Plan 2024-2025, this project falls within the 'More diverse governance - Advise and promote opportunities in policy and practice to support more diverse models of land governance' Programme of Work Commitment.

It aims to: "Provide advice and guidance on practical opportunities to develop different governance models including mixed governance and increasing availability of small-scale land holdings".

The project delivers across the three objectives of the Strategic Plan 2023-2026:

- *People participate in and influence decisions about how land is used.* Small-scale land access is central to inclusive land ownership and use. Access to land for small-scale use can increase community agency in decisions about land, also recognising that many models of small-scale land use (can) play a central and cultural role in communities, e.g., crofting and community supported agriculture (CSA). Where the focus of this project is on collaborative approaches, we will explore participatory models for small-scale land opportunities.
- *Power and control in land is shared more widely through diverse ownership and governance.* Diversifying ownership and governance are at the core of this project proposal. This project is particularly interested in public-private and private-private partnership opportunities where power and control are equitably shared.
- *Prosperity – the value and benefits of land are used fairly to create economic prosperity and wellbeing.* High land values, a lack of support and perverse financial incentives may frustrate small-scale land access. Yet, our evidence also shows that small landholdings can generate higher economic impacts per hectare than large-scale holdings. This project's activities to diversify governance by supporting the creation of small-scale opportunities, and on public policy and finance, hold potential to contribute to a fairer sharing of values from land.

Next steps

The SLC Conference provides a first opportunity to introduce stakeholders and the public to the Commission's work on small-scale land opportunities. The Conference includes two sessions that are directly relevant to this work: a panel on collaborative approaches in support of small-scale land use and a workshop on governance of common grazing's, in cooperation with the Crofting Commission. The great interest in this area of work is reflected in the number of participants, with 60+ registered participants for the panel and 32 registered participants (maximum capacity of the room) for the workshop.

After the Conference, we will publish the Land Focus briefing on 'Access to land for small-scale land ownership, management, and use' which outlines why the Commission is interested in this topic, the four priority areas for work and proposed activities. This will provide partner organisations, stakeholders, and the public with an opportunity to share their feedback on the proposed activities and get involved in this new area of work.

To ensure that we use our limited resources under this project in such a way that makes the most impact, we will take a flexible approach to the development of activities, which is responsive to any feedback that we receive. We may convene discussions and facilitate new collaborations, publish guidance in support of innovative approaches, further build our evidence base and provide policy recommendations where helpful.

Planned activities for the year 2024-2025 include stakeholder engagement during public events (e.g., Royal Highland Show and GO Falkland) and a Roundtable event in the autumn. As part of the workstream on governance, we are seeking to develop guidance on collaborative approaches such as leases, joint ventures, partnerships, and shared ownership.

We will consider both the relevance of existing best practices in relation to small-scale land management and use for the development of this guidance (e.g., case studies) as well as the potential of the collaborative models to create new small-scale land opportunities. Drawing upon a wide network of relevant organisations and individuals, we will work directly with potential small-scale land users and landowners to better understand barriers to realising new opportunities and to identify how we can best support. Lastly, we will consider a need for further research, notably into the role of public finance in enabling (or frustrating) small-scale land ownership, management, and use.

Recommendation

That the board discuss the scope of the project with a view to maximising impact with limited resource.

Miranda Geelhoed

Land Governance Adviser



SCOTTISH LAND COMMISSION
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Commissioners' Meeting 12 June 2024

Aviemore

PAPER 5

Public Land Leadership

Purpose:	To discuss the leadership role of public land ownership
Business Plan context	1.2 More Diverse Land Governance
Previous board papers:	N/A
Action required:	For Discussion

Background

Recent board discussions have noted the significant role public land owners can play in delivering reform and opportunities to do more. This paper is intended to inform a discussion on the leadership opportunities for public land. It identifies some key areas of opportunity and Annex A provides a summary of the ways in which the Commission has to date worked with public land owners.

Public land ownership

Around 12% of Scotland's land is owned by public bodies. These vary widely in form and governance. Some is owned directly by Scottish Ministers, for example crofting estates and the National Forest Estate (managed by Forestry and Land Scotland). The Scottish Crown Estate assets are managed by Crown Estate Scotland, and other land owners include NatureScot, Scottish Water, local authorities, NHS estate and Network Rail.

Government figures suggest that approximately 80 land holdings managed by public bodies would be within scope of the Land Reform Bill large land holding obligations if the threshold is set at 3000Ha.

There is a wider opportunity, beyond the bill obligations, to take a more active approach to the use and ownership of public land. Alongside the Bill there is likely to be, quite reasonably, increased scrutiny in the role public land plays in delivering land reform ambitions.

There are existing provisions in place to support community asset transfer, though our previous research suggests wide variation in approach and more work to do. Some bodies are also taking more innovative approaches. For example, a public land group

arising from the government's natural capital programme is using the public land holdings as a basis to develop clusters of collaboration to deliver landscape scale nature and climate action. We have engaged with this group to discuss the opportunity to put in place governance involving local communities.

Our partnership with Crown Estate Scotland on community land acquisition is also exploring new approaches that could inform other public land owners. Scottish Futures Trust also have significant programmes underway to support more strategic public estate use and best value in asset disposal.

Opportunities

In looking at the scope to do more we should consider where we see particular opportunities and where the Commission can support change most effectively.

We see particular opportunities to further develop the ways public land delivers on:

- Making small scale land holdings available for use (including housing, agriculture and crofting);
- Diversifying land ownership through active restructuring and creating opportunities for individuals, communities and others to own land;
- Putting in place governance that involves communities more directly in decision making and benefit sharing;
- Public reporting and disclosure on impacts and benefits.

The board is asked to consider how best the Commission supports leadership by public land owners.

Hamish Trench

Chief Executive

ANNEX 1: Work to date with public body land owners

Crown Estate Scotland (CES)

We are working in partnership with CES on the Community Land Accelerator project which aims to support community acquisition of land. SLC is making a financial contribution to the current pilot phase which runs to August 2025.

The project is investigating the potential for CES to purchase assets on behalf of community organisations as an interim owner to give them time to carry out feasibility studies, develop business plans and raise acquisition funding. This is responding directly to the challenge of the fast-moving land market.

The current phase is developing the business case and initial options to enable pilot acquisitions later this year. If successful, broader roll out of the programme would follow as well as learning for other public bodies.

Forestry and Land Scotland (FLS)

The Good Practice team has previously delivered training for Forestry and Land Scotland (FLS) staff, following contact about a case in Argyll. The team is currently supporting FLS with advice in relation to community engagement and transparency for the recently acquired Glen Prosen Estate.

NatureScot

We have provided advice on governance and ownership to inform options on Rum and have engaged with NatureScot to discuss the wider opportunities to develop more innovative governance partnerships on some of their land holdings.

Kings and Lord Treasurer's Remembrancer (KLTR)

The [Ownerless Property Transfer Scheme](#) (OPTS) was launched in March 2024, following formal consultation and a pilot scheme carried out with key stakeholders. This shift in approach by KLTR was prompted by the Commission's work on vacant and derelict land. The aim of the scheme is to enable communities and local authorities to acquire ownerless assets on a cost recovery basis and bring them back into productive use.

The KLTR is looking to work with Registers of Scotland and Companies House to map out recently dissolved companies and titles to land and buildings so that they can proactively tackle sites that have or may become ownerless. The Commission is represented on the OPTS assessment committee.

NHS / Public Health Scotland

Connections with the NHS and Public Health Scotland were initially made through the Key Agencies Group. We have worked with them over the last few years and continue to do so, including:

- A webinar on LRR principles featuring case studies from the NHS estate;
- Participating in PHS' Environment and Spaces for Public Health Partnership Group and the Place and Wellbeing Alliance group;
- Ensuring that the Land Rights and Responsibilities principles and our VDL recommendations are reflected in the NHS Climate and Sustainability policy;

- Delivering CPD training for Health Promotion staff;
- NHS and PHS involvement in our Community Wealth Building cohort;
- Contributing to a working group which has developed an action plan for health board land and property as part of a focus on the role of the NHS as an anchor organisation;
- Contributing to work taken forward by PHS and Scottish Futures Trust to consider how to include health outcomes in decisions on public sector disposals and transactions.

Common Good

We have previously published research, a briefing paper, and an LRRS Protocol on Common Good Land and Buildings. This year's business plan includes further work to develop recommendations for legislative change to deliver greater benefits from Common Good.

We are currently supporting The Highland Council with the Nairn Common Good Engagement group, a collaborative advisory forum set up to give the community a voice in decisions being made about the Nairn Common Good portfolio. The establishment and running of group has been influenced by our protocols and guidance, and we have provided feedback during the development phase of the project. We attended and delivered a presentation at the first meeting of the group in April 2024. We will maintain contact with The Highland Council to ensure we pick up on the lessons being learned through the process and can consider how these could be applied in other areas.

Good Practice casework and enquiries

Between April 2020 and March 2024, we recorded 345 good practice cases and enquiries. 77 of these cases related to land and buildings owned by public bodies (22% of all cases). The most commonly raised topics were Common Good and community engagement, and the cases and enquiries came from 23 different local authority areas.

Good practice training, workshops and self-evaluation

We deliver training and advice for public bodies to promote the LRRS principles and our Protocols. We have also supported a number of public land owners with self-evaluations. There is often a focus on community engagement. We have delivered sessions to a wide range of organisations, including:

- Network Rail
- Scottish Water
- Highland Council
- Aberdeenshire Council
- Scottish School of Forestry
- Department for Agriculture and Rural Economy, Scottish Government
- Forestry and Land Scotland
- Crown Estate Scotland
- Cairngorms National Park Authority
- Scottish Enterprise

Community Wealth Building

In 2022, we published [Guidance](#) on Community Wealth Building and Land, which was developed with input and support from an expert advisory group. The guidance is aimed at public bodies who could be considered to be anchor organisations for Community Wealth Building and sets out practical actions that can be followed to ensure land and buildings are being used and managed in a way that contributes to community wealth.

Following publication, we worked with a cohort using the guidance as a framework for self-assessment so that participants could identify actions to take in their own organisation. The cohort was made up of representatives from HIE, NHS, PHS, Historic Environment Scotland, North Ayrshire Council, North Lanarkshire Council, Moray Council, and West Dunbartonshire Council.

In 2023, we submitted a response to the Scottish Government's consultation on a potential Community Wealth Building Bill. If the bill is taken forward, we can see opportunities for it to reflect some of our previous research and recommendations, including on Compulsory Sales Orders and Common Good reform.



SCOTTISH LAND COMMISSION
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Land Reform and Tax

Board Meeting

12/06/24



SCOTTISH LAND COMMISSION
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Purpose

- Provide summary of SLC work
- Overview of recommendations
- Inform Board discussion



PURPOSE

Discussion point- further explanation

The aims of this presentation are to provide:

- a summary of SLC work on land reform and tax
- Provide overview of 2022 SLC's advice to Ministers
- inform a board discussion about scoping future opportunities for the SLC's work on tax



SCOTTISH LAND COMMISSION
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Agenda

1. Where we are now
2. Where do we need to be
3. How will we get there

AGENDA

The presentation will consider:

1. **Where we are now** by focusing on the current context and SLC work in this space.
2. The findings of this work and **where Scotland could be.**
3. Outline **recommendations and steps to getting there.**



SCOTTISH LAND COMMISSION
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Where we are now

- Calls for tax reforms
- Role of tax in supporting land reform
- SLC Advice to Ministers - Jan 2022

1) WHERE WE ARE NOW

- Building on several significant reports on tax reform including Barclay and Mirrlees and calls of the Land Reform and Agricultural Holdings Legislation Review group of 2014, Scotland has continued to see calls for changes in the way in which land and property is taxed, including the introduction of a carbon land tax.
- The Land Reform Bill does not include reference to tax as potential lever to address concentrated land ownership. Nor does it address the fundamental issue of data and land valuation. Addressing this would enable a range of fiscal measures to support land reform objectives.
- SLC research suggests that changes to devolved land and property taxes in Scotland could support land reform objectives by creating a more diverse and active pattern of land use and ownership.
- In 2022 we submitted Advice to Ministers on land reform and taxation.



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SLC research & evidence

- Research
 - International review of land value taxation
 - Vacant and Derelict Land Taskforce
 - Policy proposals for Scottish land taxes- Alma Economics
- Expert Advisory Group

1) WHERE WE ARE NOW (cont.)

Recap of SLC research and evidence:

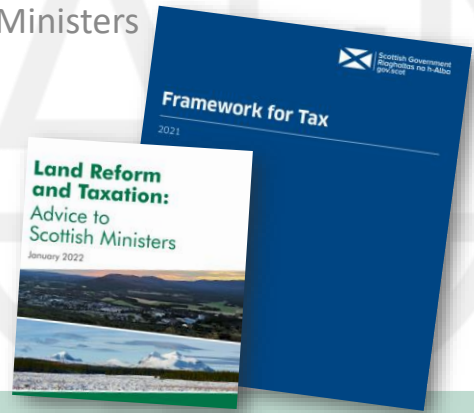
- In 2018 we commissioned the University of Reading to review the **international experience of land value taxation** and found that there are strong theoretical benefits of land value taxation which make a robust case for considering reform in this area and improving the current system of land taxation in Scotland. The research also flagged the significant practical challenges associated with introducing land value taxation.
- In 2020 the SLC's **Vacant and Derelict Land Taskforce** recommended that tax options should be considered to incentivise landowners to repurpose surplus commercial property for socially beneficial uses, particularly in parts of the country already disproportionately affected by urban dereliction.
- In 2020, consultancy Alma Economics, was commissioned to identify policy proposals for devolved taxation on land and property. This was accompanied by modelling work to test a set of proposals further.
- These outputs combined informed the work of an **Expert Advisory Group, convened in 2021 to help develop the SLC develop practical recommendations** for tax reform on land and property.



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Current position

- 2022 SLC published Advice to Scottish Ministers
- SG's Framework for tax
- 2024 SG Tax Strategy consultation



1) WHERE WE ARE NOW (cont.)

Current position:

- The combined package of work to date informed the SLC's **Advice to Ministers** published in Jan 2022.
- While no formal response has been received, around the same time (Dec 2021) the Scottish Government published its **Framework for tax** which sets out SG's approach to tax policy. This included a commitment to *"continue to support the SLC as they explore Scotland's longer-term options for reform of land and property taxation, ensuring our land reform aims can be met, and that vacant and derelict land in Scotland is brought back into productive use and Scotland's natural environment is protected."*
- We continue to engage with SG as they continue work in this space.

We are now at a critical juncture and have an opportunity to progress work in this space.



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Where do we need to be?

- Increase role of land value in tax base
- Gradual, continuous reforms vs single, sweeping reform
- Use existing powers and mechanisms more effectively

2) WHERE DO WE NEED TO BE?

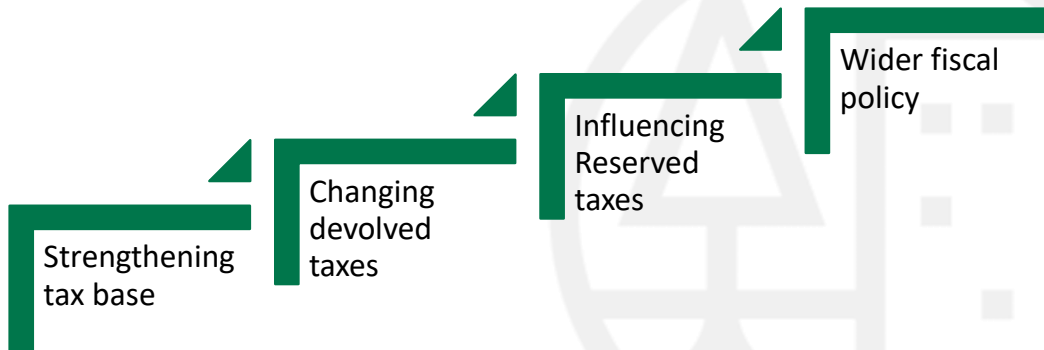
- Our findings suggest that Scotland should increase the role of land value in the tax base to better support Scotland's land and economic policies.
- Our Advice to Ministers makes the case for gradual, ongoing reforms rather than introducing a sweeping, single reform such as land value tax. Reforms in this area are complex and should recognise the scope of devolved powers.
- Scotland already has existing powers and mechanisms to better account for land and property values. These can be deployed as part of pragmatic steps towards building an effective tax system and as immediate opportunities to tackle land reform priorities.

Scotland can and should tax land values more effectively to support land and economic policy.



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How will we get there



3) HOW WILL WE GET THERE?

In 2022 our Advice to Ministers focus on several key areas:

- The role of tax administration and the tax base
- Existing, devolved taxes
- Influencing reserved taxes
- Considering tax as a tool in a wider fiscal context.

The following is a summary of the recommendations.



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Recommendation 1

Strengthen tax base

- Bring all land on valuation roll
- Develop one-stop-shop for land data

RECOMMENDATION 1

We recommend that the Scottish Government takes steps to increase the options available to it by strengthening the role of land in the tax base, through

- Establishing programme to bring all land on valuation roll- currently agricultural and forestry exempt. Partial picture and limits current tax powers.
- Developing a one-stop-shop approach to information on land ownership, use and value. Committing to the development and use of a consistent and comprehensive cadastral approach which would enable the integration of information on land ownership, use and value, building on the current work of Registers of Scotland.



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Recommendation 2

Diversifying land ownership

- Consider LBTT surcharge for large land holdings
- SG engage with UKG on more progressive use of reliefs and exemptions

RECOMMENDATION 2

To encourage diverse landownership, we recommend that:

- that the Scottish Government considers further the potential role of Land and Buildings Transaction Tax in relation to shaping the land market in a just transition. Specifically, we have considered the potential of a surcharge applied to land holdings over a certain scale threshold, operating on a similar principle to the Additional Dwelling Supplement.*
- that the Scottish Government seeks opportunities to engage on a UK basis on the potential for a more progressive approach to the use of reliefs and exemptions in relation to land that would support diversification of ownership.

* In theory, an additional tax burden applied to large scale land acquisition could act as a disincentive to acquisitions that perpetuate or further concentrate the pattern of ownership. Illustrative modelling using a surcharge rate of 4% as an example (aligned with Additional Dwelling Supplement), applied in limited circumstances to expansion of existing land holdings indicated that such a measure could reduce concentration of land holdings by 2.5% over 20 years. This

is a small effect, though non-trivial in the context of the historically low level of land transactions. The modelling also suggests that this measure could generate c.£25 million over a five-year period in additional tax revenue. Caution on the use of surcharges is required as it could create perverse outcomes.



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Recommendation 3

Regeneration, vacant and derelict land

- Consider NDR and council tax reliefs on long-term vacant sites
- New NDR power for local authorities to tackle derelict properties

RECOMMENDATION 3

To support town centre regeneration and vacant and derelict land:

- additional reliefs on non-domestic rates (NDR) and council tax for newly built properties on long-standing vacant sites to incentivise reuse. *
- a new power to enable local authorities to continue to apply NDR to newly derelict properties to discourage them from being allowed to fall into disrepair.

* Preliminary modelling of these options suggests that the total cost over five years could be in the region of £25 million but that this could be largely if not completely off-set by the second-round spending effects and associated tax receipts stimulated by the change.



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Recommendation 4

Natural capital markets

- Consider role of tax in natural capital markets e.g. carbon.

RECOMMENDATION 4

- Nature markets are impacting the land market is one example of why we recommend above that all land is brought on the valuation roll. It is a necessary pre-requisite in order to have the flexibility to develop new targeted fiscal and tax measures in future.
- To support a just transition and investment in natural capital we recommend that specific consideration is given to the role of taxation in securing a productive balance of public and private benefit from future carbon values.
- This needs to be considered in the context of wider fiscal policy.



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Recommendation 5

Active farming

- SG engage with UKG on use of relief and exemptions to support letting of land

RECOMMENDATION 5

To increase active farming and diverse agricultural tenure we recommend that Scottish Government seek opportunities to engage on a UK basis on the potential for a more progressive approach to the use of reliefs and exemptions in relation to land, including potential for an income tax relief to support letting of agricultural land.

Our work provides a package of pragmatic steps for reform. The actions are for the Scottish Government to deliver but a range of stakeholders have a role in the journey.



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Conclusions & Discussion

- Reform is complex and needs to involve the public
- Pragmatic route-map for reform

Discussion:

1. How do we take forward work on tax to have most impact?
2. How do we use existing recommendations?
3. Is further work needed that would add value?

CONCLUSIONS

- Reform is complex and needs to involve people. Our research on the implementation of land value taxes internationally concluded that building a strong level of public understanding and consensus is a key success factor for implementing any form of land value taxation. We emphasise the importance of deliberative engagement, for example through a citizens' assembly, and stated our support of such activities.
- Our findings and recommendations provide a pragmatic route-map for reform.

We invite Commissioners to discuss the scope for SLC to progress work on tax by considering:

- 1. How to take forward work on tax to have most impact?**
- 2. How do to use existing recommendations?**
- 3. Whether further work is needed that would add value?**

Annex 1 contains potential options for consideration.



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Annex 1: Potential options

- Reform is complex and needs to involve the public
- Potential approach:
 1. Respond to SG Tax strategy consultation and support engagement?
 2. Renewed communications campaign using existing work?
 3. Programme of work on fiscal policies and land values?
 4. More modelling and pilots?
- Pragmatic route-map for reform

OPTIONS

- Potential options to consider could include:
 1. SLC to respond to SG tax strategy consultation and support SG by convening and coordinating engagement on land issues.
 2. Renewed comms campaign with a visual route map for reform, advice and findings (in parallel to consultation).
 3. Develop a programme of work fiscal policy (including tax) and valuation in supporting land reform objectives.
 4. Explore options for further modelling or piloting recommendations, for example with local authorities.



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Further reading

- [Land Reform and Taxation: Advice to Scottish Ministers 2022](#)
- [Land Value Tax Policy Options for Scotland- University of Reading 2018](#)