Scottish Land Commission
Coimisean Fearainn na h-Alba

Next steps for community ownership in Scotland

Advice to Scottish Ministers

REPORT

July 2026

Contents

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1 Executive summary

Across Scotland, community owned assets are delivering vital local services and developments, including housing, employment and renewable energy. At the same time, community ownership is contributing to national priorities such as community wealth building and sustainable land management.

Scotland has a range of enabling legislation and mechanisms to empower communities to acquire land and buildings. This has influenced ways of working and a shift in culture, making the transfer of assets to communities without the need for legislation an alternative route for acquisition.

However, legislative mechanisms are not always sufficiently agile or flexible enough to support communities, and those in the sector report facing sometimes complex, lengthy and resource-intensive processes. The recent Scottish Government review of Community Right to Buy aims to address such barriers and strengthen the process. The review is a positive step in strengthening routes to community ownership and the findings of the review should be taken forward.

This report complements the review and considers the wider system and support for community ownership. It builds on evidence and insights gathered through a review of existing evidence and interviews with sector experts and community groups. Key findings include that there is a continuing demand for community ownership and that the Scottish Land Fund is a cornerstone for community ownership. There are persistent challenges relating to funding, acquisition processes, governance, and access to specialist support. The report concludes with practical actions that if collectively taken forward helps all parties create a more accessible, equitable and effective system for community ownership.

2 Background

The impact of community ownership across Scotland is significant. Communities who own land and buildings are delivering housing, renewable energy, nature restoration and many vital community services in their local areas, providing jobs, homes, healthy environments, and opportunities for leisure and connection. Community ownership is important for delivering national priorities. A survey carried out by DTAS in 2025 identified 164,613 acres of community owned land held by their members which in turn helped to create 1015 jobs.[1] Communities also tend to have long-term environmental sustainability as part of their aims and play an important role in managing deer and peatland.[2]

The Scottish Land Commission's ScotLand Futures initiative indicates that there is a desire to see bolder public action to create strong support for community ownership and help for individuals to access land for housing or business.[3]

This advice, intended to highlight opportunities to support greater community ownership of land, has been developed in the context of several recent significant policy developments in Scotland in the land reform and community empowerment landscape.

1 Development Trust Association Scotland (2025) Development Trusts: Community Ownership Economic Impact.

2 Daniels, M. et al. (2025) Biodiversity and community owned land in Scotland – an analysis.

3 Scottish Land Commission (2026) ScotLand Futures: What we heard.

3 Context

The Scottish legislative and policy context has created several opportunities for community ownership. In 2026, the Scottish Government reported on their review of Community Rights to Buy legislation which intended to identify ways to simplify and encourage more use of the rights. The findings of the review are positive and should be taken forward. The review suggested proposals for legislative change but also identified some non-legislative improvements to processes.[4] This report and findings complement that review by focusing on the wider system and support for community ownership.

In 2025, the Scottish Government concluded a review of the Community Empowerment (Scotland) Act 2015.[5] The Act recognises that community empowerment can enable people and communities to shape services locally and take action to support the creation of successful places across Scotland. It is key to the future delivery of public services and a key aspect of the Scottish Government's approach to public service reforms. The review identified a several actions including a need for evaluation of the impact of Community Asset Transfer ownership and lease on local communities and how this is contributing to community empowerment and public service reform.

In 2025, the Land Reform (Scotland) Act was introduced setting out requirements for greater transparency and community engagement by owners of large landholdings. It also sets out a 'prior-notification' process to help regulate the land market to end private off-market sales of large estates. However, this will likely have limited impact for community land acquisition because the timescale of 100 days to complete the process (based on late applications under the Community Right to Buy Part 2 process) is not practical unless a community body is already constituted in line with eligibility criteria.[6]

Community ownership is explicitly referred to in the Community Wealth Building (Scotland) Act passed in 2026. The aim of community wealth building is to generate, retain and circulate wealth locally to reduce inequality and create an inclusive economy. Ensuring that local communities gain from land and property assets and growing wider socio-economic value from these assets is a key pillar of community wealth building.[7]

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[3] Scottish Land Commission (2026) ScotLand Futures: What we heard.

[4] Scottish Government (2026) Community Rights-to-Buy review.

[5] Scottish Government (2025) Community Empowerment (Scotland) Act 2015: update and findings report

[6] Scottish Land Commission (2025) Advice to Ministers on the Land Reform Bill- Part 1.

[7] Scottish Parliament (2025) Community Wealth Building (Scotland) Bill.

Local authorities and relevant public bodies are now required to publish and implement a community wealth building action plan that includes measures for diversifying ownership of land, energy or other assets by facilitating or supporting community ownership. Scottish Ministers have yet to prepare community wealth building guidance.

Identifying locally important land and buildings is also a feature of Scottish planning policy. The Planning (Scotland) Act 2019 creates an opportunity for community bodies to develop Local Place Plans that can influence wider planning processes such as Local Development Plans. These map land and buildings that the community sees as being particularly significant and identify location-specific proposals important for a community's future development.

Despite the policy intent, in practice the delivery and experience is shaped by different factors and contexts. Wider market trends suggest that there are more barriers for community groups who wish to act as economic actors or support wider place-making.

The Scottish Land Commission's annual rural land market reports suggest that political and economic uncertainty has led to overall less churn in the land market and fewer large-scale land transactions.[8] However, there is continuing demand from investors and landowners for land for renewables, agriculture and natural capital projects. Although the rate of increase has slowed, prices remain high and supply of land for sale remains low which makes it challenging for community acquisitions. In an urban context there are issues around vacant buildings, derelict land, and the changing state of the built environment that can create additional challenges for community ownership. The built environment is expecting some drastic changes with 800 churches at risk of disposal by the Church of Scotland.[9] 62% of community groups in contact with the Community Land Scotland Glasgow Hub, a source of dedicated community ownership support, were impacted by less access to resources or "disadvantaged". These communities were in the top two most deprived deciles by the Scottish Index of Multiple Deprivation.[10]

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[8] Scottish Land Commission (2026) Rural Land Market Reporting.

[9] Development Trust Association Scotland (2025) DTAS Debates: Taking on Former Places of Worship

[10] Community Land Scotland (2024) Community Ownership Hub Final Report: Summary.

4 Approach

Our advice has been informed by a literature review of research on community ownership in Scotland and, in particular, recommendations provided by the Scottish Land Commission's previous work. This advice builds on academic and grey literature, including a SEFARI Gateway fellowship report which supported a team from the University of the Highlands and Islands and University of Edinburgh to carry out research on understanding the drivers and barriers for largescale community land ownership and our previous work.[11] This work was informed by a working group from the Scottish Land Commission, Scottish Government and SRUC.

Further insights were gathered through 12 semi-structured interviews with community, public sector and third sector parties to investigate perceptions and challenges experienced regarding community acquisition mechanisms, funding and support mechanisms. Interviews were conducted online and two grouped interviews took place in person. A thematic analysis was carried out looking at challenges, needs and opportunities raised by participants.

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11 Macaulay, B., et al. (2026) SEFARI Fellowship to understand changes in demand for largescale community land acquisitions and identify barriers and solutions to new acquisitions.

5 Evidence and insights

5.1 Background on community ownership in Scotland

Community ownership in Scotland has developed significantly over the last 25 years as way of achieving sustainable development and delivering positive social, environmental and economic outcomes. The Land Rights and Responsibilities Statement, states increasing community access to land and buildings is essential for local wellbeing and long-term growth.[12]

Community ownership is defined as the outright ownership of an asset such as land or building by a geographic community.[13] This is why community ownership in Scotland is predominantly place-based and linked to outright ownership, forming a relatively distinct category of landownership from public or private ownership. In 2019, Scotland moved away from the "million acre" area-focused target to a new National Performance Framework indicator that focuses on the number of assets in community ownership.

The latest Scottish Government assessment published in 2025 shows that community ownership in Scotland has seen steady growth as shown in figure 1.[14] A total 853 assets managed by 503 distinct community groups in 2024. Most holdings consist of land and buildings covering 213,803 hectares (2.7% of Scotland's total land area). The portfolio also includes 21 unique non-property assets such as ferries, boats, a car transporter, and salmon fishing rights.

Community ownership is heavily concentrated in rural regions, which account for 80% of all assets and more than 99% of the total community-owned land area. Na h-Eileanan Siar remains a central hub, containing 153,678 hectares (72% of the national total). Collectively, the Highlands and Argyll and Bute local authorities house 326 assets, making up 38% of all community-owned holdings. There are 104 urban assets compared to 686 rural assets.

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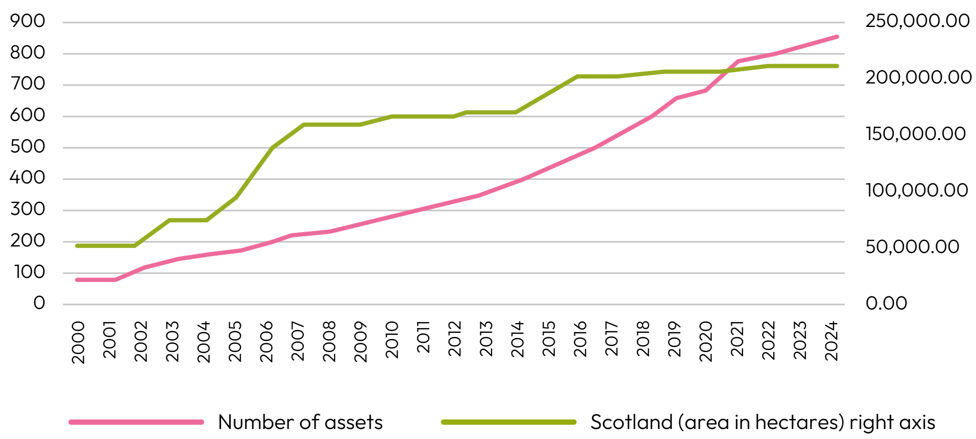
[12] Scottish Government (2017) Scottish Land Rights and Responsibilities Statement.

[13] Scottish Government (2024) Community Ownership User Guide.

[14] Scottish Government (2025) Community Ownership in Scotland 2024.

Figure 1: Number of assets and area of assets in community ownership for in Scotland, 2000 to 2024 - data from Scottish Government Community Ownership in Scotland 2024 [15]



Research by Community Enterprise highlighted "cold spots" of community-led activity, showing that 80% of cold spots are situated in the Central Belt, while rural areas condense more community ownership activity. Results suggest that increased deprivation is potentially linked to lower community-led activity. Warmest spots are concentrated in the Scottish Borders, Shetland, Na h-Eileanan Siar, Stirling, and Orkney, while the coldest spots are in Aberdeen, Lanarkshire, East Dunbartonshire, and Falkirk.[16]

Furthermore, recent research on large-scale community land ownership (greater than 500 Ha) shows that the majority of large-scale acquisitions are located in the Western Isles and Highland, accounting for over 75% of acquisitions and over 94% of hectarage between them. Crucially, the number of acquisitions has slowed down in the past decade despite a steady demand from communities.[17]

Community ownership has been embedded and reviewed within the Scottish legal framework for decades through the Transfer of Crofting Estates (Scotland) Act 1997 Land Reform (Scotland) Act 2003, Community Empowerment (Scotland) Act 2015, Land Reform (Scotland) Act 2016. Communities can secure land and assets through several distinct pathways. These include direct negotiation with landowners or exercising statutory Community Rights to Buy, which allow groups to register an interest in land (whether currently on the market or not).

[15] Scottish Government (2025) Community Ownership in Scotland 2024.

[16] Community Enterprise (2024) Cold Spots of Community-led Activity.

[17] Macaulay, B. et al. (2026) SEFARI Fellowship to understand changes in demand for largescale community land acquisitions and identify barriers and solutions to new acquisitions.

For publicly owned assets, groups may submit a Community Asset Transfer request, while the **Ownerless Property Transfer Scheme** addresses land that has fallen to the Crown. To fund these acquisitions, communities typically leverage the SLF, supplemented by charitable grants, philanthropy, or commercial lending. In 2025, the Scottish Government has consulted on the Community Right to Buy legislation. The Scottish Land Commission has previously commissioned research relating to community ownership, the mechanisms available, and options for funding (Table 1).

Table 1: Reports commissioned and published by the Scottish Land Commission on mechanisms and financing of community ownership

Title	Authors	Year	Scope
Review of the effectiveness of current community ownership mechanisms and of options for supporting the expansion of community ownership in Scotland	Rob Mc Morran (Scotland's Rural College), Anna Lawrence (Random Forest Ltd.), Jayne Glass (Perth College UHI), Jon Hollingdale (Community Woodland Association), Annie McKee (James Hutton Institute), Diane Campbell (Independent Consultant), Malcolm Combe (School of Law, University of Aberdeen)	2018	Community ownership mechanisms
Community Ownership and Community Right to Buy Recommendations to Scottish Ministers	Scottish Land Commission	2018	Community ownership mechanisms
Review of International Experience of Community, Communal and Municipal Ownership of Land	Rob Mc Morran, Jayne Glass, Jane Atterton, Sarah Jones, Eugenio Perez Certucha (Rural Policy Centre, Scotland's Rural College); Annie McKee (James Hutton Institute); Malcolm Combe (University of Aberdeen); Ting Xu (University of Sheffield)	2019	Community ownership mechanisms
Range, Nature and Applicability of Funding Models to Support Community Land Ownership	Duncan MacPherson, Faye MacLeod (Campbell Stewart MacLennan & Co), Josiah Lockhart (Firstport)	2019	Community ownership funding models
Community Funding – Model Table	Scottish Land Commission	2019	Community ownership funding models
Community ownership financing: options to complement the SLF	Duncan MacPherson, Faye Macleod (Campbell Stewart MacLennan & Co), Willie McGhee, Douglas Westwater (Community Enterprise), Pamela Redpath (Community Enterprise), Joel Paterson (Bowlts Chartered Surveyors)	2021	Community ownership funding models

5.2 Challenges and opportunities raised in previous work

While community ownership in Scotland continues to experience steady growth, local groups face interconnected legislative, geographic, administrative, and financial hurdles.

The statutory routes designed to empower communities including the various iterations of Community Right to Buy and Community Asset Transfer are perceived as highly bureaucratic and complex. Instead of utilising proactive planning, communities are frequently funnelled into reactive legal processes that can take years to resolve. Groups face extensive delays, mapping burdens, and difficulties simply identifying actual landowners due to offshore trusts and obscure corporate structures with up to 30% of urban projects stalling due to fragmented, complex ownership pattern.[18]

There is a significant geographic imbalance in asset distribution. Over 99% of community-owned land area is concentrated in rural regions, leaving the central belt and urban settings highly underrepresented.[19] There is latent demand in cities, yet urban groups located in highly resource-deprived areas show slower progress unlike rural communities that benefit from decades of foundational capacity-building, urban groups often lack a long-term support network, making their organisational journeys longer and more fragile.[20]

Some community groups have reported the heavy operational toll of navigating these processes relying on small groups of local volunteers. This friction is exacerbated by local authorities and Arm's Length External Organisations (ALEOs) who sometimes view community groups as commercial competitors and block Community Asset Transfers to retain future revenue streams. [21, 22, 23]

Financing remains a critical bottleneck. The sector suffers from a "hierarchy of descent" where groups rely almost exclusively on the SLF because they lack the specialised skills or structural capacity to manage complex debt-based models, social investments, or green capital.[24]

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[18] McMorran, R. et al. (2018) Review of the effectiveness of current community ownership mechanisms and of options for supporting the expansion of community ownership in Scotland.

[19] Scottish Government (2025) Community Ownership in Scotland 2024.

[20] Community Land Scotland (2024) Community Ownership Hub: Final Report Summary.

[21] Doyle, C. (2023) "Rethinking Communities, Land and Governance: Land Reform in Scotland and the Community Ownership Model," Planning Theory and Practice.

[22] McMorran, R. et al. (2018) Review of the effectiveness of current community ownership mechanisms and of options for supporting the expansion of community ownership in Scotland.

[23] Community Land Scotland (2024) Community Ownership Hub: Final Report Summary.

[24] MacPherson, D., et al. (2019) The Range, Nature and Applicability of Funding Models to Support Community Land Ownership.

Although speculation around natural capital may have eased in recent years, land prices make land acquisition unaffordable for many communities.[25] Finally, there is a severe shortage of post-acquisition and development funding; without long-term revenue support to manage assets after the initial purchase, smaller or disadvantaged community groups struggle to remain financially sustainable.[26, 27, 28]

International evidence shows that community empowerment can be achieved through disaggregated rights, where groups manage specific resources (like timber or water) without the prohibitive cost of full title transfers. In countries like Germany, communal management is a proactive, culturally embedded component of statutory planning. Evolving past a reactive "buy-out" culture represents a major opportunity for Scotland.[29]

In 2018, the Scottish Land Commission made recommendations to enable communities to be more strategic rather than reactive, simplifying the legal and administrative mechanisms and considered the role of funding and finance alongside other approaches to building capacity.[30] Most recommendations, in particular those regarding funding and finance, remain relevant today.

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[25] Macaulay, B. et al (2026) SEFARI Fellowship to understand changes in demand for largescale community land acquisitions and identify barriers and solutions to new acquisitions.

[26] Macaulay, B. et al (2026) SEFARI Fellowship to understand changes in demand for largescale community land acquisitions and identify barriers and solutions to new acquisitions.

[27] Morran R. et al. (2018) Review of the effectiveness of current community ownership mechanisms and of options for supporting the expansion of community ownership in Scotland.

[28] MacPherson, D. et al (2021) Community Ownership Financing: Options to Complement the Scottish Land Fund.

[29] McMorran, R. et al. (2019) Review of International Experience of Community, Communal and Municipal Ownership of Land A report to the Scottish Land Commission.

[30] Scottish Land Commission (2018) Community Ownership and Community Right to Buy Recommendations to Scottish Ministers.

5.3 Interview findings

This section highlights key points raised by participants during the interviews.

Process and mechanisms for community acquisition

Participants state that volunteer-led community groups face an unlevel playing field, going up against the sophisticated, well-funded legal teams of public bodies or fast-moving private buyers without equivalent legal support. Highly technical guidance and processes, rigid administrative conditions and uncooperative landowners can cause projects to stall or fail.

Various community ownership routes including Community Asset Transfer were discussed. Although the Community Asset Transfer process is generally highly regarded and considered as functional there are mixed experiences. These seem to be impacted by the skill and knowledge of officers, capacity of relevant authority staff to understand and engage in the process, and suitable governance processes in the relevant authority. In practice, public bodies lack a standardised approach to defining "best value," with some prioritising long-term social investments and others focusing strictly on extracting the maximum market price.

The Community Right to Buy is sometimes seen as overcomplicating an acquisition that could otherwise be resolved via a direct, negotiated sale. Stakeholders emphasised that early, collaborative communication with landowners is preferable. Some landowners can react defensively to registration of interest and the Community Right to Buy process, which suggests a need for better awareness of the process and its intentions. At the same time, communities should be encouraged to register interest in assets that could meet community needs before they hit the market.

Some stakeholders argue that long-term or concessionary leases should be embraced more widely as a lower-risk "try out" phase, with suggestions that they preserve community capital for project development rather than upfront purchase. However, it is acknowledged that it can be more difficult for communities to secure funding to invest in assets that they do not own.

Some participants suggest that there needs to be greater clarity and proactive communication around disposals and opportunities for delivering community aspirations. The means to achieving this need to be implemented across all sectors and coordinated across policy areas.

Funding

It was clear from our interviews that the SLF provides an invaluable source of funding and support across Scotland and that the community land sector would not be as successful as it is today without it. It is vital to retain the fund on an ongoing basis to ensure the continued empowerment of communities and delivery of benefits that meet local needs.

There was acknowledgement from participants that public money is tightening and that it is important to make sure that the SLF continues to be well-managed with clear criteria for success. There were also some discussions about the merits of moving the SLF from a purely "demand-led" model to a "policy-led" model. However, it is clear that any change in criteria would need to be well thought out to ensure that communities across Scotland can still benefit from access to the fund

While the SLF is highly effective for asset acquisition, participants mentioned there is a critical funding gap for post-acquisition development and capital works, especially with rising construction costs in rural areas. Funding to hire dedicated project officers on an ongoing basis was also raised as essential as relying solely on overstretched volunteers creates major fragility for project viability.

The growing demand and appetite for community-owned assets of all types is outstripping available funding of the SLF. There has been an increase in applications for buildings in recent years driven in part by response to significant asset disposals by public bodies.

Timescales were frequently mentioned by respondents as challenging. Single-year funding cycles are perceived to put immense pressure on communities, who risk losing grants if a sale isn't completed by the end of the financial year; participants mentioned the need for more budget flexibility. There is often a misalignment between funding timescales and acquisition processes.

Support and enablers

Although conversations around "community capacity" are prevalent in the community land space, some participants emphasise that communities don't lack capability or skills; they lack time, as members have responsibilities with families and day jobs while navigating overwhelming bureaucracy in their evenings. Current mechanisms are failing to reach disadvantaged areas, with data showing a distinct lack of Community Asset Transfer activity within lower Scottish Index of Multiple Deprivation (SIMD) percentiles.

Most participants believe that third sector support organisations and access to specialist skills such as consultants or legal and architectural expertise, are essential for successful community ownership projects. It is important for communities to understand ownership and development options early on. Organisations like Community Land Scotland, the Development Trust Association Scotland, Community Woodland Association, and regional enterprise teams such as Highlands and Islands Enterprise and South of Scotland Enterprise are viewed as indispensable, trusted support that need expanded, long-term funding. Stage 1 funding through SLF successfully helps groups hire consultants to de-risk projects, but there are growing complaints about shortage of consultants and a rise in expensive, "cut-and-paste" business plan templates.

Community ownership studies and policies skew heavily towards rural areas, leaving urban groups to navigate distinct challenges where a large portion of buildings require expensive refurbishment just to keep the doors open. There are gaps in this area and delays can mean that the condition of buildings deteriorates leading to increased costs.

Some participants note that success should not just be measured by the number of acres or assets in community hands, but by the long-term financial viability of the projects and how supported the community felt throughout the process.

6 Advice

The advice builds on the evidence base and is informed by the insights gathered from interviews. This informs four key outcomes and actions that would better enable different actors to support community ownership in Scotland.

OUTCOME

Increased Scottish Land Fund to deliver maximum benefit and impact.

ACTION 1 DELIVERED BY SCOTTISH GOVERNMENT

Support and increase the Scottish Land Fund budget to support more communities and give more communities the greatest chance of overcoming significant funding challenges by moving to multi-year funding.

ACTION 2 DELIVERED BY SCOTTISH GOVERNMENT

Create a facility for the Scottish Land Fund to draw down funds (beyond the current maximum grant) for largescale or high-value acquisitions and consider a grant funding-in-principle for between stage 1 and stage 2 of the application process.

OUTCOME

Coordinated funding and finance deliver community wealth and value for money.

ACTION 3 DELIVERED BY PUBLIC BODIES

Use Community Wealth Building plans to coordinate local and national finance and support for community assets in a place-based way.

ACTION 4 DELIVERED BY PUBLIC BODIES

Where communities are delivering on wider social purposes in line with local strategic priorities or public services, assets should not be transferred at market value. Instead, discounts or reliefs should be applied to reflect the benefits that community ownership will deliver.

ACTION 5 **DELIVERED BY SCOTTISH GOVERNMENT, ENTERPRISE AGENCIES, SNIB**

Explore opportunities for a patient capital funding model to complement Scottish Land Fund.

ACTION 6 **DELIVERED BY SCOTTISH GOVERNMENT**

Review the landscape for post-acquisition funding and identify opportunities to support post-acquisition development and management of community assets.

OUTCOME

Public bodies make it easier for communities to access land and assets through effective governance, coordination and knowledge sharing.

ACTION 7 **DELIVERED BY PUBLIC BODIES**

Public bodies should use Community Wealth Building plans to identify priorities across departments and provide strategic support for community ownership in different areas.

ACTION 8 **DELIVERED BY PUBLIC BODIES**

Public bodies should review their processes and practices to ensure they meet the requirements of the Community Empowerment (Scotland) Act 2015 and to identify opportunities for improvement and for sharing good practice. There should be a dedicated forum for public bodies to share good practice and experiences.

ACTION 9 **DELIVERED BY PUBLIC BODIES**

All relevant authorities, including Scottish Government, should consider their governance and decision-making process in relation to Community Asset Transfer applications should ensure they are sufficiently independent, transparent and fair. To do this, Scottish Government should consider appointing an independent evaluation panel for that is available for all public bodies to utilise.

ACTION 10 **DELIVERED BY PUBLIC BODIES**

Public bodies should identify and pursue new opportunities to support and enable community ownership, including the interim ownership of assets to support communities who want to acquire land but need time to develop proposals.

ACTION 11 **DELIVERED BY PUBLIC BODIES**

A review of support and funding for alternatives to ownership, such as leasing, management, buying a stake in a project, or meanwhile use, should be carried out and opportunities to strengthen and add to these should be identified.

OUTCOME

Simplified project delivery through clearer process and access to support.

ACTION 12 **DELIVERED BY SCOTTISH GOVERNMENT**

The proposals put forward following the review of community rights to buy should be taken forward as a priority.

ACTION 13 **DELIVERED BY SCOTTISH GOVERNMENT**

Intermediary organisations must be adequately resourced to ensure that they continue to be impactful and help communities navigate the increasing complexities of managing and owning buildings and land.

ACTION 14 **DELIVERED BY SCOTTISH GOVERNMENT**

Invest in a dedicated resource to help communities accessing professional legal and planning advice in an affordable and timely way to ensure that projects are feasible and deadlines are met.

Increased Scottish Land Fund to deliver maximum benefit and impact.

The SLF is the only fund of its kind in Scotland and has supported hundreds of communities to purchase land and buildings to meet community needs. These communities are delivering a vital range of activities and services in their area using land and buildings, enhancing and often being the main mechanism and lifeline in a place.

There has been clear and strong support throughout our research for the role and operation of the SLF. Community bodies and other stakeholders value the relationship-based approach to support that is provided and value the knowledge and experience of HIE and the National Lottery Community Fund who deliver the fund. Participants told us:

> "If Scottish Land Fund had not been in a position to support us then we are not sure we could have succeeded." – Community body
>
> "Scottish Land Fund were brilliant. We got two stages of funding with support for consultants and engagement work at Stage 1. It helped us to think through how to make the project work. We received really good information and advice from SLF staff." – Community Body

197 projects were awarded Stage 2 funding during SLF4

We strongly support the continuation of the SLF and the current delivery model and recommend that the SLF be retained and continue to provide dedicated advisor support to communities across Scotland.

In the 2021-22 Programme for Government, the Scottish Government committed to double the SLF from £10 million to £20 million per year by 2026 to provide support for community ownership projects in urban and rural areas, responding to the increasing popularity of the fund. However, this increase in funding has not materialised, with the fund being cut in 2024. There is greater demand for funding than there is funding available and this has put the SLF Committee in the position of being unable to support applications from projects that would otherwise have been considered fundable. Most communities do not have paid staff and rely on volunteer time to develop their applications. A lower chance of being successful in securing funding could put communities off pursuing acquisition projects thereby indicating a portion of 'hidden' demand which could be unlocked through the provision of a larger SLF budget. We strongly recommend that the SLF budget is increased.

The fund has been oversubscribed for several years, leading to the SLF Committee having to make difficult decisions about which projects to support and turning down fundable projects due to a lack of available budget. In addition to the overall budget of the fund, having an annualised budget is a barrier to community land acquisitions. If acquisitions are not completed before the end of the financial year, then there is an impact on the following year's available budget. At the end of funding cycles, acquisitions must be complete before financial year-end regardless of when a grant is made. This can be challenging, especially so for largescale acquisitions which often face complex title checks due to issues such as unclear boundaries, third party access and multiple title searches. In these situations, the SLF Committee must consider the likelihood of an acquisition completing that year when assessing projects and this can put larger and more complex projects at a disadvantage. There should be a move to multi-year funding for the SLF to create more flexibility and better enable and support community land acquisitions.

ACTION 1

Support and increase the Scottish Land Fund budget to support more communities and give more communities the greatest chance of overcoming significant funding challenges by moving to multi-year funding.

Research has shown that largescale community land acquisitions are an exception rather than a rule, they are nonetheless important, giving communities the chance to become anchor organisations and build sustainable futures, and there is a need to consider the support mechanisms, processes and funding in place to support them.

The SEFARI research project showed that there is still demand for large acquisitions but there has been an increase in barriers, including a perceived difficulty in accessing funding. The SLF has a normal maximum award limit of £1million, although it is suggested that in exceptional circumstances, larger grants may be available with Ministerial approval. While the normal process works well for the majority of applications to the fund, large landholdings often sell for much higher sums and the idea of a cap on funding can be off putting with the perceived gap in funding seen as a barrier to communities pursuing large and high-value acquisitions. Limited funding also means that the SLF Committee must decide whether to support one large project or many small projects from the available budget.

There are several ways in which the SLF could be modified to make it easier for communities pursuing acquisitions of largescale landholdings to navigate the process and timescales. There have been several suggestions through our research for a separate process or funding for communities who wish to pursue a largescale acquisition to ensure the challenges and complexities can be adequately addressed. These include a suggestion that there be an interim stage where communities could receive approval in principle for an application to put them in a stronger negotiating position before proceeding. This would sit between stages 1 and 2 of the SLF process so communities would have sufficient detail about the project to inform an in-principle decision and then following negotiations the community would apply to Stage 2 for full approval. One interviewee told us:

> "Having to negotiate a buy-out without funding secured weakens the negotiating position of the community" – Community Body

There were also suggestions for a separate application form and for ring-fenced funding specifically for larger land assets. Given that demand for large buyouts varies over time, there could be a risk of ring-fenced funding not being used so we believe that offering the SLF the opportunity to draw down additional funds, in addition to the allocated annual budget, where the committee wishes to support a largescale or high value acquisition would be a better option. This has already happened in the case of the community buyout of Ulva. Putting in place a facility for this to take place on an ongoing basis could give communities greater confidence to purse ambitious and strategic acquisitions and strengthen and simplify the process for communities and the SLF.

ACTION 2

Create a facility for the Scottish Land Fund to draw down funds (beyond the current maximum grant) for largescale acquisition and consider grant funding-in-principle for between stage 1 and stage 2 of the application process.

Coordinated funding and finance deliver community wealth and value for money.

Overall, opinions expressed about the SLF through our research have been positive, however we are aware that there has been some criticism in recent years that the fund is not just focused on land but includes buildings. There were 197 approvals made in SLF4 and most of them were buildings, but the UHI research on largescale land acquisitions show that these kinds of acquisitions are the exception and always have been, with some concentrated periods of largescale acquisitions driven by factors including but not limited to opportunity, funding availability, and inspiration from seeing other communities do it.

Acquisitions of buildings and small sites deliver benefits across urban and rural areas, empowering communities and enabling them to meet their needs. The projects fit the criteria for successful SLF projects: the projects support economic, environmental or social development through land and asset ownership; they give the community more control over its future, and communities own land and buildings that are well managed and financially sustainable. We believe these kinds of projects should continue to be supported.

> "Success is not just the amount of land owned, true success is viability and sustainability." – Stakeholder (public body)

However, there are broader questions to answer about the types of projects that SLF supports. For example, should the SLF fund acquisition of housing (rather than land for housing) when there are other funds available for housing projects from organisations like SNIB and More Homes Scotland? Is SLF an appropriate fund for the acquisition of historic assets? There is an opportunity to consider these questions and the role of SLF in the national funding landscape in the design of the next SLF to maximise impact and value for money.

A huge amount of SLF funding goes back to the public sector. Public bodies may offer a community group a discount on the market value of a property in the Community Asset Transfer process in order to reflect the social, environmental or economic benefits that these assets will deliver to the local community, and to reflect that assets being sold are often in need of investment and selling them can relieve public bodies of social delivery liabilities. However, this is not the case for all public bodies and we advise that market value should not be paid for assets that do or will deliver on social purpose. Public bodies should consider best value, which reflects the benefits that will be delivered by community ownership. By doing so, the Community Asset Transfer process and SLF can work together to deliver best value for public money and at the same time also deliver positive outcomes for communities.

ACTION 3

Community Wealth Building plans should set out how local and national finance will be coordinated in a place-based way to support community acquisition and management of local assets.

ACTION 4

Where communities are delivering on wider social purposes in line with local strategic priorities or public services, assets should not be transferred at market value. Instead, discounts or reliefs should be applied to reflect the benefits that community ownership will deliver.

There have been suggestions that a long-term funding payback model – a 'patient capital community ownership loan fund' – could be helpful in supporting communities who are acquiring large assets or high value purchases to fund acquisition. This may be suitable when communities are buying larger estates or high value assets with secure long-term income streams and are in a position to pay back lending. A no or low interest loan would enable communities to acquire, and they could pay off the loan over a longer period with repaid money going into a recyclable fund to support other communities. We recommend that Scottish Government take a lead role in exploring this opportunity.

ACTION 5

Explore opportunities for a patient capital funding model to complement Scottish Land Fund.

A clear message through our research has been that while there is funding available for acquisition of assets, that the landscape for funding for maintaining, developing and improving those assets is very challenging. We recommend a review of current and potential post-acquisition funding with a view to mapping and presenting opportunities for further support, this should include a role for the Scottish National Investment Bank.

ACTION 6

Review the landscape for post-acquisition funding and identify opportunities to support development and management of community assets.

Public bodies make it easier for communities to access land and assets through effective governance, coordination and knowledge sharing.

The Scottish Government has passed the Community Wealth Building (Scotland) Act 2026, which sets out commitments to further community wealth building in Scotland. The Act requires local authorities to work with relevant public bodies to prepare a community wealth building action plan for the local area. One of the pillars of Community Wealth Building is 'Land and Property' which means growing the social, ecological, financial and economic value that communities gain from land and property assets. Support for community ownership strongly contributes to this pillar and we know that communities already play an important role as anchor organisations in some areas.

> “We are seeing some of the more mature Development Trusts becoming significant asset owners and deliverers of local service and infrastructure. Further recognition and investment by Scottish Government and local authorities might see these community anchor organisations take a more strategic (and commercial) approach to the best use and delivery from assets at a community level as opposed to a sometimes firefighting approach.” – Stakeholder (Public body)

ACTION 7

Public bodies should use Community Wealth Building plans to identify priorities across departments and provide strategic support for community ownership in different areas.

Community Asset Transfer legislation was designed with a presumption in favour of transfers to community bodies. In practice, this does not always happen and there is a need for all relevant authorities to act in line with the spirit and letter of the legislation. This is particularly needed when it comes to issues around assessment of best value and use of conditions of sale and clawback conditions. The review of Community Asset Transfer found that there are mixed interpretation and application of guidance on these issues. This aligned with our research, where we heard about situations that did not align with the intention of the legislation and made things difficult for communities.

> “The appeal was a very difficult process which was asking a lot of volunteers. The community did not have any resources to help them. The public body had a lawyer, but the community did not so there was a power imbalance.” – Community Body
>
> “The main thing that public bodies could do to support community organisations is reduce processes and bureaucracy which would give groups more time to deal with business” – Stakeholder (Membership organisation)

There needs to better knowledge of processes and different routes to ownership across public bodies – from frontline officers to senior managers to elected officials. Processes are often handled by one or two individuals who may be informed and supportive but can face barriers when dealing with other departments or decision-makers in the organisation. There also needs to be some flexibility and proportionality of processes to ensure that authorities are not placing undue pressure on community organisations, which are often led by volunteers, and who can face arduous requirement regardless of the presumption in favour of transfers.

> “There is still work to be done in reminding authorities of their duties;

> occasionally, they outright refuse requests despite what is written in the law." – Stakeholder (public body)

However, there are examples of public bodies who do a good job of supporting communities to acquire, lease or manage assets, and there is an opportunity for greater sharing of good practice. There are examples of good practice in relation to decision-making around Community Asset Transfer applications, which include clear communication and engagement, transparency around processes, and decision-making, and application of conditions and clawback, and good governance in relation to decision making.

ACTION 8

Relevant authorities, including Scottish Government, should review their processes and practices to ensure they meet the requirements of the Community Empowerment (Scotland) Act 2015 and to identify opportunities for improvement and for sharing good practice. There should be a dedicated forum for public bodies to share good practice and experiences.

Good governance when dealing with applications from communities who want to purchase land or buildings includes separation of duties, strong management of conflicts of interest, accountability, and transparency around decision-making processes and conditions of transfer. Different departments should be involved in discussions about applications from the beginning so that any potential issues can be raised with communities at an early stage. Having an independent evaluation panel to support the process can be considered best practice as panels provide a level of independence, along with key knowledge and experience that helps relevant authorities to make well-informed decisions.

ACTION 9

All relevant authorities, including Scottish Government, should consider their governance and decision-making process in relation to Community Asset Transfer applications should ensure they are sufficiently independent, transparent and fair. To do this, Scottish Government should consider appointing an independent evaluation panel for that is available for all public bodies to utilise.

The Commission and Crown Estate Scotland (CES) explored a Community Land Accelerator project where CES would become the interim owner of an asset to give aspiring community landowners a chance to develop their business plans and pursue funding applications. This was intended to support communities where it was not possible for them to acquire assets using other existing mechanisms, such as the Community Right to Buy process, Community Asset Transfer or through securing the required grant funding in the short-term. CES could then transfer the asset to the community after a defined timeframe. While it was not possible for this to continue to pilot stage, the project identified some important lessons, which could be considered by other major public landowners such as Forestry and Land Scotland and NatureScot, and there is potential through public service reform to use public land and the capital held in it in a more active way to deliver this interim ownership support.

ACTION 10

Public bodies should identify and pursue new opportunities to support and enable community ownership, including the interim ownership of assets to support communities who want to acquire land but need time to develop proposals.

Ownership of land and buildings may not always the best option for every community. There should be support and funding available to make alternatives to ownership such as leasing, informal and meanwhile uses feasible where and when this fits best with the community's needs.

> "There are different routes to community use and ownership, including concessionary leases. There's also the option of undeveloped sites for community gardening projects but there's no intuitive process to use land informally." – Stakeholder (Local authority)

Community-led land use can be key in stewarding and managing land in the longer-term public interest. Public bodies should ensure that communities are treated fairly in relation to these measures including offering fair and transparent lease terms and making support available to lease. There is evidence and good practice around this that can be shared to create a consistent approach across Scotland.

ACTION 11

A review of support and funding for alternatives to ownership, such as leasing, management, buying a stake in a project, or meanwhile use, should be carried out and opportunities to strengthen and add to these should be identified.

Simplified project delivery through clearer process and access to support.

Following the 2025 review of the community rights to buy the Scottish Government has made proposals for the consideration of Scottish Ministers, including options for legislative change. We support the proposals that have been put forward. These should be implemented as a priority action in order to simplify the rights to buy and raise awareness in communities of the option to register a right to buy.

ACTION 12

The proposals put forward following the review of community rights to buy should be taken forward.

There are several intermediaries such as the Development Trust Association Scotland, Community Land Scotland, and Community Woodland Association that play an important role in supporting and enabling community ownership and management of land and buildings regardless of route to ownership.

Communities depend on these services for accessing support and professional advice. For example, legal, planning and architectural advice will inform the feasibility of projects. We also heard that consultants are providing important services for communities in developing their plans, although this may not always be the best or most affordable option for a community.

ACTION 13

Intermediary organisations must be adequately resourced to ensure that they continue to be impactful and help communities navigate the increasing complexities of managing and owning buildings and land.

ACTION 14

Invest in a dedicated resource to help communities accessing professional legal and planning advice in an affordable and timely way to ensure that projects are feasible and deadlines are met.

7 Conclusion

Community empowerment and ownership legislation has long been a positive force and delivered real change for many places in Scotland. This report identifies continued demand for community ownership, the SLF and public sector to support communities in acquiring assets. It also highlights areas where policy ambition and practical reality need to be more aligned. This is seen through challenges relating to funding, capacity and access to ownership opportunities.

The report points to the need for a refreshed approach and greater momentum to expand the community ownership agenda across Scottish Government and the public sector. The actions create a supportive environment for communities to acquire, manage and develop assets and deliver services that provide lasting local benefits.

At a time when Scotland is seeking to advance Community Wealth Building, public service reform and a just transition to a net zero economy, community ownership represents a practical and proven mechanism for delivering local services and aspirations.

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