OUR LAND

for

A vision for land reform in Scotland and how we get there



COMMON WEAL



REVIVE the coalition for grouse moor reform has previously published reports which have focused on the detrimental impacts of grouse moors to the environment and animal welfare. We have also highlighted better ways for this land to be used by local communities to the benefit of the Scottish economy. We challenge the myth that this land is only good for one thing the shooting of wild animals for entertainment.

Now, REVIVE is turning its attention to the social justice issue of how and why there is such a huge concentration of land ownership in Scotland and how to change that. Grouse moors, it can be said, are a metaphor for those land reform issues in Scotland.

As ever, we stand on the shoulders of giants. For many years there has been a groundswell of civil society dissatisfaction about how land is owned and managed in Scotland. What was perhaps missing was a coherent roadmap of active steps that could be taken to remedy the situation.

This is why REVIVE commissioned the New Economics Foundation and Common Weal to produce this report. We asked what steps a Scottish Government could take within the present constitutional position to tackle the acknowledged problems around land ownership and use. Together with leading Scottish figures, thinkers, and campaigners from the Scottish land reform movement they have come up with a set of achievable and comprehensive recommendations on how land ownership could be reformed for the benefit of Scotland's people, its environment and its animals.

We hope this report will provoke an ongoing debate that leads to the change it envisions.

Acknowledgements

We extend our thanks to all of those who offered guidance and took the time to be interviewed as part of this research: Cara Gillespie, Shona Glenn (Scottish Land Commission), Laurie MacFarlane, Frances Northrup (NEF), Peter Peacock (ex Community Land Scotland), Pete Richie (Nourish Scotland), Lesley Riddoch, Vicky Swales (RSPB), Dr. Bonnie Van de Steeg (Land Justice Network), Andy Wightman, Chris Williams (NEF).

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Foreword

How can the Queen be getting a rates reduction at Balmoral when the local school gets none? Why are huge swathes of Scotland's land area unproductive, driven grouse moor? How come the nobility are able to plant taxpayer-funded trees in place of tenant farmers? How can communities be expected to afford to buyout local heather moorland valued at £6 million? How can the authorities claim success in providing affordable homes when young islanders complain of land price inflation and new economic clearances? And above all after two batches of land reform legislation, how is it possible that the number of Scottish landowners is almost as small today as it was in 1872? After all the warm words uttered about land reform since the Assynt Crofters took the bull by the horns, making history, buying back their land and breathing life into three decades of community ownership - what is the political fear of taking more effective action?

Happily, the business of finding answers no longer falls to a dwindling band of older land reform campaigners. With this brilliant, forensic yet highly readable report, the baton is well and truly handed on to a new generation of academics and activists who approach the vexed issue of land scarcity with renewed vigour and fresh ecological insights. Perhaps the happiest phrase in this whole report sits on page one; 'all the recommendations in this report can be adopted with the current powers of the Scottish Parliament.' Glory be.

Its hugely practical nature makes this a landmark report capable of breaking Scotland's land reform logjam. All that's needed is the political will. I'd like each candidate elected to the 2021 Holyrood Parliament to explain whether they endorse this Our Land manifesto for change. And if not, what they will do to produce even speedier, more transformational change. Because the situation is urgent. As we prepare to 'build back better' after Covid with a green new deal adjusting Scotland to a fossil-fuel-free future, land will be at the centre of almost every solution. But without change to our skewed ownership patterns, most Scots will still have to win the lottery, jump through hoops or be lucky enough to live in active buyout communities with super-humanly dedicated unpaid volunteers to have any kind of say. This kind of feudalism belongs in the past - this report is an effective way to put it there.

All the recommendations listed are legal within the existing powers of the Scottish Parliament, in line with international law, practised elsewhere and ready to be enacted now in Scotland. All that's missing is the political will to mobilise a crossparty alliance, tackle age-old fears of confronting Scotland's big landowners and finally achieve the transformation dreamed about by generations of our forebears who finally settled for less or took their energy, culture, language and dreams elsewhere. Tweaking the developed world's worst landownership system won't save precious habitats, repopulate the glens or give Scots affordable leisure-time in their own country.

We need the kind of regulation that's normal in countries like Norway, even though it has around five thousand times more private owners of land than Scotland. With much less of a land scarcity problem, they still have far greater restrictions and decades of experience from which we can learn. Scotland, by contrast is like the Wild West unregulated, untaxed, uninhibited and uninhabited.

This report is a policy roadmap showing how the land question can be tackled and what a normal Scotland might actually look like. I hope it puts land reform right back on the agenda for the Scottish Parliament and its parties.

OUR LAND

OUR LAND



Lesley Riddoch

broadcaster, journalist and

land reform campaigner

1 Introduction

Land is not a possession like other possessions and nor is it an asset like other assets. In the satirical words of Mark Twain, "buy land, they're not making it anymore". This is not a market in which demand can stimulate more supply, but one in which a fixed asset is somehow divided between competing interests. Land is fundamental to the existence of nation states and the land of any nation is inherently finite. We wouldn't allow an entity to claim ownership of all of our water or air, as these are prerequisites for life, yet we treat land more like a consumer good than a fundamental foundation of existence.

This creates many problems, yet the system mostly goes unchallenged. For example, unless a person has lived through a period of significant change in land management or ownership, they will have been exposed to only one philosophy of land management or land ownership throughout their life. This can lead people to believe that there is no plausible alternative. There is also a lack of public awareness about land and surrounding issues. For example, many people believe that Scotland's grouse moors are barren naturally, rather than this being a

consequence of deforestation, close grazing and intensive management. We assume that land is 'natural' and so what is currently there is a reflection of a fundamental scientific reality, rather than the result of millennia of human interventions. Moreover, many land issues are incredibly complex and nuanced, making it hard even for those without time and expertise to understand the full picture and work towards meaningful reform.

This report does not provide a history of land ownership and use in Scotland, nor does it cover the work and impact of the land reform movement. There are already many publicationsⁱ and books^{ii, iii, iv, v, vi,} that review these topics. This report instead explores the key issues with concentrated land ownership, and then outlines policy proposals that could help better distribute power and land ownership, develop and facilitate a sustainable land-use strategy in the public interest, reduce excessive capital being allocated to land and speculation on land, and improve transparency of land ownership. Land reform is viewed not as a tool to redress old injustices (though there are old injustices that deserve to be fixed), but as a key foundation of revitalised

rural communities and economies, and a stepping stone to meeting some of the key challenges of the 21st century, namely rising economic inequality and climate change.

Section 2 introduces current land ownership and use in Scotland. Section 3 then explores why concentrated ownership is a problem, and, in doing so, also outlines the economic benefits that accrue to those who hold land. Section 4 details a wide range of policies for modern land reform and what they hope to achieve. Finally, Section 5 reflects on the previous analysis and concludes.

It is important to note that all the recommendations in this report can be adopted with the current powers of the Scottish Parliament. Given the nature of the climate crisis and the crucial role that land must play in tackling it we would urge the Scottish Government to act on these recommendations as soon as possible.

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2 Introduction to Scottish land ownership and use

Land ownership

The UK, and particularly Scotland, has a more concentrated pattern of large scale private land ownership than is found in any other country in the world.^{vii} In 2019, 50% of all England's land is owned by just 25,000 landowners^{viii} representing just 0.04% of the population^{ix}, while in 2012 in Scotland 432 families,^x just 0.008% of the population, own 50% of private rural land,^{xi} and, as shown in Figure 1, rural land accounts for over 98% of Scotland's land area. ^{xii} In addition, Table 1 demonstrates that rural land ownership in Scotland has become more concentrated over recent decades, with 0.02% and 0.018%^{xiii} of the population owning 60% in 1970 and 2012 respectively.^{xiv}

In Scotland 432 families,

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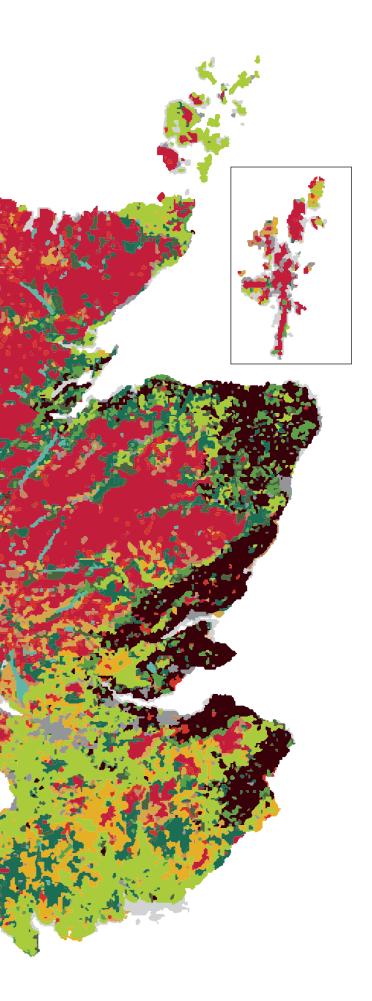
population, own 50% of

private rural land

Figure 1 - Breakdown of different types of land cover in Scotland in 2000

Source: Scottish Government (2011) Annex C Map 1, Getting the best from our land: land use strategy for Scotland

Broad-leaved/mixed woodland
Coniferous woodland
Arable and horticulture
Improved grassland
Semi-natural grassland
Mountain, heath, bog
Built up areas and gardens
Standing open water
Coastal



| % PRIVATE | NUMBER OF LANDOWNERS | | | % OF POPULATION | | |
|------------|----------------------|------|------|-----------------|----------|----------|
| RURAL LAND | 1970 | 1995 | 2012 | 1970 | 1995 | 2012 |
| 10 | 18 | 17 | 16 | 0.00035% | 0.00033% | 0.00030% |
| 20 | 51 | 53 | 49 | 0.00098% | 0.00104% | 0.00092% |
| 30 | 110 | 116 | 110 | 0.00211% | 0.00227% | 0.00207% |
| 40 | 207 | 220 | 221 | 0.00397% | 0.00431% | 0.00416% |
| 50 | 370 | 412 | 432 | 0.00709% | 0.00808% | 0.00813% |
| 60 | 1180 | 854 | 963 | 0.02263% | 0.01674% | 0.01813% |

Table 1 - Number of landowners and percentage of the population that owned given percentages of Scottish private rural land in 1970, 1995 and 2012

Furthermore, Scottish law helps maintain this concentration, as it distinguishes between moveable and immoveable property for the rules of inheritance. Immoveable property is land and property attached to the land. Moveable property, on the other hand, comprises everything else. In Scotland, whereas a deceased person's children and partner (married or civil) have legal rights to inherit moveable property, they do not have inheritance rights over immoveable property. This means that, unless expressly accounted for in a will, immoveable property will be passed intact to one person, either the spouse or firstborn child.

Many large landholdings have been owned by the same family for hundreds of years. For example, a recent survey of Scottish private estates owners revealed that, on average, they remained in the same family for 122 years, with 5% staying with the same family for over 500 years.^{xv} For comparison, houses in the UK, on average, change hands every 23 years.^{xvi} Source: Land Reform Review Group (2014) Figure 25, The Land of Scotland and the Common Good: Report,

Land use

As can be seen in Figure 1, rural land accounts for over 98% of Scotland's land area.^{xvii} Approximately 80% of Scottish land is devoted to agriculture;^{xvii} however, only 9% of agricultural land is currently considered suitable for crops and fallow. 83% of agricultural land is thus used to graze livestock,^{xix} while 8% is used for other purposes. Around 18% of Scottish land is forest or woodland,^{xx} and this is often used for forestry, tourism and recreation. Currently between 12-18% of Scottish land is actively managed for grouse.^{xxi}

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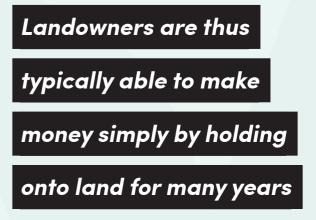
3 Why concentrated land ownership is a problem

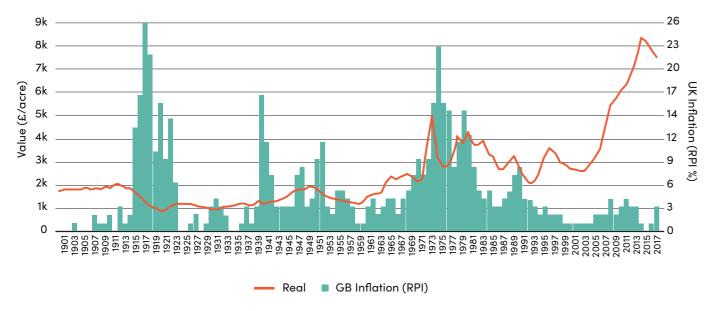
Land is a fixed and finite resource.^{xxii} From an ethical perspective, concentrated ownership of a fixed and finite resource that is fundamental to existence does not seem compatible with a society that values fairness, equality and opportunity for all. However, it is also undesirable from an economic perspective. To understand this, let us first explore the economic benefits enjoyed by those who own land.

The benefits of owning land

Capturing unearned income: the problem of 'Rent-Seeking'

Economists use the concept of 'economic rent' to describe unearned revenue, that is, income attained that is not proportionate with effort expended or value generated for society. Nobel laureate, Joseph Stiglitz, describes it as getting an income not as a reward for creating wealth but by 'grabbing a larger share of the wealth',^{xxiii} which must come at the expense of others losing out. Housing and land are regularly used to extract economic rents. As land is a fundamental foundation of existence in fixed and finite supply, land's value, over the long-term, tends to increase; albeit, as shown in Figure 2, it can experience shorter-term falls due to shorterterm factors, including macroeconomic conditions and bubbles, and subsequent crashes. Landowners are thus typically able to make money simply by holding onto land for many years, even if they do nothing to improve it or ensure it is used productively. In addition, financial investors who see this opportunity can pile into the market, pushing up prices further. Overseas investment in the UK housing market, for example, rose from around £6bn per year a decade ago to £32bn per year in 2014, xxiv making up 17% of all foreign direct investment in the UK. Thus, investors are increasingly seeing UK land as a financial asset.







Farmland values have been adjusted for inflation. Data is averaged for England, Scotland and Wales.

Source: Savills Research^{XXV} using Savills Farmland Values Survey and Bank of England data.

The value of a piece of land can also increase due to improvements in the local area, say, by national or local government. An example of this is the extension of the London Underground Jubilee Line, completed in 1999. The value of residential land within 1,000 yards of each of the new stations increased by £13 billion.xxvi This was a substantial transfer of wealth from many other citizens and investors to a small number of landowners, who themselves did nothing to improve the value of their land. The land increased in value due to changes in state-funded infrastructure, and by the subsequent collective activities of businesses creating jobs and people, albeit including landowners, giving their neighbourhoods identity and cultural life. A further example, more relevant to rural Scotland, is the current Government subsidy given to landowners for tree planting, which has led to the price of suitable land tripling in just a few years. ^{xxvii} Both these examples show situations where a relatively small number of individuals have essentially appropriated value created by the collective.

While there is relatively little data publicly available on rural Scottish land prices over time, an estate agent, Savills, does provide estimates of average Scottish farmland price data from 1992 onwards. One can see from Figure 3, that, while subject to fluctuations, the trend over the past three decades has been for average real xxviii Scottish land prices to increase. In fact, real price growth for Scottish farmland since 1992 has greatly exceeded real growth in the FTSE 100; although, the latter does not include compounded reinvested dividend xxix payments. While agricultural land is costly to maintain, there are extensive government subsidies available for farming to help guarantee income. *** This all suggests that many Scottish landowners have benefited from unearned price increases over the past few decades.

As outlined earlier, 80% of Scottish land is classed as agricultural. Farmland data is thus a good indicator of Scottish land values. As shown in Figure 1, Scottish farmland can vary from fertile arable land to relatively barren mountainous land, where the only farming activity is grazing sheep, a destructive practice that has only been financially viable due to huge agricultural subsidies.^{xxxiv} Another estate agent, Knight Frank, provides estimates of average prices of various types of Scottish agricultural land from 2005 onwards. As shown in Figure 4, while different types of agricultural land have experienced different growth rates, all growth was sizable and followed approximately the same trend between 2005 and 2019 of rising to a peak and then falling slightly. In addition, growth for all types significantly exceeded real growth in the FTSE 100.



Figure 3 - Real growth in the average value of Scottish farmland and the FTSE 100 |compared to 1992 price levels

Prices were converted to 1992 levels using GDP deflator data. Source: Author's calculations from Savills Farmland Values Survey^{xxxi}, Yahoo Finance FTSE 100 data^{xxxii}, and Office for National Statistics (ONS) GDP deflator data^{xxxiii}.

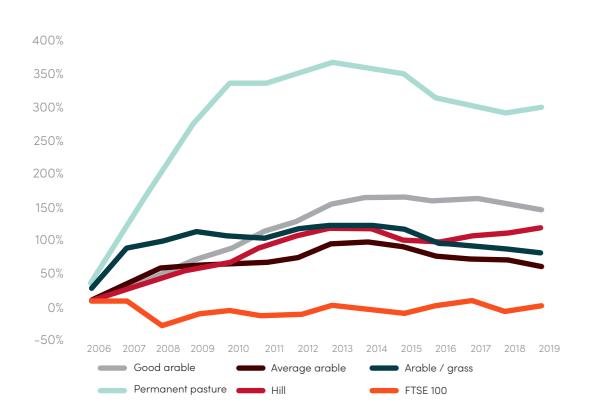


Figure 4 - Real growth in the average values of different types of Scottish farmland and the FTSE 100 compared to 2005 price levels

Prices were converted to 2005 levels using GDP deflator data. Source: Author's calculations from the Knight Frank Scottish Farmland Index^{xxxv}, Yahoo Finance FTSE 100 data^{xxxvi}, and Office for National Statistics (ONS) GDP deflator data^{xxxvii}.

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As estate agent data can only include data from farmland that is sold, and, as discussed, large estates are sold relatively rarely, the values of some large highland estates will not be captured in this data. In addition, sporting estates and woodland properties were not included in these data series. Finally, there is no data available on the costs of maintaining such land, so one cannot firmly conclude that all Scottish landowners can make money simply by holding land, particularly given that many estate owners claim they operate at a loss, xxxviii which suggests that, **at least for some, the uses to which they put the land they own is a lifestyle choice rather than an economic endeavour.** However the land itself remains a valuable appreciating asset. In short, there are undoubtably gaps in the data that impede comprehensive analysis of rent-seeking. Nevertheless, the data that is available suggests the potential for rent-seeking on Scottish rural land, particularly as the farms used to establish the estate agent indices were well distributed across all areas of Scotland.^{xxxix}

Economic rent-extraction is undesirable not just from an inequality perspective,^{xl} but also because it can distort investment decisions, as it encourages those with capital to over-allocate it to areas where it can earn money doing nothing, rather than putting it towards productive uses. It is thus an inefficient use of resources that can impair productivity and, through price inflation, can additionally produce high 'barriers to entry',^{xli} and so reduce competition and impede the working of markets.

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Subsidies for land and home ownership

Successive UK and European governments have established a variety of subsidies that are paid to those owning land, especially farmland. Nominally, these subsidies are supposed to support farmers; however, in reality, they benefit many landowners who are not themselves farmers as most people would understand the term, such as grouse **moor owners.**^{xlii} In addition, these subsidies are gifted without imposing any real obligations on the landowners to steward the land effectively or sustainably. Not demanding any commitment from landowners was a driver for the establishment. by the Scottish Government in 2017, of the Land Rights and Responsibilities Statement, which aimed to introduce expectations around stewardship and the wider responsibilities of landowners.^{xliii} Although it marks an important shift in the way that land owners' rights and responsibilities are conceived in Scotland, there has as yet been no assessment of the impact of their introduction.

The largest subsidy to farmland owners has been the European Union's Common Agricultural Policy (CAP), which in 2019 paid over £3.5bn directly to British farmers.xliv

While these payments are a vital lifeline to farmers, with an estimated 40% only breaking even thanks to the CAP payments, ^{xlv} the EU placed few requirements, beyond owning the land, to receive the CAP payment. This has made owning rural land suitable for farming a source of a steady income without requiring any or much work to be done. Consequently, UK farmland has become an attractive investment proposition.^{xlvi} The CAP has helped to drive up demand for land suitable for farming, and consequently pushed up prices and increased barriers to entry.xlvii The recent introduction of 'minimum activity requirements', which required some proof of active farming, when coupled with the Scottish Government's rejection of the 'negative lists' ^{xlviii} which lists types of businesses that are ineligible for CAP payments, mean that reform has only slightly dampened this effect, while causing problems for 'high nature value farming and crofting'.xlix Now that the UK has left the CAP, farmers are waiting to see what the future of agricultural subsidies will look like in Scotland, with the government currently committed to continuing the CAP system while the new rules are defined.¹

Scottish grouse moors provide

a good example of wealthy

landowners exploiting the CAP

Scottish grouse moors^{li} provide a good example of wealthy landowners exploiting the CAP. Although the Scottish Government could have prevented grouse moors and sporting estates from receiving subsidies, in the end they did not include these on their 'negative list' of land types not eligible for the grant. This means that grouse moors received payments for 'agricultural activities', including having sheep on the land that are used as 'tick mops' ^{lii}. This has led to some individual estates receiving over £300,000 a year in subsidies.^{liii}

Similarly, subsidies for tree planting have approximately trebled the price of suitable land in just a few years.^{liv} For example, between 2014–2020, £252







million was made available through the Forestry Grant Scheme (FGS), which was intended to support the creation of new woodlands, as well as promote the sustainable management of existing woodlands.^{Iv} Schemes such as these have helped increase the woodland cover from 5% to 17% of Scottish land over the past century.^{lvi}

As well as subsidies that apply to land, there have also been numerous subsidies for home ownership,^{Ivii} which have affected rural communities by raising the price of housing. ^{Iviii} These have also given urban home owners large windfalls with which to purchase holiday homes in rural communities,^{lix} further pushing up the prices of rural housing and land.

Favourable taxation

For many centuries, increases in land values were taxed and were a primary source of public revenues. For example, as can be seen in Figure 5, land taxes accounted for nearly 40% of public income in the 1700s.^{Ix} Land taxes are attractive from governments' perspectives, as land is hard to hide, so it is hard for people to evade taxation. Land supply is also essentially fixed and so fairly unresponsive to price, so it can be taxed without significantly distorting economic behaviour. Finally, land has an identifiable and fixed geographic location, so it can be used to establish who should be taxed by a local government.



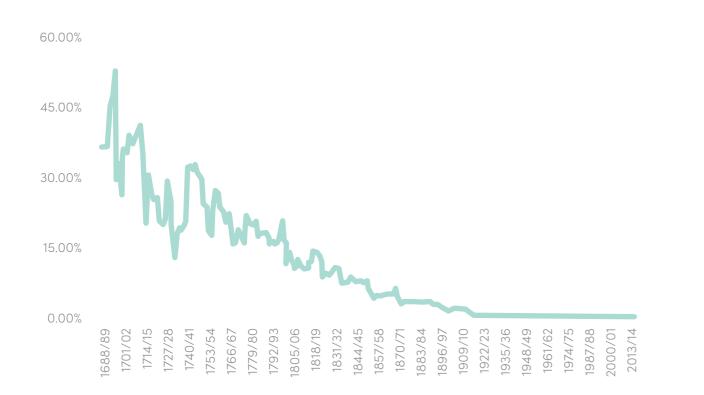


Figure 5 - Percentage of UK government income from land taxation from 1688 to 2014

Source: Bank of England, A millennium of macroeconomic data.

Over time, however, revenues from land taxes fell as the taxation of land changed to being a fixed amount irrespective of land value. As it was a fixed amount, this also meant that land tax revenues were eroded over time due to inflation. The land tax was finally abolished in 1963, as it had become 'a nominal sum more inconvenient to collect than onerous to pay.¹/ⁱ/ⁱ Land today is still no longer specifically taxed and is only included as part of the valuation for council tax, stamp duty and business rates, collectively described as 'property taxes'.

Furthermore, agricultural land is often exempt from inheritance tax, ^{lxii} and it is estimated that this may cost around £800m per year in lost tax revenue.^{Ixiii}

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The problems with concentrated land ownership

It fuels economic inequality

As discussed, many Scottish landowners benefit from subsidies, favourable tax treatment and probably also rent-seeking, with the latter due to land prices rising over the long-term. Crucially, this income is accruing to those who are already relatively wealthy. Grouse shooting estates, for example, have benefited from millions of pounds worth of subsidies, paid for by European taxpayers, despite many being owned by some of the wealthiest people in the country.^{lxiv}

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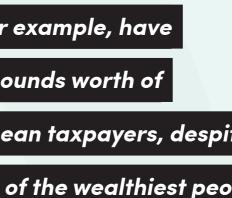
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As land is necessary for many business endeavours, highly concentrated land ownership also means that most people must pay rent to landowners if they wish to start a business. For example, while there is only limited data on who owns Scottish onshore windfarms, land ownership patterns mean than the value of Scotland's onshore renewable energy is likely almost all captured by a small number of large landowners and the energy companies with which they sign contracts. The Scottish state and the communities surrounding these developments appear to receive very little. For example, the total installed community-owned energy in Scotland in 2018 was 82MW out of 11,839MW total renewable energy installed capacity generating £2.4bn in direct turnover,^{Ixv} which amounts to just 0.69%.^{lxvi}

The same can be said for housing, particularly as housing costs have risen faster than incomes.^{Ixvii} This has diminished lower-income people's spending power, which can leave people struggling to buy everyday necessities, and limits spending on other goods and services, so reducing the overall level of demand across the whole economy. In fact, rising house prices and rents have produced a housing crisis in many rural communities, with many people unable to afford to rent housing, let alone ever get on the property ladder themselves.^{lxviii}

In short, if land is owned by only a small fraction of society, inequality will rise.

The wealthy who enjoy these windfall gains from land are also less likely than their lower-income counterparts to spend any additional money on everyday consumption that supports the real economy.^{Ixix} Instead, they are more likely to invest in the international capital markets, so this money is often directed out of the UK economy, which results in a smaller domestic economic multiplier effect than if this additional money had gone to lower-income groups that would typically spend a greater percentage of it domestically.^{Ixx}

In addition, while some will argue that concentrated ownership increases economic efficiency due to economies of scale, the government's Land Commission concluded that the benefits of investment and economies of scale can be achieved without the current degree of concentration of ownership. ^{Ixxi}



Concentrating power in a small minority

Highly concentrated ownership of land is particularly problematic as people and businesses that do not own property cannot realistically avoid paying money to those who do own land. In addition, they can only use land for purposes approved by the landowner. Concentrated ownership thus hands power and control over a crucial resource to a small minority of the population, and, conversely, disempowers the majority of people.

This does not mean that every landowner makes decisions that act against the interests of the majority. Some landowners may contribute significantly to the common good and some communities may feel empowered and valued by their local landowner. However, from an ethical perspective, such concentration of power does not seem compatible with a society that values fairness, equality and opportunity for all. In addition, as argued by the Scottish Land Reform Review Group,^{Ixxii} 'the risk of communities being at odds with decisions taken by local landowners becomes more serious as the area of the land holding becomes greater and the potential number of other local landowners correspondingly diminishes.'Ixxiii

May impede local economics

Even putting ethics to one side, concentration of power over such a crucial resource may also impair local economies. For example, grouse moors, which cover approximately 12-18% of Scotland and are a staple of sporting estates, are estimated to produce fewer jobs per hectare than ten potential alternative land uses.^{bxiv} For instance, biomass renewable energy production produces £2,596 per hectare and requires 143 hectares to support one job (excluding jobs in processing and distribution). Meanwhile, forestry produces £900 of value per hectare and requires only 42 hectares to support one job. In contrast, grouse moors produce £30 of value per hectare and required 330 hectares to support one job. Wealthy landowners have little incentive to change the use of land that allows them to pursue their 'incredibly expensive hobbies that pollute the countryside and survive only because of generous public subsidies'.^{Ixxv} In addition, conversion to these higher value activities cannot be done overnight and generally requires investment, time and effort before any return is realised. Thus, when making land-use decisions, active participation of local residents, for example, via community ownership of land, could potentially improve the value, both in aggregate and that accruing to locals, generated by the land.

The housing crisis in rural communities provides another example of how concentrated ownership may be impeding local development. Renting accommodation out as holiday homes on short-term lets has been a long

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term problem for many rural areas of Scotland, with the rise of Airbnb only the latest way to advertise.^{lxxvi} The increased revenue that short term lets deliver, together with the ease of using platforms like Airbnb, means that landlords of long-term rental accommodation are now starting to instead cater for the short-term market.^{lxxvii} In addition, when properties come up for sale, prices are pushed up by those with existing wealth and the new buy-to-Airbnb market. lxxviii Also, many relatively wealthy people, who primarily live elsewhere, own holiday homes in rural Scotland, which further reduces the options for local people. Finally, where land can be sourced, it is often large developers who purchase it,^{lxxix} and the developments they pursue are generally targeted at the high end of the market, for example, retirees and second homes, rather than to local need.^{Ixxx} All these factors make it hard, and more expensive, for those living in rural communities all year round to find places to live.

It is impossible to have vibrant rural communities if people have no-where



to live, and many towns and villages are semi-ghost towns for much of the year, with many houses unoccupied.^{bxxi} Many rural employers consequently struggle to fill vacancies, ^{lxxxii} and communities can strugale to run basic services, such as schools and pubs.^{lxxxiii} Such dynamics undermine the social fabric of rural life and, if left unchecked, could even threaten the existence of some communities.

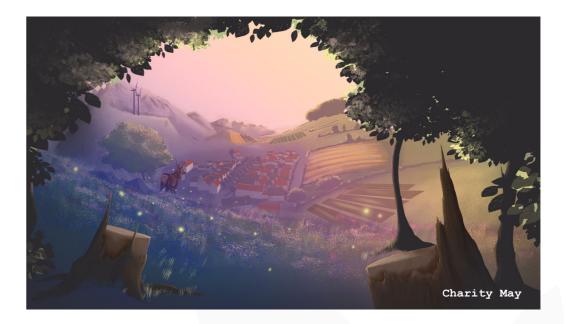
Finally, with the rollout of broadband to rural areas and the normalisation of remote working, the potential for new people, businesses and even sectors wanting to locate in rural regions may open up, but only if people can find somewhere to live. In fact, as relatively little land comes up for sale in rural Scotland, even a new business itself may struggle to obtain suitably located premises. For example, land available to new-start farmers in 2020 representing approximately 0.00004% of Scotland's total land area. Ixxxiv A recent survey of 989 people who wanted to start farm businesses in Scotland found that 71% identified finding land as the primary barrier. ^{Ixxxv}



Makes it harder for society to meet social and environmental challenges

Scotland, like the rest of the world, faces an enormous struggle to reduce its environmental impact, to minimise and then begin to reverse the drivers of climate change and the other environmental crises. In this context, Scotland's land use becomes far more than a social justice or economic issue. It is crucial that land is harnessed in the public interest if we are to meet these 21st century challenges.

For example, current ownership patterns often contribute towards the degradation of the land, including the reduction of biodiversity. Managing grouse moors, say, often involves killing other wildlife, such as many thousands of foxes, stoats, weasels and hares and are known as raptor persecution hotspots.^{boxvi} Moreover, lead ammunition increases lead levels in the environment, the unregulated construction of bulldozed hill tracks provide mechanised access to the moors, the use of medication on birds for parasite control is widespread, and burning moorland (muirburn) takes place even where it is on top of environmentallysensitive peat bogs, to produce a mosaic of nutritious young heather for grouse to eat while older heather to provide nesting cover and protection from predators. Ixxxvii Hill sheep farming, which is economically unviable without CAP payments and so destructive that no trees can take root,^{lxxxviii} is another example. The closeness of the grazing also means that grasses do not develop deep root systems, which means they store much less atmospheric carbon in the ground and do less to regenerate soil quality. Similarly, deer, which are very valuable to sporting estates,^{Ixxxix} impede the growth of saplings, and their populations have expanded dramatically in the last 30 years.^{xc} Thus, much of the resulting Scottish landscape, which is often viewed as naturally occurring and iconic, is, in fact, a highly modified environment.xci Continuing along these lines will keep a large area of Scotland's land in an impoverished state.



Summary

Many Scottish landowners benefit from subsidies, favourable tax treatment and probably also rent-seeking, with the latter due to land prices rising over the longterm. As this income is accruing to those who are already relatively wealthy, the benefits arising from holding land will cause economic inequality to increase. In addition, as land is so fundamental to life, concentrating ownership of land also concentrates power in a small minority of the population. This is not compatible with a fair society that values opportunity for all. It may also impede local economies, as landholders can make land-use decisions that maximise their own interests, which can be lifestyle or economically focused, rather than decisions that are optimal for the local community. For example, short-term lets, second homes, and investors speculating on housing push up housing costs, and so increase profits for landholders. This, however, also makes it more difficult for locals to find accommodation and thus for businesses to find staff. In addition, concentrated ownership can make it harder to harness land in the public interest to meet challenges such as climate change and environment degradation. The grouse moors cultivated by sporting estates are an example of the latter. Finally, rent-seeking on land encourages excessive amounts of capital to be directed into land away from financing productive economic activity. This may impair productivity and output.

It is crucial that land is harnessed in the

public interest if we are to meet these

21st century challenges

4 Policies for modern land reform

Scotland has made some progress on land reform, and a legislative programme of land reform has been firmly framed in terms of community empowerment and locally led social and economic regeneration.^{xcii} Although this has resulted in community ownership of just under half a million acres of land,^{xciii} representing just 3% of land, it has also left behind exhausted communities and enriched landowners.^{xciv} However, as outlined in Section 3, there is still much work to be done.

This section outlines various policy options that could help reduce the concentration of Scottish rural land ownership and help land use work in the public interest. As shown in Table 2, they have been separated into four categories; specifically, those that aim to (i) improve transparency, (ii) reduce rent-seeking, (iii) distribute power and land ownership, and (iv) develop and implement a sustainable land strategy that works in the public interest. However, one should note that while these policies have been allocated according to their primary aim, some have secondary aims that could fit in other categories.

| IMPROVING TRANSPARENCY | NUMBER OF LANDOWNERS | REDISTRIBUTING POWER AND OWNERSHIP | DEVELOPING AND IMPLEMENTING SUSTAINABLE LAND STRATEGIES IN THE PUBLIC INTEREST |
|---|----------------------------------|--|--|
| Complete, open and improved land registry | Rethinking the taxation of land | Cap on land holdings | Establish a Land Agency |
| | Inheritance reform | Reform Compulsory Purchase orders | Extend planning system to rural Land |
| | Reforming agricultural subsidies | Implement and extend Compulsory Sales orders | Addressing the rural housing crisis |
| | | Community participation in planning | SNIB land-based business investment fund |
| | | Reforming local de- mocracy | Reforming deer and grouse management |

Table 2 - Land reform policy options and how they fit across the four aims

NOTE: These policies have been allocated according to their primary aim. Some, however, have secondary aims that could fit in other categories

over 750,000 acres of Scottish

land is held by companies

registered in off-shore tax havens

Improving transparency

Complete, open and improved land registry

One of the foundational requirements for effective land reform is knowing who owns what, and the principle of transparency of information is one of the six principles set out in the Scottish Government's Land Rights and Responsibilities statement.xcv Scotland, however, provides less information on land ownership than any other country in Europe, despite having the most concentrated private land ownership in Europe.xcvi The information that is available is also currently split across multiple registers. Building on the principle set out by the Scottish Government, the register should be completed, opened, meaning freely accessible to anyone, and broadened to hold more information.

The current Land Register, established under Land Registration (Scotland) Act 1979, now under modernised arrangements of Land Registration (Scotland) Act 2012, and operated by the Registers of Scotland, fall short of these goals. Firstly, it contains only 62% of all the titles in Scotland.^{xcvii} This is because only titles that have been transferred since 1st April 2003 must be recorded in the register. The Scottish Government has committed to completing the register by 2024. Records for the majority of the remaining 38% of titles are currently held in the Sasines Register, an older deeds-based register. Secondly, the current database of titles is electronically searchable, but charges £3 to view information on a particular title deed. Reform and removal of this fee would be an important step. Meanwhile, finding information in the Sasine Register is an even more complicated process. Although the records since 1997 are searchable electronically, any earlier records require manual search, which incurs even more cost.*cviii

Similarly, while the Scottish Land Information Service (SCOTLIS), an online portal to enable 'citizens, communities, professionals and business to access comprehensive information about any piece of land or property in Scotland', was launched in 2017, it has been criticised for being difficult to search, having incomplete information, and charging fees.^{xcix}

Finally, a 2015 investigation by Private Eye, discovered that over 750,000 acres of Scottish land is held by companies registered in off-shore tax havens. In these records, the legal owners were companies registered in countries that make it very hard to identify who is benefiting from ownership. For land ownership data to be really useful, people need to know the beneficial owner, not just the legal owner. The Scottish Government has acknowledged this problem^{ci} and has taken an important step to rectify it with the implementation of the Land Reform (Scotland) Act 2016 (Register of Persons Holding a Controlled Interest in Land) Regulations 2021,^{cii} which requires those persons holding a controlled interest in land to register that interest.

Much of Scotland's land is not

used productively but instead

is traded for profit like stocks

and shares

A number of potential reforms suggest themselves that the Scottish Government should consider. For example, to help encourage landowners to register their titles, only land that is properly registered with the Land Register could be eligible for tax breaks and subsidies. To increase transparency, the £3 fee to view data on deeds could be removed. Removing this fee should not require large state funding, as the English Land Registry, for example, makes relatively little from the £3 charges, and instead makes most of its revenue from conveyancing services.^{ciii} Finally, the Land Register could also hold additional information. Namely, along with the legal owner, they could also collect data on beneficial owners, charges^{civ} and options^{cv} on land titles, price paid, public subsidies or tax breaks applicable to the land, and planning permissions.

Reducing rent-seeking

Rethinking the taxation of land

Currently land is taxed in one of two ways depending on its use. If the land is part of a business, such as a dairy farm or outdoor activity centre, then business rates apply. On the other hand, if the land is used for residential purposes the council tax will apply. However, some land still manages to remain untaxed through it not being part of a business nor used for residential purposes, or being exempt. Currently, both business rates and council tax are property taxes that use the combined value of the buildings and land as a basis for the tax due.

Both business rates and council tax have faced widespread criticism and calls for its replacement, including in the influential Mirrlees Review,^{cvi} from across the political spectrum have grown in recent years. Amongst others, the New Economics Foundation,^{cvii} the Resolution Foundation^{cviii} and the Adam Smith Institute^{cix} have all advocated abolishing the existing regimes and reforming land and property taxation.

Council tax has been labelled by the influential Institute for Fiscal Studies as the 'only regressive tax in the UK.'cx This is evidenced by the fact that 'the poorest tenth of the population pays 8% of their income on council tax, while the next 50% pays 4-5% and the richest 40% pay 2-3%'.^{cxi} Despite the regressive nature of the existing council tax and clamour to reform it, there has been desperately little progress in the area. Even revaluing property values (currently the tax is based on 1991 property values), is deemed too problematic and radical to countenance. We therefore believe that it is better to propose a new system rather than try to improve a failed and regressive system.

One option would be for

the Scottish

Government to explore

implementing a Land

Value tax

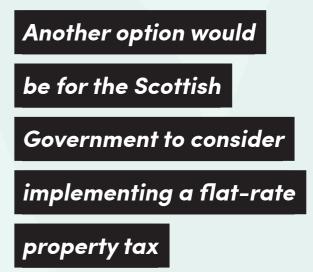
Today, 'much of Scotland's land is not used productively but instead is traded for profit like stocks and shares. Land taxes discourage that but encourage productive use of the land. This will motivate large owners to sell to many smaller owners.^{'cxii} This is notwithstanding the fact that a significant proportion of Scottish land has remained in the hands of the same family for centuries.^{cxiii}

One option would be for the Scottish Government to explore implementing a Land Value tax. This tax has wider support from many economists on the left and right^{cxiv} as well as having a number of good reasons to back it. Namely that:

- Because land is physical and immovable it is hard to avoid.
- Land registers mean that there are official databases making it easy to identify who to collect the land tax from.^{cxv}
- Those with greater wealth (in the form of land) pay more.
- It would help prevent land banking.cxvi
- Encourages idle and under-used land into more productive uses, since the land is taxed, not the productive assets that sit on top.

Given the wide support from land taxes across the political spectrum, one would expect there to be many examples to point to. However, around the world there are only a handful of examples of land taxes being implemented, such as Denmark, Hong Kong and Pennsylvania.^{cxvii} Although some point to technical difficulties with valuing land as a major obstacle to the implementation of land tax, they can clearly be overcome and are often overstated.^{cxviii} In reality, the main obstacles are political.

Another option would be for the Scottish Government to consider implementing a flat-rate property tax. A flat-rate property tax with a fixed rate based on the combined value of land and property would still be a huge improvement on the current council tax regime. It would be hard to avoid, as all property taxes are, and, as well as dampen house price fluctuations, it would also be fairer since everyone would pay the same percentage of their property wealth. The proposal would also tax a greater share of total wealth, i.e. land and property rather than just land. In addition, the major issues around the difficulty understanding the tax and how it is calculated disappear, since it mimics the application of property taxes today, while calculation becomes easy as the rateable value is now equal to the market price. Although this does mean that improvements made to the property can impact the amount of tax paid, which is why economists prefer pure land taxes, it would not mean that the tax due would change with every small upgrade and improvement, like getting a new kitchen. However major work, like building a



VERSIF)

dividing the land amongst smaller owners would diversify the way it is used

RECONN

through holiday homes for rural m & urban communities to retain a strong link to the land

MING

PRODUCT

work with the land to create and innovate renewable materials and grow crops

FORESTS

REWILD

planting native trees and flowers to encourage a thriving habitat buzzing with native wildlife

loft, would noticeably change the value of the property and thus the amount of tax due. It is also important to note that this could lead to rises in payments for those on low incomes who live in high land value areas which would have to be mitigated for, especially during the transition.

An upcoming report by Common Weal calculated that a property tax rate of 0.63% of total value would be revenue neutral with council tax in Scotland.cxix They further calculated that a property tax rate of only 0.48% will be revenue neutral if considering council tax revenue net of discounts and reductions.

Common Weal suggests that the council tax and business rates regime could be harmonized. Estimates provided by Common Weal show that, if this was to happen, a large farm holding of 200 hectares would incur an annual tax bill of £17,236 if arable and £7,561 if pastoral (including forest). Conversely, a small 10 hectare farm would face an annual bill of £862 if arable and £378 if pastoral.^{cxx} Given the perilous financial state of many farms up and down the UK, consideration should be given as to what exemptions and subsidies for small farms and crofts would be needed, at least as the new tax is introduced. In order to provide an incentive for landowners to be more transparent about their ownership of land it would make sense to consider whether a percentage uplift should be charged on land and property owned in a 'secrecy jurisdiction'.cxxi

Impact on shooting estates

Between 1,000,000 and 1,500,000 ha – 12% to 18% of Scotland's total land mass – are managed as grouse moors by upland estates in large estates owned by a tiny minority. Landowners claim that grouse shooting is either only just profitable or an actual cost to be cross subsidised from other activity on the land. They are likely to be some of the most vocal objectors to any attempt to tax their huge land holdings. Some argue that even a minor tax rise would make them unable to continue the only real activity that the land can support and therefore put at risk local communities and jobs. These claims are widely contested with opponents labelling grouse shooting 'economically inefficient and environmentally damaging land use practice'. ^{cxxii} In fact, Common Weal found that almost any land use other than grouse shooting would create more value and more jobs per hectare. An inability to pay a tax on grouse moors could therefore be seen as a further argument for breaking these estates up and putting them to more productive use.^{cxxiii}

We recommend that the Scottish Government consider implementing a flat-rate property tax for all private owners. In order to mitigate any adverse impacts of the tax, they should also evaluate the need for a range of transition mechanisms to support small farmers to adapt to the new payments. Finally, in order to act as an incentive for transparency, they could implement a percentage uplift for all land and property owned in a 'secrecy jurisdiction'. cxxxiv



Although currently outside the devolved powers of the Scottish Government, reform of inheritance rules and tax is long overdue. Implementing any changes in this area would either require the Westminster government to legislate for the change or devolve additional powers to the Scottish Government.

One area that should be considered for reform is the artificial distinction between moveable and immoveable property, which in its present form helps retain concentrated ownership of land over generations by ensuring land gets inherited by only one person. There is also no obvious good justification for the continued exemption of aaricultural land from inheritance tax. Reversing this could both increase tax revenues and reduce rent-seeking.

Inheritance tax could be brought within the existing system, or one could instead include it inside a new lifetime gift tax scheme. For example, the Institute of Public Policy Research (IPPR) has proposed that every individual could enjoy tax-free gifts across their lifetime of up to an aggregate of £125,000, but, above this aggregate level, gifts would be taxed at the same rate as income derived from labour.^{cxxv} To ensure any such reforms do not lead to the breaking up of viable and sustainable

We recommend that the Scottish Government

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farming operations, the tax could be deferred until the business was sold or stopped trading. Such an exemption would not allow people to avoid the tax, but would help ensure that the tax obligation does not cause unintended damage.

Reforming agricultural subsidies

As of 2021, the UK is no longer part of the CAP system. In England, there are plans to replace the CAP with Environmental Land Management Services payments, which are yet to be fully defined, but which will hopefully change to a system where an owner of farmland will only receive payments for carrying out pre-defined 'environmental services.' The transition to the new system will take place over seven years, with a national pilot starting in 2021.^{cxxvi} In Scotland, however, the Scottish Government has so far only committed to continuing with payments on similar basis to CAP, based on area, but 'subject to simplification and improvements'.cxxvii

The Scottish Government should consider instead, like England, implementing a system of rural land subsidies that only pays public money for specific public goods. It could also consider capping the total subsidies any single landowner can receive.



Redistributing power and ownership Cap on land holdings

The government, in consultation with a wide range of stakeholders and experts, could specify the maximum amount of land that any individual would be permitted to hold, as was recommended by the Land Reform Review Group.^{cxxviii} A report by the Scottish Land Commission found that 'Scotland is currently an outlier by international standards in having no constraints on who can own land or how much they can own.'cxxix Any such maximum would only make sense if it was based on beneficial ownership rather than legal ownership, as the latter would allow people to avoid the limit by owning land under a variety of different legal entities. For example, many people already own land through multiple companies and trusts.

Under such legislation, some people would already own more than the maximum amount of land. Any measures aiming to diversify land ownership could thus apply immediately or only to future land purchases or inheritances. The latter would be far simpler and have broader political appeal; however, ownership of Scotland's land would likely remain highly concentrated for decades, because, as discussed in Section 2, rural land in Scotland is put up for sale relatively rarely.

In contrast, applying the cap on existing land holdings would likely immediately force some landowners to divest some of their land portfolio. Retrospective legislation, cxxx however, is typically viewed as unfair, so, while many countries have passed some retrospective legislation, most lawmakers would want to minimise its use. In addition, the European Charter of Human Rights (ECHR)^{cxxxi} states

"Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law."

There is a precedent in many countries for governments to force landholders to sell land to the state or others if this is believed to be in the public interest, and, in addition, the ECHR goes on to confirm that

> "The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties."

Indeed, there are few major infrastructure projects, like building new roads or railways, that do not either actively use such powers or benefit from landowners knowing that they could be used.^{cxxxii, cxxxiii}

Two processes that could be used are compulsory sales orders (CSOs) and compulsory purchase orders (CPOs). CPOs force a landowner to sell their property to a body, usually a state body, whereas CSOs require a specific piece of land or building to be sold at auction to the highest bidder. CSOs have the advantage of not requiring large amounts of public money and not needing to have a specific purpose for the

There is a precedent in many countries for

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in the public interest

land in mind. In addition, the auction process avoids valuation problems. On the flipside, land that goes through the CSO process can only be bought by those able to afford it. This means that, while it may be a good way at diversifying the number of landowners, we are more sceptical about whether it can do much to diversify the type of landowners.

In order for land to be eligible for such processes, the land would have to meet certain criteria. For example, the Scottish Land Commission recommended CSOs for land that has been left vacant or derelict for a specified period of time.^{cxxxiv} The ECHR also publishes guidance on what constitutes sufficient public interest for state interference in private property

"The following purposes have been found by the Court to fall within the notion of public interest within the meaning of this provision: elimination of social injustice in the housing sector; nationalisation of specific industries); adoption of land and city development plans; securing land in connection with the implementation of the local land development plan; measures to combat drug trafficking and smuggling; protection of the interests of the victims of the crime; measures to restrict the consumption of alcohol; protection of morals; control of legitimate origin of cars brought into circulation; confiscation of monies acquired unlawfully; transition from a socialist to a free-market economy; and the smooth operation of the justice system, with further references to the importance of administering justice without delays which might jeopardise its effectiveness and credibility.

The protection of the environment is also considered to be in the public

interest. In the case of Hamer v. Belgium, the Court noted that while none of the Articles of the Convention is specifically designed to provide general protection of the environment as such, "in today's society the protection of the environment is an increasingly important consideration" and that "economic considerations and even certain fundamental rights such as the right of property should not take precedence over considerations relating to protection of the environment, in particular where the State has enacted legislation on the subject". Finally, it was considered that the development of housing, both for private commercial and public interest purposes, did not involve as strong a public interest as the protection of the environment."cxxxv

The ECHR guidance suggests that a strong legal case could be made for using CSOs and CPOs to reduce the concentration of Scottish land owner-

ship, or to force landholders to use land for a specific purpose, such as forestry, either themselves or by renting to someone who does, or rewilding. To ensure any such process complies with the law and leaves room for appeal, it should be subject to a detailed review process. For example, the three-year process proposed by the Scottish Land Commission for CSO applications is detailed in Figure 6.



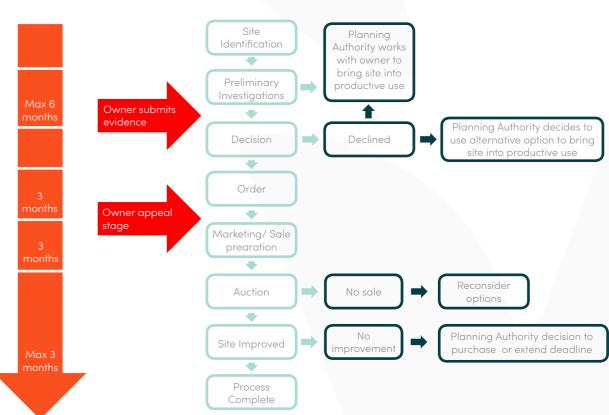


Figure 6 - Scottish Land Commission's proposed compulsory sales order (CSO) process Source: Scottish Land Commission: Compulsory Sales Orders: a proposal from the Scot-

tish land commission cxxxvi



Mairi Sutherland

The Scottish Land Commission's CSO proposals are currently targeted at vacant or derelict land; however, the principles underlying the criteria could be extended to apply to certain rural land. For instance, two features of eligible sites are that they 'are not used for any productive purpose' and 'are causing demonstrable harm to the surrounding community'.cxxxvii In addition, just as specific registers, such as the vacant and derelict land register, allow people, communities and planning authorities to proactively identify problematic urban sites, a similar register could be developed for unproductive rural land, and **communities** could be given the right to ask for a specific site to be investigated for a potential CSO.

Where there is no interest from the community or others in a site that meets the criteria, it could instead by bought by the Scottish Government using a CPO. We would not advocate for the state retaining all of the land that they CPO but rather actively redistribute it back out to communities and individuals. A recent UK Government report, for example, concluded that a CPO "is an important tool for local authorities to assemble land to deliver development, regeneration and infrastructure projects in the public interest. Indeed, the Royal Town Planning Institute told us that CPO powers were 'crucial to the development of New Towns.'"

Similarly, in the guidance document for the use of CPOs, it states that

"Ministers consider compulsory purchase powers to be important for helping to deliver housing, development and regeneration that create high quality places where people want to live, work and invest. Such projects will deliver social, economic and environmental improvement for the public benefit and, used properly, these powers can aid effective and efficient regeneration, the revitalisation of communities, and the promotion of inclusive economic growth."cxxxix



There is a clear precedent for the compulsory purchase of land for the national interest. During the First World War, the sudden demand for timber during the war effort, combined with a sudden collapse in imported timber,^{cxl} left the UK with a historic low level of forestry and therefore unequipped for a further war effort. To address this, the Forestry Commission was set up in 1918,^{cxli} and a target was set of reforesting 1.7 million acres of Britain in 80 years. In the event, the post-war national mood was such that this was achieved without recourse to compulsory purchase, though this was clearly in large part because landowners were aware that they would have to negotiate sale or have land sale made compulsory.^{cxlii} It was this period that introduced the familiar Sitka Spruce into Scotland, and this still dominates much of Scotland's landscape to this day.^{cxliii} This process was repeated after the Second World War, and the provision for Compulsory Purchase in the Forestry Act (1967) was strengthened to reduce the right of landowners to appeal against compulsory purchase, which explicitly authorises Scottish Ministers to acquire land compulsorily for Forestry

Commission purposes.^{cxliv} The power of compulsory purchase has been legislatively entwined with the development of Scotland's land for over 100 years, and has been a crucial and uncontested tool in using that land for the reasons of the national interest. This shows that one of the most important functions of compulsory purchase powers is to force landowners to the table to negotiate the redistribution of land with compensation and, as will be discussed below, this remains entirely legal in the UK.

One problem with current CPO legislation, is that when a public authority wants to compulsorily purchase land it is required to pay not just the existing 'use value'cxlv but also 'hope value'.cxlvi This feature has played a large part in why between 2016-19 there were only nine successful CPOs in Scotland. cxlii In contrast, many equivalent regimes internationally require use value to be paid, cxlviii and while the United Nations Resolution 1803, states that when land is appropriated compensation must be 'fair',cxlix this does not necessarily mean including hope value. Moreover, when a public body uses a CPO to obtain land, it is doing so for

Scotland is, by some stretch, the

a reason, which is generally to enable development. The hope value of land subject to CPOs can thus be considerable, even close to the full development value.

The government could, thus, consider reforming CPO legislation so that use, but

not hope, value is paid. This would put less pressure on local authority finances and enable more sites to be purchased for use in the public interest. For example, it is estimated that reforming CPO legislation so that use, not hope, value is paid, could reduce the cost of building affordable housing by 50% on greenfield sites in the South East of England, or by 33% in the case of high-density apartment blocks in London.^{cl}

We therefore recommend that the Scottish Government should consider establishing a maximum land holding, based on the beneficial owner. Where a land holding exceeds the maximum, the government could then require that the land would be deemed suitable for either the CSO or CPO process, either straight away for all land or at the point of sale. The newly created Land Agency (see section Establish a land agency below) could oversee any appeals by landowners and make public interest determinations. With regard to the CPO process, we recommend that the Scottish Government consider whether future CPOs should be conducted at close to existing use value, which would require new legislation. We further recommend that the government follow through on their commitment to implement the Scottish Land Commission's CSO proposal. They should then consider whether to extend the policy to include specific criteria for the applicability of rural land to CSO and whether communities should be given the right to ask for a specific site to be investigated for a potential CSO.

Community participation in planning

The participation of communities and local people in the planning process should not be an extra or a 'nice to have' which can be addressed tokenistically, but instead should be thought of as a way of co-creating a better local environment. People have a genuine civil right to participate in the planning process, and including them will almost certainly lead to better planning outcomes which ultimately lead to more vibrant and resilient communities.

Our current planning process is heavily weighted in favour of government and developers, with 94% of respondents in a recent survey confirming them as the most powerful entities in the planning process.cli

A report by the Joseph Rowntree Foundation summarised the reasons why community participation is essential:^{clii}

- Active participation of local residents is essential to improving the quality of planning decisions.
- It enhances social cohesion because • communities recognise the value of working together and with public bodies.
- It enhances effectiveness as • communities bring understanding, knowledge and experience essential to the planning process.
- It gives residents the opportunity to develop the skills and networks that are needed to address social exclusion.
- It promotes sustainability because community members have ownership of their communities.

in Europe

A recent review of the Scottish planning system resulted in the Planning Act 2019, which suggested the introduction of Local Place Plans (LPPs). While details on how LPPs will be implemented have yet to be released, LPPs aim to give local people an opportunity to develop proposals for the development and use of land in the place where they live. If implemented well, they could be an excellent way to empower people and communities. It is, however, essential that they allow meaningful, rather than tokenistic, community participation in planning, and that under-represented groups are involved in the planning process. In addition, the process could be applied to existing land use and zoning decisions, not just future ones, to give communities the opportunity to submit proposals for alternative uses.

We recommend that the Scottish Government formalise the implementation of Local Place Plans that ensure meaningful community participation in planning. They should consider how best to ensure that the whole community, especially under-represented groups, are involved in the planning process as well as the potential, and costs, of introducina a form of jury service to ensure broader participation.



least locally democratic country

Reforming local democracy

Scotland is, by some stretch, the least locally democratic country in Europe. With the exception of Turkey and Finland, the only countries with a single tier of local democracy are either tiny (Luxembourg), former Soviet states (Estonia, Bulgaria) - or Scotland. The average European population size of the most local level of democracy is 17,241 citizens. The average population size of Scotland's most local level of democracy is 169,525. A Scottish local council is ten times bigger than the European average, nearly 100 times bigger than in France or Cyprus and three times bigger than the country with the next biggest average (Denmark).

The average land area of a European local authority is 38 square kilometres. The average land area of a Scottish local authority is 2,502 square kilometres, more than 65 times the average. Even if we compare to countries with very large land areas in comparison to the population, that is still three times as big as Norway, two and a half times as big as Finland and nearly twice the size of Iceland. Scotland's lack of local democracy is not only stark and not only out of line with the rest of Europe - it is miles out of line with the rest of Europe.^{cliii} In practice this means that Scotland's communities are governed by what are in

effect regional authorities to which a community can send often only a single councillor. Scotland has a system of community councils, but these have virtually no budgets and no powers other than that they should be consulted on certain matters. But that only applies if there is an active community council and, in many areas, there isn't one.^{cliv} This means that there is no structure or mechanisms for communities to discuss or debate their land needs and they are represented in decisions, such as on housing, via potentially only one elected representative in a large regional authority, which may be under the control of a political administration other than that of the councillor elected by the community. At best, this local authority may have to have a discussion with a community council, but that is the extent of the democratic representation of the community in land and housing decisions. It makes it very difficult for communities to make effective use of the already limited Right to Buy legislation and places enormous pressure on local voluntary groupings or development trusts to attempt this in an entirely voluntaristic way, often in negotiation with powerful landowners, who have high-level legal representation and political lobbying power.clv If land reform is to be driven forward, communities require a statutory structure with which to achieve that.

For the past decade, the Scottish Government has been undertaking various reviews into local government, ^{clvi, clvii} but these have yet to bring about change. Civil society organisations have, however, proposed a number of possible solutions;-^{clviii} for example, introducing development councils, which would be local councils that share many characteristics with development trusts.^{clix} Whatever the solution, it seems likely that Scotland's relationship to land will not be resolved until local democracy in Scotland is strengthened and we therefore recommend that the Scottish Government consider whether adding an additional tier(s) of local government would be desirable.

Developing and implementing sustainable land strategies in the public interest

Establish a land agency

As recommended by the Scottish Land Reform Review Group, a single agency could be tasked with drawing up and implementing a national land strategy, to work towards land being used sustainably and in the public interest.^{clx} This may require amalgamating some of the powers of a number of different existing bodies, such as the Scottish Land Commission, the Crown Estate Scotland, the Scottish Futures Trust, the Scottish Land Fund, the Community Ownership Support Service, Forest and Land Scotland, as well as NatureScot. There is a precedent for setting national land strategies, as there are currently five-year Land Use Strategies that are produced to meet the requirements of the Climate Act 2009.clxi

Important roles that the land agency could fulfil include:



Citizens' assemblies can be

more willing to take radical

action on contentious areas

than elected representatives

- Monitoring and enforcing the regulatory environment for land.
- Providing free services to communities, such as legal advice and a finance hub to help put together finance packages from public grants and commercial borrowing.
- Providing support to land-based SMEs and start-ups; for example, to create an improved business land-finder service^{cixii}, to allow businesses to proactively register interest in land, and to provide free or low-cost legal and financial support.

The upcoming review of the Land Rights and Responsibilities Statement, due before 2022, could be an opportunity to consult widely on what principles should guide Scotland's land strategy, as well as reflect on how rights and responsibilities could be updated. The agency could also use citizens' assemblies to help answer these and other complex questions.

Citizens' assemblies bring together experts and stakeholders from communities that would be impacted by the possible decisions. They work on the principle that, rather than simply deferring to experts, people, with support from experts, can lead to better outcomes with more buy-in. For example, citizens' assemblies were used in the debate in Ireland on whether to legalise abortion by repealing the 8th Amendment to the Irish Constitution. Citizens' assemblies can be more willing to take radical action on contentious areas than elected representatives. As an example, when the citizens' assembly in Ireland recommended unrestricted access to abortion, many politicians considered this to be unethical or too radical, but it was ultimately supported by over 66% of the population. A citizens' assembly could thus be a good way to break the deadlock on contentious issues where politicians may be too timid to make bold reforms or have preferences that differ from the wider population's.

Some argue that citizens' assemblies only work well for questions that have a simple yes or no answer, like whether to legalise abortion. However, Climate Assemblies,^{clxiii} which have helped develop policy responses to climate change, and the Citizens' Assembly of Scotland,^{clxiv} which developed an inspiring collective vision for Scotland, suggest that, when wellmanaged, they can help navigate through complex policy environments as well.

We recommend that the Scottish Government should consider the establishment of a Land Agency. We also see merit in the Government considering using a citizens' assembly to update the Land Rights and Responsibilities principles. And finally, that the government should consider whether the Land Agency should be required to develop and implement a National Land Strategy.

Extend planning system to rural land

Planning rules and regulations emerged after the 1950's to try and manage the extensive building projects going on in urban environments in the post WWII rebuilding effort. These rules mean that today, within a town or city, every significant change in land usage requires planning permission and land is zoned for particular purposes.

Historically, demanding rural planning reform has not been on the land reform movement's agenda. For much of the history of land reform, it has been focused on the encroachment of the urban environment into the rural environment, as well as issues of ownership and taxation. There was little need in the early 19th century to seek to constrain or regulate the uses that people made of rural land, since it was generally accepted that people's impact on rural land was at worst neutral and generally positive. Today it is clear that the rural land use is far from benign and, in fact, is actively harming the countryside. Currently, the rural planning system only covers rural housing,^{clxv} so it could be extended to cover rural land as well. Marion Shoard, in her seminal 1980's book 'This land is our land' put forward a powerful argument to radically extend planning into the rural environment.^{clxvi} This would mean that any action that could meaningfully impact on the environment could require planning permission. Land could also be zoned for purposes such as forestry, agriculture or rewilding, and the Scottish Government's proposed Regional Land Use partnerships^{clxvii} could possibly be used to make rural zoning decisions.

Landowners could use land in a manner permitted within the land's zoning status, or sell the land to someone else. If an area of land was zoned for re-foresting or re-wilding, the landowner could have the option to serve a purchase notice on the state, requiring it to buy the land. In such circumstances, the state could pay the use value of the new zoning.

Shifting land management and use decisions from the individual landowner to the collective community could help ensure landowners meet their responsibility to become 'stewards of Scotland's land resource for future generations' and 'support sustainable economic development, protect and enhance the environment, help achieve social justice and build a fairer society' as the Land Rights and Responsibilities Statement set outs.

We recommend that the Scottish Government consider whether a process of National Land Planning should be introduced to zone rural land in Scotland for specific defined purposes. They should also consider whether members of the community who do not agree with an approved decision could also have the right to appeal with local planning decisions they disagree with.



Addressing the rural housing crisis

There is a serious housing crisis in many rural communities and this is driving those unable to afford housing in the place where they live and work to have to leave communities or suffer homelessness. This is a modern economic clearance of the rural areas of Scotland, where the hard logic of the market makes places to live impossible to attain for local people, even where they are lucky enough to have jobs.

Norway has a long-established system, called boplikt, to ensure that rural communities have adequate housing kept for permanent residents.^{clxviii} Specifically, owners of certain properties in popular holiday areas have an obligation to live permanently in that property.ckix The Scottish Government could consider something similar. For example, local communities could designate certain properties as permanent residences, and others as properties for temporary lets and second homes. Building new second homes or short-term holiday lets would also require planning permission. This could help local communities find a balance between the needs of the tourism and leisure industries and maintaining sufficient density of permanent residents to support vital infrastructure such as schools, shops, pubs and post offices.

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Such changes could be phased in over a period of several years, to allow time for communities and owners to adjust to the new rules.

The Scottish Government has already implemented a version of this policy called Rural Housing Burdens (RHB), introduced in the Title Conditions (Scotland) Act 2003. They enable rural housing bodies to acquire land at a discounted rate and then protect and pass on the discount for the benefit of the local community.

Rural Housing Burdens are a very welcome policy advance that 'have had some impact in delivering more affordable homeownership properties for rural communities. However, to date, they are not living up to their potential'.chex By 2011, seven years after being brought in, there were only 129 burdens in force. ^{clxxi} There remain serious challenges regarding how the policy could be extended beyond the niche that it currently operates in so that it has a real meaningful impact on the rural housing crisis.

We recommend that the Scottish Government consider whether extending the current system of Rural Housing Burdens would be a good way of providing housing security for rural communities.

SNIB Land-based business investment fund

The Scottish National Investment Bank (SNIB) has been set up to help Scotland transition to net-zero carbon emissions, while supporting small and medium-size enterprises. Given its mission and the critical part that land should play in the transition to net-zero, the Scottish Government should consider whether SNIB could have a specific investment fund to invest in sustainable land-based businesses that seek to make an economic return. In addition, the Scottish Government could increase public funding to the bank to help increase its impact.





Reforming deer and grouse management

As discussed in Section 3, so much of Scotland's land is really a barren desert, lacking trees, shrubs, any diverse plant life and the many animal species which would live there if the plant life returned. This is not only bad for biodiversity, it is very bad for capturing carbon from the atmosphere and storing it in the land, particularly by trees, or peatland, that is currently burned, particularly on grouse moors, in a process called muirburn. The way that we manage land and the animals that we allow to live on it also has a major impact. Nowhere is this more obvious that in the large tracts of Scottish land managed as shooting and hunting estates.

The Scottish Government recently committed to implementing a licensing regime for grouse shooting. This appears to be a step forward; however, the contents of the proposed new regime are not known yet.

The most important aspect that could be subject to reform is the legal status of wild animals under Scots law. Currently wild animals belong to no one until they are 'rendered into possession' by being killed or captured by someone. This has tied the right to shoot animals to the ownership of land, with the owner of the land having the majority of the power to decide whether and how many deer to shoot. Later reforms have extended these rights beyond the landowners to agricultural tenants and to NatureScot, as the public sector body with the mandate to manage deer numbers.

The Scottish Land Reform Review Group noted that there was 'widespread recognition of the need to improve the management of these populations in the public interest to reduce their impacts'.^{clxxii}

At the most fundamental level the Scottish Government should consider redefining certain wild animals, starting with deer and grouse, then extending to other species where appropriate, as a public resource belonging to the people of Scotland rather than being unowned until killed into ownership.

Grouse shooting

For over 150 years, more and more moorland in Scotland has been set aside to be managed for red grouse shooting. The resultant heather moorlands that are sometimes regarded as an iconic part of the Scottish landscape are, in reality, highly modified habitats managed to encourage high populations of one species, red grouse, so they can be killed for sport in the course of recreational shooting.

In order to manage a successful grouse moor that has plenty of surplus birds to kill easily, estate managers engage in a dangerous cocktail of land management practices done with little regard for the common good or public interest. As figure 7 shows, these practices taken together operate a 'circle of destruction' for the natural environment. They can be further grouped into core elements of management:

- Habitat manipulation (rotational burning of heather) to produce a mosaic of nutritious young heather for grouse to eat and older heather to provide nesting cover and protection from predators;
- Parasite control, which includes medicating the grouse (a wild bird) with a veterinary drug dispensed via medicated grit and direct dosing, and also the mass culling of mountain hares that host some parasites;
 Lethal predator control – typically of foxes, weasels, stoats, crows, but grouse moor management is often linked to cases of illegal persecution of birds of prey.

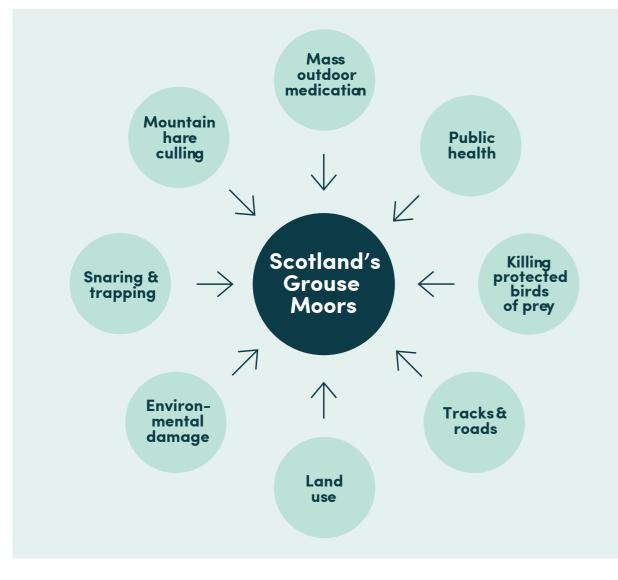


Figure 7: Grouse moor circle of destruction

Source: Revive Manifesto 2021^{clxxiii}

The purpose of the policy options listed here is not to outlaw grouse shooting but instead to ensure that if it continues it does so in a framework that 'supports sustainable economic development, protects and enhances the environment' and recognises the role of grouse moor owners to 'act as stewards of Scotland's land resource for future generations', as set out in the Land Rights and Responsibilities statement.

We therefore propose that the combination of the mechanisms to break up large estates, coupled with the extensive reforms to grouse moor management, will naturally lead to them being less prevalent across Scotland, and managed in a way that is less destructive to the environment, other species and public safety. At the same time, land that is freed up can be put to more socially and economically useful purposes.

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We recommend that the Scottish Government consider whether landowners should have a responsibility to, for example, count and manage the deer population more carefully, and share this data with NatureScot. ^{clxxiv} NatureScot, meanwhile, could create locally accountable bodies to actively manage the local deer population, including specifying the required cull numbers. To implement this, the institution would probably require additional funding, in which case, landowners and others could perhaps pay for the right to shoot deer.

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The Scottish Government should also consider banning harmful practices, such as administering medication in the open air, off road hill tracks without planning permission, snaring, trapping and killing of Scotland's wildlife for the purpose of increasing grouse numbers, muirburn without a licence and muirburn for grouse moor management. Geographical restrictions on muirburn could also be implemented where appropriate.

5 Conclusion

Land is such a fundamental

element of human existence

that it is difficult to overstate

its strategic importance to our

wellbeing and prosperity

Land is such a fundamental element of human existence that it is difficult to overstate its strategic importance to our wellbeing and prosperity. Different types of land use have different pros and cons, and impact differently on different groups of people. These trade-offs mean there isn't a single objectively optimal way in which the ownership and management of land should be structured. Instead, society has a series of choices to make around what kind of society and economy we want to live in today, and, arguably more importantly, what we want to leave to our children.

The ownership of land can either make it available for community and business development or keep it in the hands of a few historic owners. The management of land can mitigate the harm human activity is doing to the global environment or it can contribute to it. The economic power inherent in land can be spread across society or concentrated in the hands of a few. Land can improve our physical and mental health or it can degrade our health and blight our wellbeing. The purpose of land reform should not be to impose a single vision on Scotland, but rather to enable multiple visions to be pursued by different people and different communities in different places. While some large-scale public development should almost certainly be part of this, at its heart, land reform should be about setting an entrepreneurial spirit free across Scotland's land, with careful regulatory oversight to ensure that innovation isn't always trumping environmental concerns, such as climate change.



Scotland currently has one of the most concentrated land ownership systems in the developed world, so only a small minority have power and control, despite land-use affecting everyone, including through its impact on local economic development, housing and the environment. For example, grouse moors, which cover approximately 12-18% of Scotland and are a stable of sporting estates, are estimated to produce fewer jobs per hectare than many alternative land-uses, and lead to a barren landscape and huge reduction in biodiversity. As another example, housing is often targeted at the high-end of the market, such as retirees and second homes, rather than to

Kirstin Moore

local need, and entrepreneurs looking to start a new business can struggle to obtain suitably located premises. Many Scottish land-owners also enjoy subsidies, favourable tax treatment and probably also capital gains from long-term land price increases, which increases economic inequality, as landowners are already typically amongst the wealthiest in society.

Despite these many problems, the system mostly goes unchallenged. This could be

because, unless a person has lived through a period of significant change in land management or ownership, they will have been exposed to only one philosophy of



land management or land ownership throughout their life. This can lead people to believe that there is no plausible alternative. There is also a lack of public awareness about land and surrounding issues. For example, many people believe that Scotland's grouse moors are barren naturally, rather than this being a consequence of deforestation, close arazing and intensive management. We assume that land is 'natural' and so what is currently there is a reflection of a fundamental scientific reality, rather than the result of millennia of human interventions. Moreover, many land issues are incredibly complex and nuanced, making it hard even for those with time and expertise to understand the full picture and work towards meaningful reform. Finally, landowners are quick to tell those who do not own large amounts of land that they therefore 'do not understand land' and so should 'leave its management to the experts'. clxxv Moreover, they often claim that, were it not for their efforts, even the meagre employment opportunities created from current land management would disappear. clxxvi

This all creates a democratic vacuum, and those who seek change are forced into a minority position, even if the majority of the public support their goals. Meanwhile, those who have ownership are relatively insulated from democratic debate through this self-enclosed narrative about who has a legitimate interest in land issues.^{cbxvii} The fact that poor employment opportunities are responsible for the depopulation of many of these areas over the past decades is, moreover, not evidence that diversified land ownership and alternative land-use could not help improve the vibrancy and sustainability of communities, and, as demonstrated in this report, there are many reasons to suggest that it could.

Moving away from the current system of ownership, regulations and subsidies offers Scotland an opportunity to move towards a country in which people with innovative ideas for how to use land, or with innovative ideas which require access to land, are able to get access.

A Scotland in which rural towns and villages can manage their future and their development in a strategic way, because they are not always hemmed-in by land over which they have no collective control. A Scotland in which ordinary people have a relationship with land, where land ownership is normal, and where the great social, political and economic power which comes with land ownership is distributed and not concentrated in the hands of a few. Scotland is starting to make progress in this area. In addition to measures that aim to

A vision of the future

increase community land ownership, such as the community right to buy, clxxviii the Scottish Land Commission is actively looking at how land reform could be enacted in an urban context, with a particular focus on the impacts of vacant and derelict land on communities, and how it can be brought back into use in ways that serve the interests and needs of local people. Although these are important first steps, more must be done if Scotland is to see revitalised rural economies and repopulated rural communities.

Possible policy solutions could include finalising the complete of the land register, while working towards a fully open and more detailed registry to improve transparency around land ownership, implementing dual property and land taxes, inheritance reform and reforming agricultural subsidies to reduce rentseeking, introducing a cap on land holdings, community participation in planning, and reforming local democracy to better distribute power and landownership, and establishing a land agency, extending the planning system to rural land, addressing the rural housing crisis, instructing the SNIB to set-up a well-capitalised land-based business investment fund, and reforming deer and grouse management to develop and implement a sustainable land strategy that works in the public interest. The latter could form part of an ambitious national industrial strategy for a Green New Deal, and so help enable a green industrial revolution, generate jobs, and meet the challenges of climate change and environmental degradation.

In short, well-implemented land reform could enable a fairer economy, facilitate the use of land to meet key societal and environmental challenges, and empower and revitalise local communities. As an example, decarbonising energy will probably require more land-based generation facilities. This will not only mean electricity generated from wind, but also heat generated from solar thermal capture, geothermal extraction and biomass. If Scotland gets this right, these developments could be sprinkled across Scotland and sensitively embedded into communities and the environment. Many of

Scotland could become a leading producer of

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these developments can be mixed-use, and so sports-based tourism, like cycling, could be integrated with wind turbines, or solar thermal could be installed in nonproductive areas on horticultural land.

Similarly, giving businesses and their workforces better access to land and housing could also help Scotland exploit three separate economic opportunities; the primary production of crops, the secondary processing of crops into advanced materials and the light manufacturing that can take place using those materials. For example, Scotland could become a leading producer of bioplastics, and could catch up with the Nordic countries' advanced wood processing industries. Bioplastics is a particularly exciting prospect, as if something can be made out of plastic it can be made out of bioplastics, and as there will be more and more pressure to move away from plastic as the market for plastic alternatives opens up. Given that these materials are based on low-grade organic crops, which are particularly suited to Scotland's soil and land types, and given just how much unproductive land Scotland currently has, it could place Scotland at the forefront of an ethical manufacturing boom. As a further example, cellulose insulation production could provide supply for the national job of improving household thermal efficiency.

With the digital revolution, it is also becoming increasingly feasible to establish and develop a workforce outside of big urban areas. By coordinating an industrial strategy with a community development strategy, including the use of land for different types of housing, this, in turn, could **enable more young people** to stay and work locally, and could make it easier for people in their later 20s and 30s to return to the communities they grew up in when they want to settle down and start a business (this has been identified by many communities as a key current problem).^{clxxix} Moreover, this could create a virtuous circle, in which rural communities can sustain many more start-up enterprises in all sorts of areas of economic activity. The inevitable shift towards more remote and home working will unlock even more potential for repopulation of communities outside large urban areas.

With more diversified land ownership, communities could be surrounded by much more productive land. Woodland, where agriculture isn't possible, energy where woodland is inefficient, and so on. Land that cannot be used to generate profits^{clxxx} could be rewilded, clxxxi to help improve biodiversity and carbon capture. Alternatively, owners might wish to build 'huts' on their land to replicate the hutting movement in Nordic countries, where many people in urban areas retain a much stronger link to

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land by having a small 'holiday home' in the countryside that they can visit at the weekend. At the moment, this unproductive land is largely set aside for rough grazing of sheep. This is an industry in decline, which has not been profit-making without public subsidy for many decades. As outlined in this report, it is also environmentally destructive. Scotland could thus move away from the 'barren deserts' that cover so much of its land, and towards hillsides which are alive and buzzing with life. In addition to the resulting benefits to the environment and locals' wellbeing, this could also boost tourism in some areas.

This vision of Scotland is all perfectly feasible. In fact, it describes what is already the reality in many countries across Europe. For example, Swedish pro start-up business models, clxxxii Austrian local sustainable manufacturing, clxxxiii Norwegians love of the outdoor facilitated by easy access, clxxxiv diverse Finnish land ownership, the German integration of forestry and community, and the decentralised high-tech businesses which high-speed broadband links are opening up all over the place.

In short, land ownership in Scotland is far more than a social justice issue. What becomes possible after land reform could be one of the most hopeful opportunities for the Scottish nation.

This vision of Scotland is all

perfectly feasible



6 Summary of recommendations

There are many possible policies that could help facilitate Scottish land reform with the current powers of the Scottish Parliament. A full exploration of the pros and cons of implementing these policies was beyond the scope of this paper. However, the Scottish Government should explore:

1. Establishing a complete, clxxxvi open and improved Land Register, to improve transparency around land ownership by:

- a. Considering whether only land that is properly registered in the Land Register could be eligible for tax breaks and subsidies.
- b. Considering making the data open and freely available.clxxxvii
- c. Considering making the Scottish Land Information Service (SCOTLIS) hold additional information such as the beneficial owners, charges^{clxxxviii} and options^{clxxxix} on land titles, price paid, public subsidies or tax breaks applicable to the land, and planning permissions.

2. Implementing a flat-rate property tax that includes all land and reforming agricultural subsidies, to reduce rent-seeking by:

- a. In the area of tax reform
 - i. Considering implementing a flat-rate property tax for all private owners or land and buildings.
 - ii. Considering implementing a range of transition mechanisms to support small farmers to adapt to the new tax payments.
 - iii. Considering implementing a percentage uplift for all land and property owned in a 'secrecy jurisdiction'.
- b. In the area of agricultural subsidy reform
- i. Considering implementing a system of rural land subsidies that only pays public money for specific public goods.
- ii. Considering capping the total subsidies any single landowner can receive.

3. Introducing a cap on land holdings, community participation in planning, and reforming local democracy, to better distribute power and landownership by:

- a. In the area of capping land holdings and redistributing land
 - i. Considering establishing a maximum land holding, based on the beneficial owner.
 - ii. Considering whether to bring forward new legislation so that future CPOs should be conducted at close to existing use value.
 - iii. Following through on the commitment to implement the Scottish Land Commission's CSO proposal.
 - iv. Considering whether to extend the policy to include specific criteria for the applicability of rural land to CSO and whether communities should be given the right to ask for a specific site to be investigated for a potential CSO.
 - b. In the area of community participation in planning
- i. Considering formalising the implementation of Local Place Plans to ensure that there is real and meaningful community participation in planning.
- ii. Considering how best to ensure that the whole community, especially under-

- participation.
- c. In the area of local democracy reform desirable.

4. Establishing a Land Agency, extending the planning system to rural land, addressing the rural housing crisis, instructing the SNIB to set-up a well-capitalised land-based business investment fund, and reforming deer and grouse management, to develop and implement a sustainable land strategy that works in the public interest by:

- a. In the area of creating a Land Agency
- i. Considering the establishment of a Land Agency.
- Responsibilities principles.
- implement a National Land Strategy.
- b. In the area of rural planning
- to zone rural land in Scotland for specific defined purposes.
- decisions they disagree with.
- security for rural communities.
- make an economic return.
- e. In the area of reforming deer and grouse estate management possession'.
 - NatureScot.cxc
 - cull numbers.
 - deer.
- vi. Considering geographical restrictions on muirburn.

represented groups, are involved in the planning process as well as the potential, and costs, of introducing a form of jury service to ensure broader

i. Considering whether adding an additional tier(s) of local government would be

ii. Considering using a citizens' assembly to update the Land Rights and

iii. Considering whether the Land Agency should be required to develop and

i. Considering whether a process of National Land Planning should be introduced

ii. Considering whether members of the community who do not agree with an approved decision could also have the right to appeal with local planning

c. In the area of protecting rural housing considering whether extending the current system of rural housing burdens would be a good way of providing housing

d. In the area of land business investment considering whether the SNIB could have a specific investment fund to invest in sustainable land-based businesses that seek to

i. Considering redefining certain wild animals, starting with deer and grouse, then extending to other species where appropriate, as a public resource belonging to the people of Scotland rather than being unowned until 'rendered into

ii. Considering whether landowners should have a responsibility to, for example, count and manage the deer population more carefully, and share this data with

iii. Considering whether NatureScot could create locally accountable bodies to actively manage the local deer population, including specifying the required

iv.Considering whether landowners and others should pay for a license to shoot

v. Considering banning harmful practices, such as administering medication in the open air, off road hill tracks without planning permission, snaring, trapping and killing of Scotland's wildlife for the purpose of increasing grouse numbers, muirburn without a licence and muirburn for grouse moor management.

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xwv Savills, What is rural land worth, retrieved from https://www.savills.co.uk/property-values/rural-land-values.aspx

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from https://rural.struttandparker.com/article/scottish-farmland-market-review-spring-2020/

xxviii'Real' prices have been adjusted for inflation.

 $\ensuremath{\ensuremath{\text{xxix}}}\xspace A$ dividend is a company paying out some of its profits to shareholders.

 $^{\rm xox}$ More detail on these subsidies is provided in the above. section Subsidies for land and home ownership

xmmi https://www.savills.co.uk/property-values/rural-land-values.aspx

xoodii https://finance.yahoo.com/quote/%5EFTSE%3FP%3DFT-SE/history?period1=1104537600&period2=1610150400&interval=1mo&filter=history&frequency=1mo&includeAdjustedClose=true

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xxxxiii Higgins P., Wightman A. & MacMillan D., (2002) Sporting Estates and Recreational Land use in the highlands and Islands of Scotland, retrieved from http://www.docs.hss.ed.ac.uk/education/outdoored/ sporting estates research report.pdf

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 $^{\rm xl}$ The impact of rent-seeking on inequality is explored in the above section The Problems with concentrated land ownership

*¹¹ An economics term describing factors that can prevent or impede newcomers into a market or industry sector, and so limit competition

x¹¹¹ Tingay R & Wightman A., (2018) The case for reforming Scotland's driven grouse moors, REVIVE, retrieved from https://revive.scot/publication/thecase-for-reforming-scotlands-driven-grouse-moors/

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¹ Scottish Government (2020) Rural Payments and Services, retrieved from https://www.ruralpayments. org/publicsite/futures/topics/all-schemes/basic-payment-scheme/

 $^{\rm 1i}\,{\rm A}$ grouse moor is moorland managed for the primary purpose of shooting grouse for pleasure.

¹¹¹ Sheep play an important role in dealing with ticks. They act as 'tick mops', basically attracting them so that they do not attached to the grouse, whose treatment is impossible. Mopping up ticks, the sheep also help protect human visitors from Lyme disease and other debilitating diseases, which are on the increase.

¹¹¹¹ Tingay R & Wightman A., (2018) The case for reforming Scotland's driven grouse moors, REVIVE, retrieved from https://revive.scot/publication/thecase-for-reforming-scotlands-driven-grouse-moors/page 70

^{Liv} Fleming D., (2020) Scottish Farmland market review: Spring 2020, Strutt and Parker, retrieved from https://rural.struttandparker.com/article/scottish-farmland-market-review-spring-2020/

^{1v} https://www.ruralpayments.org/publicsite/futures/ topics/all-schemes/forestry-grant-scheme/

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^{1vii} The UK has, from the 80's, established subsidy after subsidy for home ownership. It started with Prime Minister Margret Thatcher's 'Right to Buy' scheme, and was followed by the introduction of buyto-let mortgages, huge increases in housing benefit and, more recently, various 'help to buy' schemes. Although, Scotland abolished the right to buy under the Housing (Scotland) Act 2014.

^{1viii} BBC News (2011) Scottish Rural house prices double, retrieved from https://www.bbc.co.uk/news/ uk-scotland-scotland-business-15150611

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 $^{\mbox{\tiny lxx}}$ The economic multiplier effect occurs when an

initial injection into the economy causes a bigger final increase in national income. For example, if the government increased spending by £1 billion but this caused real GDP to increase by a total of £1.7 billion, then the multiplier would have a value of 1.7.

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cxix Forthcoming Common Weal Property Tax paper

cox Forthcoming Common Weal Property Tax paper

coxi A secrecy jurisdiction provides facilities that enable people or entities escape or undermine the laws, rules and regulations of other jurisdictions elsewhere, using secrecy as a prime tool.

coxii Ref needed - MAX looking

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concentration%20of%20land%20ownership%20-%20Discussion%20Paper%20Feb%20201.pdf

 $^{\mbox{\tiny COXX}}$ Retrospective legislation is law that changes the legal status of previous, not just future, actions.

 $^{\rm cooxi}$ At the moment, the Scottish Government intends to maintain ECHR as the basis of Scots law.

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Orders: a proposal from the Scottish land commission, retrieved from https://www.landcommission.gov.
scot/downloads/5dd6a16d88752_CSO-Proposal-final.pdf

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Human Rights: Protection of property. Updated on 31
August 2020. In this extract, citation of case law
has been edited out of the text for ease of reading.

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codiv Scottish Law Commission (2014) Discussion paper on Compulsory purchase, retrieved from https://www. scotlawcom.gov.uk/files/5014/1880/8000/Discussion_Paper_No_159_for_website.pdf, page 64 $^{\rm cxlv}$ The 'use value' is what the land is currently worth, given its current use and its permitted uses.

^{cxlvi}'Hope value' is based on the expectation that a land's use or permitted uses may change in the future. Consider a field this is currently used to grow crops but is located near the edge of a growing town or village. There is a distinct possibility that, at some stage in the future, it could be suitable for housing, which would increase the land's value. The price paid for this field would typically incorporate some additional value to reflect this hope.

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cations/getting-best-land-land-use-strategy-scotland-2016-2021/

 $^{\rm clxii}$ Land finder services help match up available land with individuals and businesses looking for land

clxiii https://www.climateassembly.uk/

clxiv https://www.citizensassembly.scot/

 $^{\rm clw}$ Although, one should acknowledge that 12.6% of Scottish land has been designated Sites of Special Scientific Interest (SSSI), and so permitted actions

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^{clxvi} Shoard, M. (1987) This Land is our Land

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