
Briefing Paper – Scottish Government Debate: Covid-19 Next Steps (Economy)
31/5/20

Introduction

Community Land Scotland is the membership organisation for Scotland's community landowning Development Trusts. We have prepared this briefing paper for MSPs to help inform the forthcoming Parliamentary Debate on Covid-19 Next Steps (Economy) on Tuesday June 2nd 2020. Community Land Scotland contends that land reform, defined by the Scottish Government-appointed Land Reform Review Group (LRRG) as "*measures that modify or change the arrangements governing the possession and use of land in Scotland in the public interest*", can help accelerate Scotland's economic recovery. Land reform is critical to the recovery because the issues of how land is owned and used, and who benefits from these arrangements, are central to determining Scotland's progress towards becoming a greener, fairer and more sustainable society. The remainder of this paper sets out our views in more detail.

A Rural New Deal

Recent Scottish Land Commission research shows that the monopolistic effects of large-scale and concentrated rural landownership significantly erode the economic and social fabric of communities living under such conditions; undermining their access to secure employment, affordable housing and services provision. Scottish Government-funded research by The James Hutton Institute shows that many areas of rural Scotland face deep-seated demographic challenges associated with simultaneously shrinking and ageing populations that imperil their long-term sustainability.

Scotland therefore needs a post-pandemic '*Rural New Deal*' that tackles the economically damaging issues of concentrated land ownership and unsustainable demographic change head on. Diversifying how land and other natural assets such as forests and marine resources are owned and used will help deliver the climate change mitigation and adaptation, affordable housing, employment creation, and population retention and growth that are essential to the sustainability of our rural places and to delivering wider public benefits.

Economic Recovery as Community Resilience

There is a pressing need to ensure that the economic benefits from Scotland's land resources are shared more equitably within local communities as a matter of social justice, while also ensuring that wider public benefits generated by these resources are safeguarded and promoted. Applying a public interest test as regards the suitability of prospective private purchasers of land over a certain scale is one legislative option which would help address these issues.

Beyond legislative change, Scotland needs a reconfigured fiscal system that proactively encourages land ownership diversification as a means of unlocking the full potential of rural and urban communities to both contribute to, and experience, a post-Covid economy that places fairness, sustainability and wellbeing at its heart. There is merit in exploring the scope for introducing a Land Value Tax and other fiscal measures to reduce inflated land values in Scotland that impede diversification of land ownership and land use as routes towards place-making that links climate justice, community empowerment and sustainable development. There is also merit in exploring the scope for introducing a supplementary charge to the Land and Buildings Transactions Tax for private sales of rural estates over specific sizes, with the generated revenue being used in addition to support from the Scottish Land Fund to help finance community buyouts and provide ongoing development support to community landowners.

The impacts of the pandemic clearly reinforce the need for community-led development of places. Many of our member Community Trusts are significant employers within their local communities, engaged in a range of revenue-generating business activities (e.g. tourism accommodation, hospitality, heritage facilities, commercial business space rental, local services such as shops and petrol pumps) now significantly undermined by the Covid-19 pandemic. Consequently, it is vital that they receive an appropriate level of financial and other support during the post-pandemic recovery period to enable them to continue to function effectively for the benefit of their communities and the wider economy.

Many of our members are also playing key roles in the recovery of their local economies from the pandemic. Some plan to set up incubation spaces for local businesses to support the recovery. Others have been sourcing food locally, both for shops and for delivery to people who are shielding, vulnerable or self-isolating. New connections are being

made with local suppliers and some of our members are now providing services to vulnerable and disadvantaged people in their communities. Our members have been able to perform these crucial support functions precisely because, as local anchor organisations, they have the infrastructure and capacity to respond rapidly and effectively to challenges posed to their communities by the pandemic. It's vital therefore that Scotland continues to invest in scaling up community ownership as a way of stimulating local economic development, resilience and community wellbeing. Consequently, Community Land Scotland strongly advocates retaining the Scottish Land Fund with an increased budget of up to £20 million annually to consolidate and further expand its vital strategic function in facilitating more community ownership of land and assets throughout urban and rural Scotland.

The emerging stories of community-led responses to the pandemic further reinforce the urgent need to re-localise the design and delivery of core underpinning elements of our economy including our food systems, energy generation and distribution, community health and social care services, and local transport provision. That calls for new, more decentralised governance arrangements with genuine community engagement and empowerment hard-wired into the process of shaping both the design and delivery of such core elements locally. We consider that the 'Preston Model' of community wealth-building offers one potentially fruitful avenue to explore how such reconfigured localised governance and delivery arrangements could implement a radically different vision of what constitutes 'wealth' at the local level, as measured against a more sustainable set of economic, environmental and social indices than those conventionally used to calibrate economic progress. A vision in which that wealth is retained within (rather than extracted from) our urban and rural communities and distributed on a substantially more equitable basis than is currently the case.

A Green Economic Recovery

Climate change remains the overarching existential threat facing the planet. Achieving the 'better' (i.e. *greener, fairer, wealthier*) society calls for a focus on *equity* in the form of emphasising the needs of the least advantaged in society now (*intragenerational equity*) and on a fair treatment of future generations (*intergenerational equity*). It's more critical than ever that we redouble our focus on applying that principle of equity for current and future generations as Scotland charts the way to economic recovery.

It's therefore imperative that the economic recovery is a Green recovery; one in which the economic, environmental and social dimensions of sustainable development become mutually positively reinforcing to produce a step-change in pursuit of the UN's Sustainable Development Goals. Placing the inter-twined concepts of environmental sustainability, community resilience and empowerment, together with community wealth-building and wellbeing at the heart of the economic recovery offers a path towards a sustainable economy; one in which the principles of both intragenerational and intergenerational equity are to the fore.

Community Land Scotland contends that land reform has a crucial strategic role to play in delivering economic recovery based on genuinely sustainable development. Specifically, community ownership of land is a means to directly address the climate emergency whilst simultaneously generating a range of community and wider public benefits as a result of sustainable land use. There is scope to enhance that capacity significantly through reforms to Scotland's land tenure system which enable more communities to own land and generate income for community reinvestment as a result of delivering public goods and benefits (e.g. carbon capture) as a consequence of sustainably managing that land. Similarly, the introduction of a specific Feed In Tariff Scheme for renewable energy production specifically for community-generated renewables (and ensuring provision of interconnector infrastructure throughout Scotland to enable export of surplus energy to the National Grid) would ensure that such investment remains in Scotland, enable the further development of Local Energy Systems, provide for community reinvestment of revenues and contribute to Scotland's Net Zero emissions target.

Summary

Now is the time for bold action, backed by the political will to re-set Scotland's economic path towards a more sustainable future. Community Land Scotland is calling for a reconfiguring of the Social Contract that recognises the significance of land reform as a means for transformative change leading to a post-pandemic economic recovery based on environmental sustainability, genuinely empowered and resilient communities and a radically different conceptualisation of what constitutes 'wealth' within Scotland's economy. We contend that diversifying Scotland's pattern of concentrated land ownership will help unlock more community-led development, resulting in a genuinely sustainable economic recovery based on a more equitable distribution of resources and beneficial outcomes for both rural and urban communities and for Scotland as a whole.