



SCOTTISH LAND COMMISSION  
COIMISEAN FEARAINN NA H-ALBA

**Minutes of the meeting of the Scottish Land Commissioners held on Tuesday 31st July 2018, Longman House, Inverness.**

**Present:** Andrew Thin (Chair), Lorne MacLeod, Prof David Adams, Megan MacInnes, Dr Sally Reynolds (Land Commissioners), Hamish Trench, Posy MacRae, Caron Munro, Shona Glenn, Sarah Allen, James MacKessack-Leitch, Kathie Pollard, Helen Barton, Claire Bremner (Scottish Land Commission).

**Apologies:** Bob McIntosh (Tenant Farming Commissioner)

The Chair advised that he has met with Simon Cuthbert-Kerr, Head of Land Reform Unit, Scottish Government who has given positive feedback on the work of the Land Commission.

**1. Minutes of meeting held on 3<sup>rd</sup> July 2018**

The Commissioners agreed the minutes as a true and accurate reflection subject to the below amendments:

- On page 2, section 2 in the 4<sup>th</sup> bullet point, amend the sentence to read ‘The role of a planning statement in the sale order outlining appropriate uses for the land.’

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All actions have been completed or are in progress.

<b>Action 31071801</b>	<b>Caron to amend the minutes as agreed.</b>
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The Chair advised that following action 03071806 the Commission will let the ECCLR know that they are happy to provide evidence if requested. Hamish advised that he is in discussions with the Government about this.

Hamish advised that following action 03071807 he has spoken with Scottish Land and Estates who have advised that they understood, following a discussion with the estate, that the estate were going to carry out a joint valuation.

It was suggested that the Land Commission could intervene to prompt a meeting to bring together the community, the estate, Highlands and Islands Enterprise (HIE) and the Scottish Land Fund (SLF) for a discussion in order to progress the community buy out and inform lessons learned on the Community Right to Buy for the Commission to report to the Scottish Government. The Commissioners agreed that the Chair would send a letter to the community and the estate, following discussions with SLF and HIE, to arrange a meeting.

<b>Action 31071802</b>	<b>Hamish and Andrew to agree letters to the community and the estate.</b>
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## **2. Land Value Taxation – discussion on final report and next steps with the University of Reading**

Peter Wyatt, Sarah Sayce, Edward Shepherd and Cathy Hughes from the University of Reading joined the Commissioners to present their report.

It was advised that the four options presented in the report are not restrictive and a mixture of the options could be used.

The Commissioners discussed key issues emerging including:

- how a land tax would operate in relation to the planning system in Scotland;
- technical challenges of valuation methodology;
- political context;
- lessons from other countries;
- the extent or absence of evidence from other countries;
- the practical options or combination of options in the report;
- who would be affected by potential tax changes;
- the purpose to which land value tax revenues would be put and the significance of this to public support.

### Recommendations

Commissioners discussed the recommendations that the Commission should make to Scottish Government. It was agreed to focus recommendations on:

- a) further work on technical issues that would be required in order to be able to introduce land value taxation – specifically the valuation, land registration and planning system issues raised in the report;
- b) potential to examine whether land value taxation has a role to play in addressing vacant and derelict land;
- c) exploring the potential of land value tax to improve the productivity of land use and diversity of land ownership in rural areas; and
- d) exploring the potential of land value tax on residential properties to complement the Commission’s ongoing work on land value capture.

It was agreed that the Commission will discuss the recommendations with the Scottish Government and find out what the Government’s intentions are for taking forward the recommendations.

### Next Steps

Hamish advised that the report will be published in September with a briefing, following discussion with Scottish Government officials.

### 3. Code of Practice on Community Engagement

The Commissioners discussed the suite of codes of practice that the Commission is going to be producing and what the desired outcomes of these codes are. The main points raised in the discussion were:

- The requirement for codes to be SMART;
- There is a requirement for a framework around the codes of practice to outline which codes are required and the overall approach;
- The Commission needs to consider resources;
- There is a need to manage expectations of stakeholders and get stakeholder backing for the codes;
- The need to ensure the codes don't redefine anything that is set out in legislation;
- The opportunity for codes of practice to be framed within the Land Rights and Responsibilities Statement.
- The role of Commissioners in an inquiry process.

### 4. Quarterly Progress Report

#### Delivery

It was agreed that developing a proposal for regular reporting of land value data would be removed from the programme of work for the time being to allow the Commission to focus on other priority areas.

Hamish advised that he and Shona are preparing a brief to commission a report on Charitable Trust Status. It was noted that a code will not be finalised by the current milestone of September 2018.

<b>Action 31071803</b>	<b>Hamish to provide Lorne with the brief on the Charitable Trust Status work for w/b 6 August as background information</b>
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It was advised that the urban land community engagement initiative work would extend beyond September as the options for how best to take this forward need to be considered.

Posy advised the Commissioners that there is currently a contract out to tender to review the IT system which will include the development of a case management system.

David requested to receive a list of contractors for the Commission, with details of when they are commissioned and when reports are due to ensure that Commissioners are aware of the work being carried out for the Commission by others.

<b>Action 31071804</b>	<b>Hamish to share this information with David</b>
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#### Finance

Hamish advised that the totals in the variance column show the amount that is still to be spent and is not an expected outcome.

It was agreed that Lorne and Hamish would discuss the format and layout of the budget for future updates.

Sarah advised that the change in the Inquiry Casework budget within the agricultural holdings workstream is due to the contract being awarded for providing a mediation service. The money for this was taken from within the agricultural holdings workstream budget.

Hamish advised the Commissioners that they will be presented with a budget re-profiling at the half way point of the financial year.

#### Audit and Risk

The Chair of the Audit and Risk Committee (ARC) advised that internal audit has given the Commission a reasonable level of assurance on risk management, governance and control for the year to 31 March 2018. He advised that they had also carried out an assurance mapping exercise which had flagged an area of concern relating to the Tenant Farming Casework Management but this will be addressed within the IT system review.

He advised the Commissioners that the Commission has changed internal audit provider from Scottish Government to BDO using an existing framework.

It was suggested that as the co-opted member of the ARC has agreed to stay with the committee for a further year, the opportunity should be given to extend the agreement to the maximum three year membership.

Hamish advised that Audit Scotland have carried out the fieldwork for the external audit since the ARC meeting and are currently looking at the annual report.

The Chair of the ARC advised the Commissioners that following the most recent meeting the ARC members have undertaken a self-assessment.

The date of the next ARC meeting is 3<sup>rd</sup> September where they will consider the Audit Scotland report before the annual report and accounts are presented to the Commissioners on 4<sup>th</sup> September.

The Commissioners reviewed the current risk register and all agreed they were happy with it. Hamish advised that internal audit are currently reviewing risk within the organisation.

#### Communications

Posy advised that the main communications activities over the first quarter were the first anniversary, the Royal Highland Show and the call for evidence on scale and concentration of land ownership. She advised that attendance at the Royal Highland Show was beneficial for the Commission.

It was suggested that the Commission should review the frequency of public meetings and consider holding them to specific areas of interest.

<b>Action 31071805</b>	<b>Add a discussion on public meetings to a future Commissioners' Meeting agenda</b>
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It was agreed that Posy will consider commissioning blogs from external people who have an interest in but are not linked to certain areas of work.

Posy advised that the Commission are currently carrying out a stakeholder check to review who the Commission are in contact within stakeholder organisations.

## **5. Any Other Business**

The Commissioners discussed the arrangements for the Commissioners' Meeting on 25<sup>th</sup> September. Hamish advised that the Commissioners will be meeting with the Cabinet Secretary on 26<sup>th</sup> September in Edinburgh.

<b>Action 31071806</b>	<b>Hamish to consider a visit to a large estate on 25<sup>th</sup> September to look at issues relating to scale and concentration of land ownership</b>
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**Date of next Meeting: Tuesday 4<sup>th</sup> September 2018**

**Scottish Land Commission  
July 2018**