



SCOTTISH LAND COMMISSION
COIMISEAN FEARAINN NA H-ALBA

Delivering social and economic community benefits from land



Frequently asked
questions

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The guidance

Why has the Scottish Land Commission published guidance on social and economic community benefits?

The aim of this guidance is to support the development of responsible practice in delivering social and economic benefits to communities from land. It can and should be used by relevant parties – including landowners of all types, communities, professional bodies and others – to consider how land can best support the needs and aspirations of local communities.

Many involved in land will recognise both the moral and long-term business imperative to support the social and economic development and sustainability of communities who live on and around the landholding. There are multiple dependencies in the relationship between communities and land. In the short term, engagement leading to a mutual understanding of priorities, constraints and aspirations of all parties will help to reduce conflict and build support for any planned or future land use changes. Longer term, landholdings depend on the communities local to them in a variety of ways, for example, as a source of employees and tenants, as purchasers and suppliers of goods and services.

This guidance also supports the implementation of Scottish Government policy, including the Land Rights and Responsibilities Statement (LRRS) and the Interim Principles for Responsible Investment in Natural Capital. The LRRS sets out a vision and principles for responsible ownership, management and use of land, including that all land should contribute to a modern, sustainable and successful country, and that that landholdings should deliver social, environmental, economic and cultural benefits. This is why we recommend that everyone involved in land should consider the guidance and how it may apply in their context.

The Interim Principles have been developed in response to **recent changes** to the ways in which land is owned, used and managed, resulting from a range of factors including: climate change; carbon finance (and other nature finance); targets and incentives for woodland creation and peatland restoration; and changes in investor attitudes to land. These changes bring risks and opportunities for communities, which are outlined in more detail in our paper **Natural Capital: Recommendations for a Just Transition**.

The Interim Principles contain an expectation that investment in natural capital creates benefits for communities. This is why we say that everyone involved in investing in natural capital on land should deliver community benefits and use the guidance to structure their approach.

How was this guidance developed?

The guidance draws on a range of Land Commission led engagement activities with key organisations as well as members of the public and experts in the field. We partnered with Highlands & Islands Enterprise to explore practical ways that landowners could bring benefits to communities through nature-focused investments. We published papers and real-life case studies about how communities can benefit from nature finance and invited feedback on these.

The guidance is informed by the Scottish Land Rights and Responsibilities Statement (LRRS) and Community Wealth Building principles. These are well established frameworks which we have considered in setting out the opportunities for providing meaningful community benefits.

The guidance also draws on the experience of the Scottish Land Commission in helping landowners and communities put the LRRS and Community Wealth Building principles into action through our Good Practice Programme. Our multi-stakeholder Community Benefit Advisory Group has been a crucial part of shaping this guidance, providing valuable advice and insights.

Who is this guidance for? Does it apply to me?

The guidance aims to help all kinds of landowners and managers, communities, public bodies and others, understand how land ownership, use and decision-making, can deliver social and economic community benefits. Whilst this guidance will be useful for all types of landholdings and all types of land ownership, it is not a legal requirement of any landowner to follow this guidance.

Whilst this guidance applies to all kinds of landholdings, it was designed specifically in response to an increase in larger scale, or otherwise significantly impactful, land ownership and use changes. Where that is the case, landowners should take a structured approach to following this guidance.

The delivery of community benefits is expected to be proportionate to the scale and impact of the project or land use /management activity and should not unduly compromise the practical or commercial viability of the landholding. It is not possible to be prescriptive about the level or amount of community benefits provided as this is very context dependant. Over time we anticipate a clearer consensus over this will emerge.

Do I have to follow the expectations set out in the guidance?

The guidance will be implemented on a voluntary basis by those who understand the need to deliver social and economic benefits for local communities from land in their context.

Communities can use this guidance to encourage local landowners and investors in land to engage with them and agree what community benefits should be delivered from a particular landholding or project. However, all parties should understand that the guidance is used in a way that is proportionate and that does not compromise the commercial and practical viability of landholdings.

We also see opportunities for this guidance to be embedded into conditionality of public funding, such as through grants for peatland restoration and woodland creation.

Where should I start if I want to implement this guidance?

A good place to start when implementing this guidance is to take stock of where you currently are. Think about the benefits that you already deliver through the way that you own and manage land. Consider these benefits in the context of your landholding and its impact on the local area – if you have a small, low impact land holding then you may not need to take any additional actions. If you own a larger landholding and carry out activities on your land that have a more significant impact on the local community, then you should use the guidance to help you assess any further actions you could take. The next steps after assessing where you are currently could include engaging with the local community and speaking to other landowners or managers in the area to understand what they are doing and identify opportunities for collaboration.

Natural capital and nature finance

What is natural capital?

Natural capital is a term used to describe our natural resources – such as plants, animals, air, water, soils – that provide a flow of benefits to people and collectively underpin our economy.¹ Although the term is sometimes used as shorthand for nature markets or carbon credits, natural capital is much broader than these imply.

The Scottish Land Commission has produced a **Protocol on Responsible Natural Capital and Carbon Management** which should be used alongside the guidance and **further resources** which are included in this document.

What is nature finance?

The term nature finance refers to funding for nature-based solutions to problems such as climate change or biodiversity loss. This includes carbon markets such as the Woodland Carbon Code and Peatland Code, but also may include mechanisms to monetise other benefits from nature, such as restoring biodiversity, slope stability, soil or other habitat quality, and flood risk alleviation.

What are carbon credits?

Carbon credits represent a reduction or removal of emissions of carbon dioxide or other greenhouse gases (GHGs). Each credit should be equivalent to one tonne of carbon either removed from the atmosphere or prevented from entering the atmosphere. Individuals and organisations may choose to purchase or generate carbon credits in an attempt to offset the greenhouse gas emissions that they are responsible for.

In the UK, most carbon credits from land use are currently created under the quality assurance standard set by the **Woodland Carbon Code** or the **Peatland Code**. The **UK Land Carbon Registry** is the database that stores and publicly displays data about the status of Woodland Carbon Code and Peatland Code projects and ownership and use of carbon units.

¹ nationalperformance.gov.scot/natural-capital

Who can create land-based carbon credits?

It is not essential to own land in order to develop a land-based carbon project, however, if the land is not owned by the project developer, formal agreements with the landowner will be required. Due to the requirements of agricultural holdings legislation and the conditions attached to the Carbon Codes, agricultural tenants cannot generally proceed with peatland restoration or woodland creation without the agreement of the landowner, and landowners are limited in their ability to resume land without the agreement of the tenant. However, given the potential benefits of peatland restoration and woodland creation schemes to landowner and tenant, there is some incentive for the parties to get together to explore the possibility of entering into a contractual agreement that enables a project to proceed in a way that benefits both parties. The Commission's [Interim Guide to Securing Tradeable Carbon Credits in an Agricultural Holdings Situation](#) and [Guidance on Carbon Credits](#) encourages proactive discussion and agreement between landowners and agricultural tenants on the creation of carbon credits.

There is also some potential for crofting tenants, and those who have rights in common grazings, to develop projects to sequester carbon. Crofting tenants should notify the landlord in advance if they intend to put the croft to another 'purposeful use'. There may be possibility for joint forestry enterprises between crofters and landlords. Common grazers can come together to create a crofting forestry scheme if they get the consent of the owner of the common grazings. To do so, they must first apply to the Commission to plant and develop woodland on their common grazings. There may also be potential for peatland restoration projects on common grazings, with the appropriate consents and as long as it is not to the detriment of the owner.



Social and economic community benefits from land

What is the relationship between land reform and community benefit?

Compared to most nations, Scotland has a particularly concentrated pattern of land ownership, with 0.025% of Scotland's population owning 67% of its private rural land. This means that many people are excluded from opportunities relating to land. This impacts local economies, housing provision, community projects and other elements contributing to wellbeing and resilience. The Scottish Land Rights and Responsibilities Statement includes the principle that "Land ownership, management and use should deliver a wide range of social, environmental, economic and cultural benefits". The work of the Commission to support the delivery of increased social and economic community benefit from land is part of a wider process of increasing opportunity for communities to benefit from land, regardless of whether ownership is an option or not.

What is a proportionate level of community benefits to provide?

It is not possible to be prescriptive about what is a proportionate level of community benefits because this is dependent on a wide range of factors. It is common sense that the level of community benefits anticipated from a very large landholding, carrying out significant land use change, will be very different from what would be seen as proportionate for a small/medium landholding with minimal impact. The level of community benefits should not unduly compromise the practical or commercial viability of the landholding and over time we anticipate a clearer consensus over proportionality will emerge as people seek to deliver community benefits in practice.

It is helpful to remember that whilst this guidance applies to all kinds of landholdings, it was designed specifically in response to an increase in larger scale, or otherwise significantly impactful, land ownership and use changes.

Some things to consider in assessing what is proportionate are:

- To what extent will the landholding or project impact on the local community? Significantly impactful activities include those that impact on the sustainability or overall wellbeing of a community, involve permanent land use change, or that involve a change or restriction of access to local services, a good quality environment, or community viability.
- To what extent does the landowner control access to local resources and services? Those landholdings with greater control or power over local resources and services should carefully consider how they work with the local community and deliver community benefits that support the sustainability, viability and empowerment of the local community.
- The timeframe for the project and how long the decisions being made will impact upon the land. Decisions that create a long-term obligation on the land may be considered more significant as they could affect future land use decision-making, as well as land values.
- What level of financial return is expected? Where a greater level of financial return is expected for the investor or landowner, a greater level of community benefits can be anticipated.
- To what extent does the project rely on local support? Where local support is needed for projects to succeed, it is common sense to consider and agree with the community the ways in which they will benefit.
- How large is the landholding or natural capital project? Decisions about larger landholdings or projects in particular, even if there are fewer people living in the local community at present, have the potential to impact future generations as well as current communities.

There are likely other considerations when assessing proportionality and there are mutual benefits that arise from considering how any landholding supports the sustainability, viability and empowerment of local communities.

Where can I find information on local and regional needs and priorities?

There are a number of local and regional strategic planning, development and land-use processes and plans that can be helpful in understanding the local area. At a local level, the community council, local authority, local councillors and MSPs, community development trusts or other community-led organisations, are likely to be able to provide you with information on where to find existing plans and analyses of local needs.

In general terms, **community-led plans** are processes whereby communities assess local needs and aspirations. These can help the community to develop their own approach – such as Community Action Planning – or they can feed into wider processes, such as **Local Place Plans**. These were introduced by the Planning (Scotland) Act 2019, which contains a new right for communities to produce their own plans including proposals for the development and use of land, and providing a new opportunity for communities to feed into the planning.

What is meant by climate adaptation and how can I find out more?

Climate change adaptation comprises all the actions and solutions that a country, a region, a city or a community can develop and implement to build more resilient societies and economies, to respond to the current and future impacts of climate change. Climate adaptation includes the ability to anticipate, prepare for, and respond to hazardous events, trends, or disturbances related to climate change, such as flooding, storms and heatwaves.

A good starting point to find out more about adaptation in Scotland is to look at the resources from the **Adaptation Scotland programme**, funded by the Scottish Government and delivered by the sustainability charity **Sniffer**.

The **climate trends and projections for Scotland** explains what changes to expect in the next decades. To explore what these mean for different areas of our lives, land and economy, the **15 key consequences of climate change** resource looks at specific changes for the productivity of land, soil quality, coastal changes and other impacts. The **Community Climate Adaptation Routemap** includes many examples of approaches to understanding climate change locally, case studies and 20 example actions that can be taken.

If you are thinking about climate adaptation in agricultural settings, a useful starting point are **farming-specific-resources on adaptation** from the **Farming for a Better Climate** website which includes practical guides, case studies and decision-support tools.

As you plan to take any adaptation action, it is useful to reach out to your Local Authority, as they may hold relevant information about local climate impacts, and what adaptation measures are already planned at the regional or catchment scales: see **Local Authority Climate Contact Directory**

Adaptation is not an end state, but an ongoing process to assess and respond to how our environment is changing and the impacts that has on how we use and manage our land, our businesses, and beyond.

Community engagement

How can I identify the 'local community'?

The guidance states that “[Community benefits] are specifically for the local geographic community”, and “are primarily for the community that lives on and/or near to a landholding that has an impact on local resources and/or on the community itself. They are not benefits that are solely received by communities of interest (e.g. mountain biking or bird watching), although communities of interest may benefit in addition to the local community (e.g. from improved access and facilities).”

The area which may be considered local to a landholding will differ according to geography and context. It is helpful to consider existing boundaries such as constituencies or community council boundaries, but it is also important to ask people within a community what they consider to be local to a landholding.

When we use the term ‘community of interest’, we mean groups that may or may not live in the same geographic area, but who are united by a shared interest relating to the land. This could be anything from sporting or recreational interests, to foragers, youth groups, or heritage groups.

More information can be found in our [protocols](#) for [Community Engagement in Decisions Relating to Land](#) and [Transparency of Ownership and Land Use Decision-Making](#).

Who should be considered a 'community representative'?

The level of representation and activity of community organisations differs widely by geographic location. It may include a combination of local development trusts, Community Councils, local councillors, local interest groups or voluntary service providers, village halls, representatives of specific local interests such as grazings clerks and others. It is important to consider both democratically elected representatives as well as those who may represent minority voices or groups. Ensuring representation which reflects the interests of the community will require engaging as many of these as possible, as well as reaching out to individuals by appropriate communication channels to be inclusive.

What can I do if I am having difficulty identifying the community?

It can be challenging to identify the community or communities that will be impacted by a landholding, particularly when there are no or few residents on and around the landholding. In sparsely populated areas it is particularly important to reach out to anyone who is resident on or around the land to discuss plans for the landholding with them and to understand how decisions may impact on them and how social and economic benefits can be delivered through the landholding. They may be able to help you identify who else you need to talk to. Having done that, it is important to also consider people who may not live in the geographic area but who may depend on it for employment, recreation or other benefits.

If seeking to deliver substantial community benefits, and/or if there is a very small local community, it is worth giving consideration to how benefits can be distributed over a larger area. Where this is the case, it is important that the local community are closely involved in making that decision, in considering how best the benefits should be delivered, and over what geographical area they should be delivered.

What does good community engagement look like?

The Scottish Land Commission has produced extensive guidance on [good practice in community engagement](#), as well as the [Protocol on Community Engagement in Decisions relating to Land](#). The Scottish Government have also published Guidance on [Engaging Communities in Decisions Relating to Land](#).

How can I know if the way I own, manage or use land has a significant impact?

The [Scottish Government's Guidance on Engaging Communities in Decisions Relating to Land](#) is useful in determining the level of impact of a decision or activity. This can help landowners and managers develop a proportionate approach.

The guidance states that decisions or changes which may significantly impact the social, economic or cultural development of a community, access to a good quality environment, and community viability include: long-term or permanent changes with significant impact; long-term disruptive activities; activities which impact significantly on the local economy, society and culture, or environment; and decisions likely to alter the local population level or structure, including through intergenerational impact.

Decisions which can lead to moderately significant impacts on the local community include: short-term but disruptive activities: activities carried out in irregular circumstances; and changes to regular activities.

What support can I get from the Scottish Land Commission?

The Good Practice Team at the Scottish Land Commission regularly helps landowners and managers to evaluate their approach and plan actions. We help a range of landowners and managers across different sectors to ensure they are aligning their work with the Land Rights and Responsibilities Statement. We also run training sessions, both in person and online. We have a suite of published resources – protocols, guidance, templates and route maps to help with different aspects. These are published on our website.



Please get in touch

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Where else can I look for information?

The following locations may be useful sources of further information:

Scottish Government publications

-  The Scottish Land Rights and Responsibilities Statement
-  Interim Principles for Responsible Investment in Natural Capital
-  Guidance on Engaging Communities in Decisions Relating to Land

Scottish Land Commission publications

-  The full suite of protocols on Land Rights and Responsibilities
-  Resources on Community Engagement
-  Protocol on Community Engagement in Decisions Relating to Land
-  Resources on good practice in Transparency
-  Protocol on Transparency of Ownership and Land Use Decision-making
-  Protocol on Diversification of Ownership and Tenure
-  Protocol on Responsible Natural Capital and Carbon Management
-  Natural Capital and Land Reform: Next steps for a just transition
-  Community Wealth Building guidance
-  Carbon Credits: Guidance for Tenant Farmers

Other publications

-  The Contribution of Rural Estates to Scotland's Wellbeing Economy: Scottish Land and Estates
-  The Oxford Principles for Net Zero Aligned Carbon Offsetting



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