



SCOTTISH LAND COMMISSION
COIMISEAN FEARAINN NA H-ALBA

Diversification of Land Ownership and Tenure: Practical Guidance for Rural Land & Property Managers

This document is designed to provide practical voluntary guidance to rural land managers to help them establish or record a transparent process for responding to opportunities and proposals for diversification of ownership and tenure of assets.

The document provides guidance on how rural businesses might develop a policy for how they respond to approaches from members of their local communities, community bodies, individuals, or businesses who propose acquiring ownership or management of property or land assets held by the business. This is a voluntary process for those who wish to demonstrate leadership in good practice.

The aim of the guidance is to equip rural businesses with a proactive strategy for communication with local people and organisations who may wish to use, lease or acquire land or buildings. This will help to develop constructive relationships that deliver mutual benefits, contributing to the empowerment of communities, the diversification of land use and management, increased community engagement and transparency, and the resilience of rural businesses.

Context

The Scottish **Land Rights and Responsibilities Statement (LRRS)**, published in 2017 and updated in 2022, sets out the principles underpinning the Scottish Government's vision for a stronger relationship between the people of Scotland and the land, where all land contributes to a modern, sustainable and successful country. These principles support constructive relationships between those who own and manage land and property, and local residents, communities, and businesses.

Land managers and owners are aware of the need to engage proactively with local communities and others to identify ways in which more diverse access to land and property can support healthy and resilient economies and populations. In rural areas, the way land and property are managed can have a significant impact on local people, so engagement and collaboration are particularly important. Land managers are encouraged to consider how they can take proportionate measures to meet those expectations by collaborating, sharing information, and making decisions in a way that aligns with the LRRS principles, and integrating these approaches in their current business practices.

Through a proactive approach to identifying opportunities for land and property to support the resilience of their local community, land managers and owners can demonstrate good practice and contribute to the public interest, as well as to the resilience of their own business. By developing and sharing their own policies for decision-making, businesses can reinforce trusting relationships with their communities, better manage risks to their own organisations and identify opportunities for innovation and collaboration.



In this guidance, the word 'diversification' refers to an increase in the number and variety of individuals, businesses, community groups, and other organisations who have access and/or decision-making power over land and buildings. This can result from parties entering into management agreements, more collaborative management agreements being put in place, or assets changing hands. The LRRS sets out that diversification can strengthen local economies, create more sustainable places, and support strong communities.

This paper provides practical guidance on how rural businesses can contribute to the principles of the LRRS by developing a policy for responding to opportunities for diversification of ownership, control and use of land and property under their ownership or management. This will clarify the starting point for any negotiations with groups, organisations or individual who approach the business seeking opportunities for more influence over land management decisions. It will also embed preparedness within your organisation, perhaps leading to a more proactive approach to identifying opportunities for diversification, where that is not in conflict with other legitimate business interests or legal duties.



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Responding to Applications for Diversification

The aim is to develop a proportionate and transparent approach to decision-making that can be used consistently by the organisation. Through this approach, businesses can demonstrate openness and preparedness which can help when responding to applications from the community relating to the control, use and ownership of land and property assets.

This should be a simple document that covers the practical requirements your business needs to make an informed decision on approaches or applications for use, management or ownership of land and property. It should transparently set out the criteria against which any application will be assessed.

This can be tailored to take account of individual circumstances including the structure and scale of your organisation. This guidance offers a starting point for developing your own policy and some considerations when developing your own process.

Stage 1: Aspiration

Start by setting out what good looks like for an interaction over a possible diversification of use, management, or ownership of an asset by individuals, members of the community, community groups, or local businesses in terms of the behaviour of both parties.

Here is an example of what it could look like:

- Agreed lines and modes of communication are respected.
- Timescales are reasonably met.
- Decisions are clear, transparent, and fair.
- The principles of **Diversification of Ownership and Tenure** and **Community Engagement in Decisions Relating to Land** protocols are followed.

Stage 2: Transparency

Demonstrate openness to applications.

- A statement of the management objectives of the business, with which decisions must align.¹
- Meet the expectations set out in LRRS protocol on Transparency of Ownership and Land Use Decision-Making, including making your guidance document accessible.

¹ [Guidance on Sharing Information about Land Ownership and Management](#)

Stage 3: Practical Considerations

Set out your expectations and manage expectations in return.

- What process your organisation would need to follow to appraise a proposal?
- What information you need from an applicant?
- What is thorough but proportionate given the organisation's resources?
- How long would you need to go through that process once you had all the information you need?

For example:

- who the applicant should contact, how and with what information;
- information from the applicant should include: who they are; their contact information; what land or building(s) the approach or proposal concerns; and the kind of management, use and occupancy or control proposed;
- the process for assessment of application, including levels of authority for different kinds of decisions and an organisational chart;
- timescales for decisions.

Stage 4: Criteria

Set out the information you will require to be able to consider and progress proposals.

We recommend identifying key criteria that will inform the decision-making process and, where it is possible, being clear about these in advance. Examples of criteria that you might consider including in a policy are set out below. You should consider which of these are most appropriate to use for your business and the context in which you operate.

Feasibility: Can we practically enable the diversification?

- Does the business have any existing plans which would conflict with the proposal?
- Legal/Contractual: is the asset subject to burdens, contracts or other agreements that prevent a change in management or ownership?
- Agreed plans/Designations: are there any other agreed plans for land or assets, such as those relating to environmental or heritage designations? Will the proposal impact the ability to manage any designated sites or features?
- Business Case: is the asset currently or expected to be of strategic importance?
- Structural: is there organisational capacity to manage the transition to new management and/or ongoing administrative burden of the proposal (lease, shared management, joint venture or sale).
- Risk Management: are there any due diligence requirements to be met? Have these been shared with the applicant and can the applicant meet these to progress the proposal?
- Adjacent Land: will the proposal compromise the organisation's current/future use of adjacent land (i.e. barriers to future in-hand development, impact on in-hand agriculture)?

Strategy: How does the decision fit with current or anticipated business conditions?

- Does the asset feature in any of the business's strategic plans such as forestry plans or development plans? Is the proposal consistent with these?
- Is the asset already being used in a way that realises its potential for contribution to the local economy and wellbeing?
- What is the business' strategic position on leases/joint ventures/shared management/disposals? What is the rationale for this and is there flexibility in how it is applied?
- Is there an alternative governance approach that could be considered for how decisions are made about the asset? Could the local community be involved in this?

Benefits: How would a change benefit the community?

- Does the proposal enhance the current contribution of the asset to delivery of public goods and local benefit?
- If the enquiring body is making an application on the basis of wider community support for acquisition or lease of the asset, are they able to demonstrate this support?
- Would use or ownership of the asset meet a specific community or business need? Is there an alternative asset the organisation could offer that could also meet this need?

Timing: Is this the right time?

- Is the proposal time sensitive? Is there a better time that the proposal could be progressed, for example, when an existing lease comes up for renewal?

This guidance doesn't address how the value of land or contracts should be agreed. Refer to Scottish Land Commission guidance on how to approach this:
Negotiating Transfer of Land to Communities.

Stage 5: Awareness

Once you have compiled your policy, make your staff aware of it, have a plan for keeping it up-to-date, and make sure it continues to reflect the position of the business.

For the benefit of all parties, land managers should consider publicising the policy. You may wish to make it available as a downloadable file on your website, especially if you have a page dedicated to community engagement or property listings.

Ma tha sibh ag iarraidh lethbhreac den sgrìobhainn seo sa Ghàidhlig, cuiribh post-d gu commsteam@landcommission.gov.scot no cuiribh fòn gu 01463 423 300.

If you would like to request a copy of this document in Gaelic, please email commsteam@landcommission.gov.scot or call 01463 423 300.



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