



SCOTTISH LAND COMMISSION
COIMISEAN FEARAINN NA H-ALBA

Annual Report and Accounts

2023 – 2024





Annual Report & Accounts 2023-2024

Laid before the Scottish Parliament in pursuance of Section 20 Schedule 2, paragraph C of the Land Reform (Scotland) Act 2016.

To the Right Honourable John Swinney
His Majesty's First Minister

Dear First Minister

We have the honour to present the fifth Annual Report and Accounts of the Scottish Land Commission covering the year 2023-2024.

Yours sincerely



Michael Russell, Chair



Hamish Trench, Chief Executive



SCOTTISH LAND COMMISSION
COIMISEAN FEARAINN NA H-ALBA

An Lòchran, 10 Inverness Campus, Inverness, IV2 5NA



info@landcommission.gov.scot



01463 423 300



www.landcommission.gov.scot

The Scottish Land Commission is working to create a Scotland where everybody benefits from the ownership, management and use of the nation's land.



Contents

PERFORMANCE REPORT	02
A review of the work of the Scottish Land Commission in 2023-24, including an analysis of our delivery and performance, and our position at the end of the year.	
Overview	02
Foreword	02
Who we are	03
What we do	03
How we do it	05
Key issues and risks we face	08
Performance analysis	10
What we have achieved	10
Tenant Farming Commissioner	16
Financial position	18
Our organisation	20
ACCOUNTABILITY REPORT	24
This report contains key statements and reports that enable the Scottish Land Commission to meet accountability requirements and demonstrate compliance with good corporate governance.	
Corporate Governance Report	24
Directors' Report	24
Statement of Accountable Officer's Responsibilities	27
Governance Statement	28
Remuneration and Staff Report	36
Remuneration Policy	36
Staff Report	41
Parliamentary Accountability Report	43
Independent Auditor's Report	44
FINANCIAL STATEMENTS	49
Statement of Comprehensive Net Expenditure	49
Statement of Financial Position	50
Statement of Cash Flows	51
Statement of Changes in Taxpayers' Equity	52
Notes to the Financial Statements	53
ACCOUNTS DIRECTION	63

Overview

The performance report provides a summary of the Scottish Land Commission, our purpose, objectives and performance over the year and also the impact of and management of key risks.

Foreword

From the Chief Executive and Chair of the Scottish Land Commission

Scotland's land is undergoing significant changes, and our work in 2023/24 focused on how land reform can support climate action, nature action, and economic wellbeing.

We published in-depth analysis on the rural land market, creating an annual evidence base to inform legislative and policy reforms. With high demand and prices for Scotland's land, understanding these trends is crucial for public policy. We also commissioned research on international governance of natural resources to inform potential reforms in Scotland.

We have convened partners to deliver on Ministers' ambition that investment in land and nature delivers benefits to local communities. Our new Guidance on 'Delivering Community Benefits from Land' sets expectations and offers practical advice. We collaborated with landowners, investors, communities, and public bodies to embed this approach.

Our Good Practice Programme supported over 80 cases involving advice to individuals, community organisations, landowners, businesses, and charities. The Tenant Farming Commissioner continued fostering positive relationships between agricultural landlords and tenants and focused on the impact of housing policy and climate action on the tenanted sector. The Tenant Farming Advisory Forum contributed to the development of legislative reforms in the Land Reform Bill.

We reviewed progress on tackling Scotland's vacant and derelict land and began new efforts to address land supply for rural housing.

In September 2023, we published a strategic plan focused on people, power, and prosperity. We adjusted our work to align with this agenda, ensuring we stay agile and impactful.

We welcomed a new Chair and two Land Commissioners, marking the first board changes since the Commission's establishment. As the financial year ended, the Scottish Government introduced the Land Reform Bill to Parliament, heavily drawing on our research and analysis. This will be a key focus for the coming year.

We look forward to shaping future legislation, policy, and practice.



Michael Russell, Chair

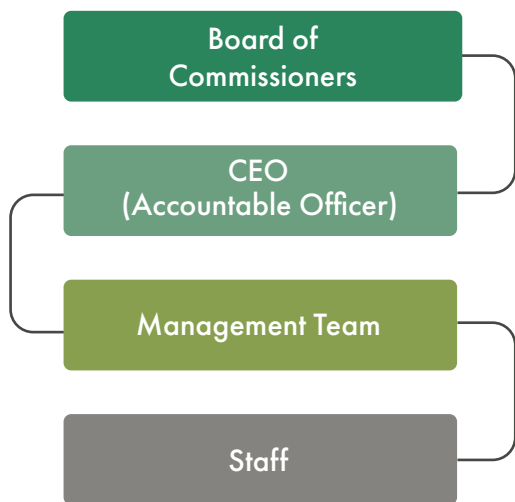


Hamish Trench, Chief Executive

Who we are

The Commission is a non-departmental public body (NDBP) established on 1 April 2017 by the Land Reform (Scotland) Act 2016. The Commission has five Land Commissioners and one Tenant Farming Commissioner, all of whom are appointed by Scottish Ministers. The organisation is based in Inverness and employs a team of 18 staff (as at 31 March 2024) led by Chief Executive Hamish Trench. We are fully funded by the Scottish Government with a budget of £1.559m for 2023-24.

Organisational structure



The Land Commissioners (left to right): Professor Deb Roberts, Dr Craig Mackenzie, Dr Bob McIntosh (Tenant Farming Commissioner), Michael Russell (Chair), Dr Sally Reynolds and Lorne MacLeod

What we do

The role of the Scottish Land Commission is to stimulate fresh thinking and change in how Scotland owns and uses land and advise Scottish Government on an ongoing programme of land reform. As well as providing advice and recommendations for law and policy, we provide leadership for change in culture and practice.

Our vision

The ownership and use of land supports thriving people and places.

Our values

Our core values support what we do and how we work:



Integrity

We work for and are accountable to the people of Scotland



Challenge

We challenge ourselves and others to lead change



Innovation

We develop ambitious and progressive thinking



Empowerment

We motivate ourselves and others to realise Scotland's ambitions through land reform

Strategic outcomes

We are focussed on achieving meaningful, long-term outcomes for people, power and prosperity. Delivering these will mean more people are empowered, misuse of power where it occurs is challenged and opportunities for prosperity are unlocked. The outcomes will help to achieve the progressive realisation of economic, social and cultural rights that drive Scotland's approach to land reform.

We work to achieve the following outcomes:



People

People participate in and influence decisions about how land is used.



Power

Power and control in land is shared more widely through diverse ownership and governance.



Prosperity

The value and benefits of land are used fairly to create economic prosperity and wellbeing.

We will deliver our strategy by doing the following:



Advising on reforms to law, policy and practice – we will provide evidence, analysis and advice to Scottish Ministers, Parliament and stakeholders.



Supporting practical implementation of Scotland's Land Rights and Responsibilities Statement – we will provide advice and guidance to help people and organisations implement the LRRS principles including through delivery of our Good Practice Programme.



Promoting good relations between agricultural landlords and tenants through the functions of the Tenant Farming Commissioner – we will support delivery of the statutory functions of the Tenant Farming Commissioner, seeking synergies with our wider work programme.



Engaging people in why land matters and how they can be involved – we will involve the public and stakeholders in our work, build collaboration and use our convening role to bring different expertise and perspectives together with a shared focus.

How we do it

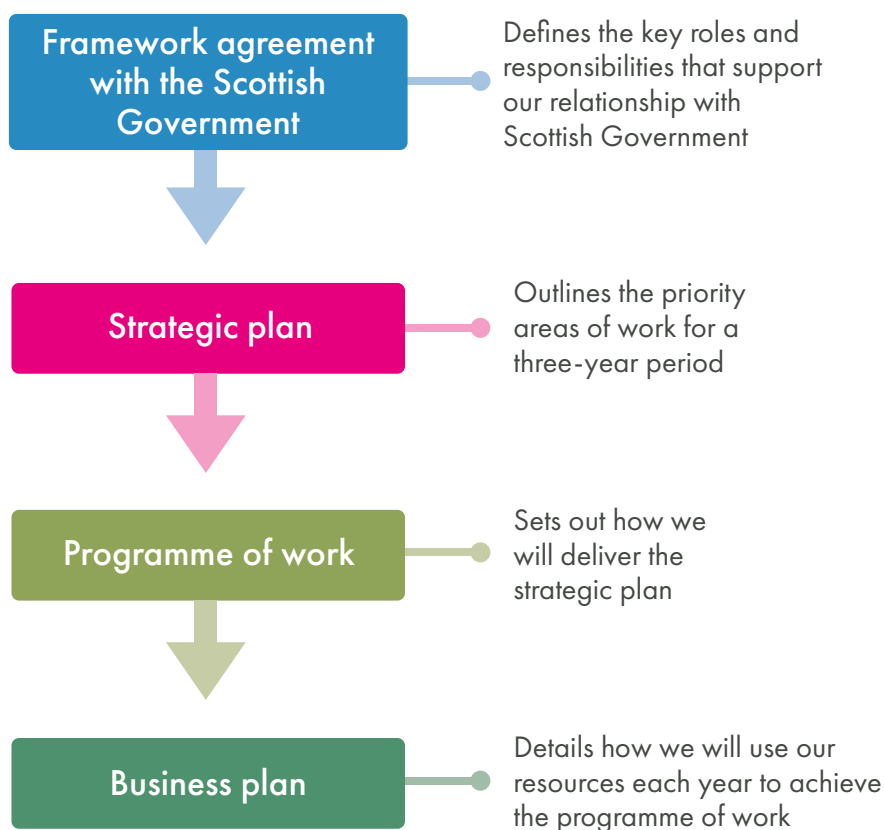
We are delivering our strategic plan and outcomes through:

- **Research and review** – providing evidence and analysis informing advice and recommendations to Scottish Ministers and Parliament
- **Leading change in practice** – providing clear expectations and support to help people and organisations implement the Land Rights and Responsibilities Statement principles
- **Involving others and forming strategic partnerships** – involving the public and stakeholders in our work to build strategic partnerships to increase the impact of our work
- **Supporting the Tenant Farming Commissioner** – delivering the Tenant Farming Commissioner’s statutory functions.

This year, we launched our new three-year strategic plan for 2023–2026. The Commission conducted extensive research, public engagement, and events, making recommendations for significant legal and policy changes, and supporting immediate cultural and practical improvements.

Our latest programme of work sets out the work we will do to deliver our new strategic plan over the next three years. Our annual business plans set out how we will use our resources in each financial year to deliver our programme of work and strategic plan. Our 2023-24 business plan was developed in line with our ongoing strategic priorities, considering our transition into a new strategic period for the Commission.

Our structure of delivery



Our annual business plan for 2023-24 saw a number of significant pieces of work conclude and new areas of work begin, all guided by stakeholder and public engagement. The progression and completion of the outputs contributed to the annual business plan, strategic outcomes and Scottish Government National Performance Framework outcomes.

The Scottish Government's National Performance Framework sets out the high-level national outcomes to make Scotland a better place to live and a more prosperous and successful country.

We contribute to

The outcomes set out on [page 4](#) contribute to the following Scottish Government national performance framework outcomes and United Nations sustainable development goals.

Scottish Government national performance framework outcomes:



Economy



Environment



Communities



Human rights

United Nations sustainable development goals:



Sustainable Cities
& Communities



Reduced
Inequalities



Climate
Action



Life on
Land



Decent Work &
Economic Growth

This year has been one of resilience and adaptability as the Commission continues to respond the changing external environment, ahead of the Scottish Government's introduction of the draft Land Reform Bill. Despite the ever changing landscape, the Commission has remained agile in its approach. Regular management and organisational meetings have allowed us to review our priorities and capacity, making necessary adjustments to timelines and work planning to ensure successful delivery of key outputs aligned with our business and strategic plan.

As a result, we accomplished 82% of our planned outputs outlined in our annual business plan, with 18% delayed or changed due to staffing changes and a growing need to respond to the external environment. We delivered our business plan within 5.39% of our annual budget, against target of 2%, we drew down £1.535m and spent £1.475m which represented a 3.8% underspend against Grant-in-Aid. This underspend was mainly due to changes in staffing, contract delivery and the rescheduling of our annual conference to financial year 2024-25.



Key issues and risks we face

Over this year the key risks we have faced have been centred around our ability to respond to internal resource pressures, changes in the external political environment, the transition to a new strategic plan, as well as a new Board and Chair appointments.

This financial year saw several staffing changes creating risks in continuity and capacity, which were managed through adjustments to our annual business plan and careful consideration of recruitment.

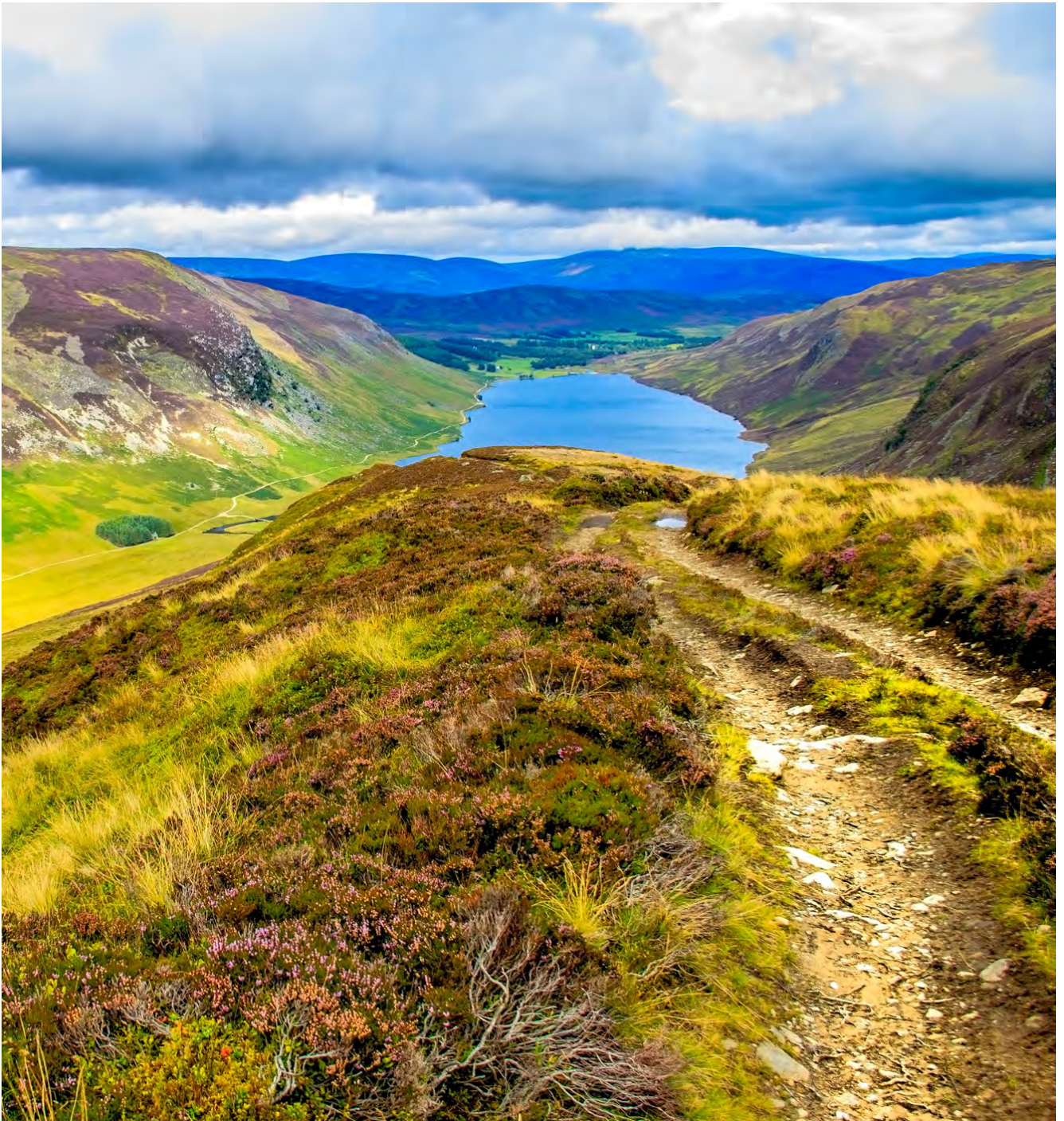
Externally, the increasing focus on the Scottish Government’s Land Reform Bill, which was introduced to Parliament towards the end of 2023-24, creates changing dynamics in stakeholder relationships as well as potential future implications for the Commission in relation to new functions. We have taken a proactive approach to communicating our growing body of research, recommendations, and evidence to not only inform the Land Reform Bill, but stakeholder responses to the proposals.

During 2023-24 the publication of a new strategic plan coupled with Scottish Government’s recruitment of a new Chair and two Land Commissioners gave rise to several risks around continuity of strategic direction, governance, and stakeholder relationships. These potential risks were managed through a number of mitigations and controls, including regular Board and Management Team reviews. We consider the following issues to have the greatest influence over the way we deliver our work over the next year.

Key risk	Risk mitigation
Emerging issues result in reactive policy making and relationship management.	Close engagement with Scottish Government and stakeholders as the Land Reform Bill is considered by Parliament so that the Commission is able to anticipate likely key issues on which advice will be sought; internal board and staff consideration of key topics to be ready to inform future stages.
Ability to react quickly in matching resources to changing priorities.	Implement improvements to our business planning cycle and reporting. Continuously monitor and review our capacity through regular team meetings and review priorities on a quarterly basis through Management Team.
Changes in Board appointments or failure to recruit in a timely manner, result in disruption to effective governance or lack of clarity in strategic direction.	Engage early with Scottish Government to support a timely recruitment process for 2024 appointments. Ensure our Board are engaged in mid-year reviews of business plan delivery and prepare a refreshed programme of work for April 2025 in line with our business planning processes.
Change in work priorities, competing expectations or insufficient prioritisation impacts on staff wellbeing.	Regular, open and transparent communication designed to keep all staff informed of organisational development, priorities and changes in context. Improved business plan monitoring shared by all staff. Bi-annual staff pulse surveys with follow up discussion and review by the Commission’s Staff Engagement Forum.

The Commission mitigates these risks through our risk management framework, budget management, relationship management and engagement, horizon scanning and our organisational development programme, and keeps the risks under active review. Our strategic risk register is reviewed at each Audit and Risk Committee meeting and by our Board on a quarterly basis.

Further detail on our risk management in 2023-24 can be found in the Performance Analysis [\(page 21\)](#) and the Governance Statement [\(page 31\)](#).



Performance analysis

The performance analysis reviews the work of the Commission in 2023-24 including our delivery, performance and our financial position at the end of the year.

What we have achieved

The annual business plan sets out for each financial year the way in which the Commission will deploy its resources against priorities. This was kept under close review in 2023-24 as a number of changes were made to the staff team and structure over the year.

The business plan for 2023-24 completed delivery against our 2020-23 strategic plan and saw publication of our next three year strategic plan.

Delivery of our business plan is monitored and reported throughout the year in our quarterly progress reports to the Board, including performance against our Key Performance Indications (KPIs). Our workstreams detail each area in turn and show how the actions in the business plan contribute to the strategic plan.




The majority of our 2023-24 KPIs have been achieved (see table on [pages 12-13](#)). A total 82% of the planned outputs have been fully delivered against a target of 95%. This includes substantial work in shaping policy advice around the emerging issues of natural capital, community benefit and supporting a just transition.


The Commission has rigorous financial management controls, including budget profiling and monitoring to ensure any under or overspend is identified as early as possible so it can be reviewed and addressed. We continue to make good progress in managing our spend in order to deliver across our key areas of work (see highlights on [page 14](#)). This year we achieved an end of year out-turn with a 5.39% underspend of our total budget, against a target of 2% due to staffing and contracting changes. Medium-term financial planning was considered in the development of the annual business plan.

There are a number of risks and uncertainties facing the Commission in achieving these KPIs, that are closely monitored and managed through our risk management framework and reviewed by the Audit and Risk Committee and the Board (see Governance Statement – Risk and Control Framework on [page 30](#)).



Key performance indicators

Business area	Key performance indicator 2023-24 target	Measurement	2023-24 achievement	2022-23 achievement
 Finance	End of year out-turn to be within 2% underspend of total allocated budget	Percentage level of year-end spend against budget allocated	5.39%	2.69%
 Staff wellbeing	Level of staff absence to be below national average (6.3 days pre-pandemic figures)	Average number of days of sickness absence per employee	4.5 average number of days	6.18 average number of days
	Increase of 5% of staff feeling valued and recognised for their work	Satisfaction ratings in the staff survey with a baseline of 54% 'fully agreed' or 'mostly agreed'	43.9% 'agreed' with 43.8% neutral response	39% 'agreed' with 33% neutral response
 Delivery	Delivered 95% of outputs identified in the annual business plan	Percentage number of outputs delivered and completed as detailed in the annual business plan	82% delivered	98% delivered
	Project evaluations identify impact and change in approach by stakeholders as a direct result of the Commission's work	Project evaluation surveys identify over 60% of respondents as acting on what they have learnt through event/engagement or able to identify a positive impact arising as a result of our work	63% of respondents to our virtual public meetings, felt they increased their understanding of land reform	63% of respondents to the Good Practice Programme evaluation survey indicated they have implemented learning from the SLC's Land Rights and Responsibilities protocols. 70% of those who had attended a workshop implemented learning from it

Business area	Key performance indicator 2023-24 target	Measurement	2023-24 achievement	Position against 2022-23 achievement
 Communication	Increased profile of the Commission	Year on year increase of:	Actual and % from previous year	
		Media coverage by 5%	318	15% ↓
		Social media followers 48%	2,420 ↑	27% ↑
		Newsletter subscription by 10%	2,025 ↑	18% ↑

The Commission has continued with a programme of activity with stakeholders and the public to engage on the potential of land reform to help deliver a greener and fairer recovery for Scotland:

Spoke at and participated in

30 

events
held by partners and stakeholders across a wide range of sectors

Over **2,600**
people attended these events from across the UK

Held

8 

virtual public meetings

93
people attended from across Scotland

Working with



stakeholders
to progress key areas of work and inform land reform debate, such as the establishment of the Land and Human Rights Advisory Forum.

Throughout 2023-24 we have published reports and proposals on major areas of work including; advice to inform the forthcoming Land Reform Bill, significant work to support Ministers' ambition that investment in natural capital should benefit local communities, and a wide range of advice to land owners, managers and communities to support the practical implementation of Scotland's Land Rights and Responsibilities Statement. Here are some of our highlights from year:

Reforming land rights

We published research into the French SAFER system of intervention in the rural land market to help with considerations of measures for the Land Reform Bill. We established and convened quarterly meetings of the Community Land Leadership Group to support more strategic and co-ordinated development of community land ownership.

During 2023-24, we began work to support more diverse land governance approaches in practice including; publication of a briefing paper and new project work. We also supported jointly with Crown Estate Scotland (CES) dedicated resource to develop a new mechanism by which CES can support community land acquisition, from which learning can inform wider public land approaches.

Reforming land markets

We published further annual reports and insights and data on the rural land market, providing analysis to inform policy, the Land Reform Bill and practice. We secured agreement with partners to provide this annual reporting for three years in a more cost-effective way that makes use of data sharing where possible.

We also published significant new Guidance on Community Benefits from Land, having engaged a wide range of stakeholders in how to deliver on the government's commitment to ensuring investment in natural capital benefits communities. We continued to advise the government's programme seeking private investment in natural capital on ways to embed expectations for community benefit.

During 2023-24 we commissioned research to undertake a progress review of re-use of vacant and derelict land, three years on from the recommendations of the Commission's Vacant and Derelict Land Taskforce. We also commissioned further work to support action on rural housing land supply, recognising the urgency and importance of this issue to rural economies and communities.

Embedding responsible land ownership and use

We continued to work with land owners, managers and communities to support the practical implementation of the Land Rights and Responsibilities Statement (LRRS), working with 83 case contacts over the financial year.

This year we prioritised a particular focus on shaping emerging practice in natural capital to support the implementation of the new Guidance on Community Benefits. This has included significant engagement with government, project developers, BSI to inform UK standards as well as land owners and communities.

We have also contributed to support leadership in good practice, holding an event for land owners in Loch Lomond and the Trossachs National Park and working with a number of public body land owners.

Communications

Central to our vision is ensuring that we deliver a programme of activity with stakeholders and the public, so that they are aware and able to contribute to the conversation around the potential of land reform to deliver practical benefits for Scotland.

Throughout the year, we have delivered a programme of high-profile communications activity to help raise awareness of the Commission and wider thinking around land in Scotland covering a number of stories including; the publication of our rural land markets data report, reaction to the publication of the Land Reform Bill and our work around natural capital.

We have also worked extensively to increase our profile and engagement on key social media platforms, with a revamped social media strategy launched at the beginning of January delivering significantly increased levels of engagement in the final quarter of the year. Highlights included reaching over 3,000 followers on LinkedIn, an increase of 85% when compared with 2022-23. On Instagram we reached a higher proportion of non-followers than followers with our content, a signal that we are beginning to reach new audiences.

We also delivered a number of virtual public meetings designed to give people across Scotland the chance to discuss issues regarding land and the ways it is owned and used in Scotland. These important sessions had a direct impact on the formulation of our new strategic plan, ensuring that our future work meets the needs and expectations of people on the ground.



Tenant Farming Commissioner

A thriving and prosperous tenant farming sector relies on a strong and constructive relationship between tenants and landlords and a positive and professional approach by intermediaries acting on behalf of landlord and/or tenant. Such relationships need to be based on mutual respect and shared values, and a common approach to fairness and reasonableness. The Tenant Farming Commissioner (TFC) has continued to support good relationships across a number of key areas.

Seven Codes of Practice have been published to date. They are intended to guide and shape the behaviours and procedures which accompany the interactions and negotiations between landlords and tenants, including agents and intermediaries acting for either party. Through the year the TFC has continued to provide advice on implementing the Codes of Practice to both landlords and tenants.

In the last year, the TFC published a new briefing paper on changes needed to remove barriers to tree planting on tenanted holdings, providing clear guidance on how the practice should be implemented.

Over past year, the TFC has also carried out significant work with partners through the Tenant Farming Advisory Forum to provide information and advice to support the development of the Land Reform Bill in relation to tenanted holdings as well as on the implications for the tenanted sector of changing housing regulations and net zero policy.

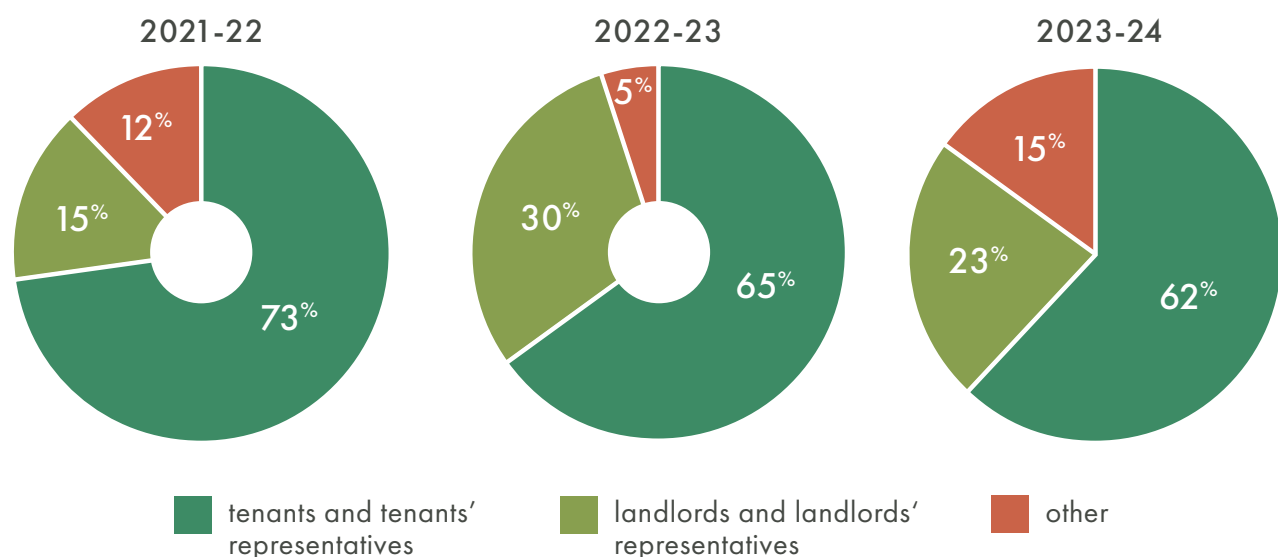
Case work

The TFC provides information to tenants and landlords regarding the Codes of Practice. During 2023/24 the TFC received 66 enquiries, a reduction of 5.7% on the previous year.

66 
enquiries over the year

5.7%
decrease from 2022-23

Most contacts have been made by tenant farmers and their representatives (62%), followed by enquiries from landlords and their representatives (23%) and other professionals representing the remainder of enquiries (15%).



A wide range of enquiries has been received by the TFC over the last year with a majority about advice on repairs and maintenance, relinquishment, the amnesty, rent reviews, sporting issues and end of tenancies. As in previous years, enquiries have been received from throughout Scotland, with Aberdeenshire and Perth and Kinross having the greatest number of new contacts.

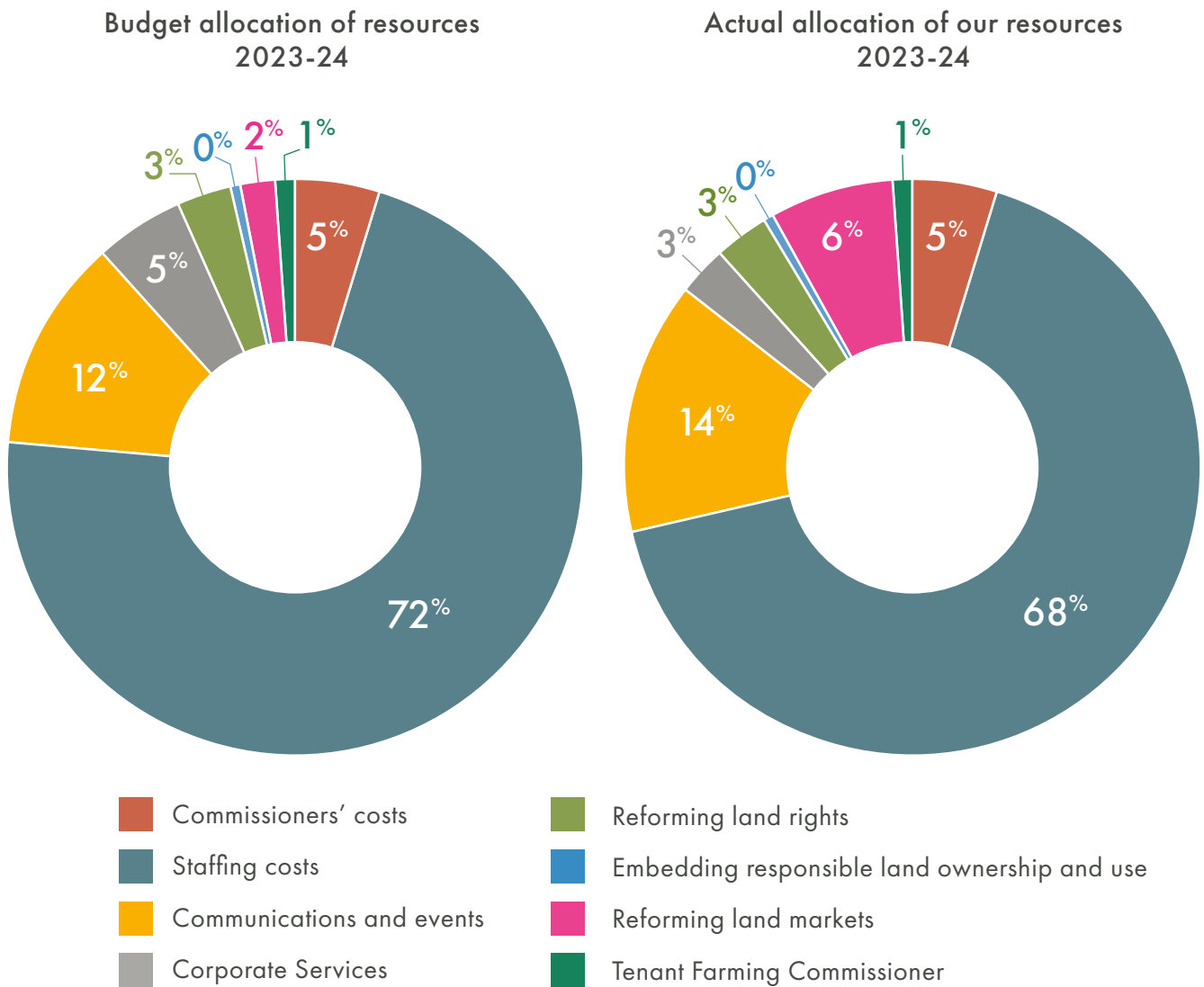
Type of enquiry	2023-24
Assignment/Succession	3
Breach of Code	2
Diversification	1
End of Tenancy	7
Fixed Equipment	3
General Legislation	6
New Tenancy/Renewing Tenancy	3
Relinquishment	14
Rent Review	7
Repairs	6
Sporting	3
Tenancy/Lease Terms	2
Tenants Improvements	3
Forestry	1
Housing	1
Other	2
Waygo	2



There have been no alleged breaches reported this year.

Financial position

In 2023-24, the Scottish Government allocated the Scottish Land Commission a budget (known as Departmental Expenditure Limit or DEL) of £1.559m. The Commission operated within its cash allocation for 2023-24 by drawing down £1.535m of the £1.559m allocation, out-turn against budget represented an underspend of £84k, out-turn against Grant-in-Aid represented an underspend of £60k.



In programming the budget, we deliberately maintained flexibility to accommodate changing priorities and resource adjustments. By the mid-year review, a potential underspend was identified. However, ongoing pay negotiations created uncertainty about whether this underspend would be needed to cover additional costs associated with our pay award. The agreement on the pay award, finalised in the last quarter of the year, limited our ability to reallocate remaining funds.

Our planned staffing costs decreased due to higher staff turnover and the agreed pay award being lower than anticipated. Additionally, the Commission decided to reschedule its biannual conference in response to changes in the external environment, resulting in reduced spending on communications and events.

Financial overview

On an income and expenditure basis, the financial outcome for the year on normal business activities has resulted in an underspend against budget of £84k. During the year the Commission experienced some underspend due to changes in staffing and organisational structure. The Commission received £1.535m of its Grant-in-Aid allocation from Scottish Government, net expenditure against this was £1.475m, which resulted in a £60k underspend against our Grant-in-Aid draw down.

Summary of out-turn	2023-24 £000	2022-23 £000	2021-22 £000
DEL budget	1,559	1,550	1,526
Total operating expenditure	(1,475)	(1,508)	(1,525)
Surplus/(deficit) against budget	84	42	1
Grant-in-Aid (GIA) drawn down	1,535	1,550	1,470
Other income	-	-	-
Surplus/(deficit) against GIA drawn down	60	42	(55)



Our organisation

Coming into our seventh year of operation, the Commission has evolved significantly as an organisation. As we conclude our second three-year strategic plan period, we also have in this year the first changes in the Commission's Board since establishment.

Organisational development

This year, we completed the organisation-wide development programme began in the previous year. We have further developed our staff engagement, including revising our staff survey with input from staff to place an increased emphasis on understanding health and wellbeing. We also implemented several changes to our internal communications schedule and in-person meeting calendar to support better relationships across staff teams. During the year we also made several changes in our staff team to build resilience. This included recruiting additional capacity to support sound financial management and further changes in roles and responsibilities to provide effective in-house HR provision. Key steps taken within the year included:

- Working with the new-established recognition agreement with the Public and Commercial Services Union (PCS)
- Agreeing a two-year pay award for staff in-line with public policy
- Establishing a regular pattern of whole team monthly meetings, bringing all staff together, including those based remotely
- Undertaking staff development through a series of 'theory of change' workshops to improve our overall impact
- Putting into place a co-ordinated staff training programme
- Reviewing our HR shared service provision to deliver an improved balance of inhouse and external provision.

The Commission also committed to:

- Updating our calendar of business planning meetings, to ensure all staff can contribute effectively
- Updating our approach to business planning and project management to increase our impact and effectiveness.

The Commission also continued with its focus of applying culture change on the ground and embedding land rights and responsibilities at the heart of the organisation which is reflected in the structure of the management team to strengthen the relationship between policy and practice.

Risk profile – Summary 2023-24

The Commission's risk profile has changed and developed throughout the year to respond to the changes within the organisation. Changes in risk reflected changing dynamics in government and stakeholder relationships, particularly looking towards introduction of the Government's Land Reform Bill, as well as changes in staffing and capacity during the year.

Risks are identified, monitored and managed through our risk management framework ([see page 31](#)). These included:

- Individual members of staff are absent due to illness resulting in loss of capacity for critical elements of business delivery
- Change in work priorities, competing expectations or insufficient prioritisation impacts on staff well-being
- Disruption to delivery and business systems as a result of some staff moving to more permanent options of home working.

Like all public bodies, the war in Ukraine has put heightened risk around cyber security which has been a close focus for the Commission throughout the year with the achievement of Cyber Essentials Plus accreditation.

An additional risk was identified in the year to reflect the upcoming changes in Board appointments, addressing the potential implications for governance, delivery and stakeholder relationships.

A number of risks relating to external issues remained in focus towards the end of the year, however they were kept under close review due to scoring within the top margin for a low risk score. These included:

- Emerging issues result in reactive policy making and relationship management
- Manage relationships across Scottish Government so that the Commission's work is understood, recommended and well received.

A range of controls and mitigations were put in place to help manage these risks, such as the increased focus on staff wellbeing, review of business plan outputs and budget monitoring.

Planning ahead

In planning for the next financial year and looking to the medium term, we are giving careful consideration to our financial position, given rising costs and continuing constraints on public finances.

We are seeking savings and flexibility at key points including staff vacancies and contract renewals. We are also taking opportunities to collaborate with others in order to maximise the value from shared spend and resource.

The Land Reform Bill, introduced to Parliament by the Scottish Government towards the end of the financial year, is likely to have implications for the functions and resource requirements of the Commission. We expect the Bill, if agreed by Parliament, to complete the Parliamentary process in 2025, and government proposes that implementation of its measures would likely take a number of years after that. There are therefore a number of uncertainties for medium term planning, but these do not directly affect the next financial year. We are actively engaged with Scottish Government in considering the resource implications of the functions proposed in the Bill.

Our refreshed [strategic plan](#)¹ sets out our strategy for the period from September 2023 – 2026. To coincide with its publication, we also developed a refreshed programme of work for 2023-24. The priorities outlined in our programme of work focus on where the Commission can add value and have most impact over the coming 18 months.

We will deliver on our programme of work by:

- Providing advice and evidence to Scottish Government, Parliament and stakeholders on the proposed Land Reform Bill
- Providing advice for policy and practice in relation to the rural land market and a just transition, diversification of land ownership and governance and land development and regeneration supporting delivery of NPF4
- Strengthening the implementation of Land Rights and Responsibilities through our Good Practice Programme
- Supporting the functions of the Tenant Farming Commissioner.

Sustainable, social and environmental overview

In line with the Scottish Government, the Commission is committed to placing economic, social and cultural human rights at the heart of our work. It is embedded in our strategic plan and programme of work with a particular focus on the progressive realisation of human rights through Scotland's framework for land reform. We are committed to equality of opportunity and have policies and procedures in place to ensure this is achieved. We fully recognise our legal responsibilities, particularly in respect of race relations, age, sex and disability discrimination and comply with all Scottish Government policies in relation to human rights and equality.

The Scottish Government has ambitious carbon reduction targets for the public sector and, following the declaration by the government of a climate emergency, there has been a sharp focus on the public sector leading the way in reducing carbon emissions. The Commission's Climate Action Plan sets out our commitment to achieve net zero emissions by 2025 and zero direct emissions by 2030 and a route map to how we will achieve that. The Commission previously saw a considerable reduction in its emissions from 58 tonnes in 2019 to 30 tonnes in 2023. This is largely due to the Commission's continued focus on hybrid working and meetings where appropriate. Although we have seen an increase from 20 tonnes in 2022, the Commission is actively reviewing our progress towards net zero. Our homeworking and travel policies have been reviewed to ensure that changes to how we work are embedded and the reductions in travel and resulting benefits are realised in the long term.

Community and charity work by staff can bring several benefits to the wider community. We support those who wish to undertake community or charity activities. Staff can participate in a 'give as you earn' scheme and donate a proportion of their salaries to charities of their choice.

¹ Our strategic plan can be found at www.landcommission.gov.scot/resources in Gaelic and English.

Best value

The Commission's Board provides the vision and leadership to ensure that it is satisfied that the organisation is making the best use of public money. We are committed to delivering best value through clear governance and accountability, effective performance management, partnership and collaborative working, maximising efficiencies and building sustainability into how we operate.

The Commission is committed to achieving its efficiency savings and has continued to realise cost savings through a review of our HR shared service agreement, enabling us to deliver more transactional HR services in-house. A comprehensive review and tender of our IT shared service provision has ensured the Commission is assured of getting best value from its suppliers.

In delivering best value we are committed to fairness and equality of opportunity and have policies and procedures in place to ensure this is achieved. We also fully recognise our legal responsibilities, particularly in respect of race relations, age, sex and disability discrimination.

The Commission is committed to the highest standards of ethical conduct and integrity and to the prevention of bribery and corruption. We have an anti-fraud policy in place and there been no reported incidents of corruption or fraud.

Accessibility

The enactment of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 in September 2018 requires the Scottish Land Commission to ensure that accessibility is the central focus when designing and constructing the digital aspects of the services intended for the people of Scotland.

In December 2023 the Commission's website was audited by the Government Digital Service and a number of changes were made to the website to improve accessibility, including:

- Addressing WCAG 1.4.3 Contrast (Minimum) issues in PDF documents;
- Ensuring missing data markup was applied to PDF documents to meet WCAG 2.4.2, WCAG 3.1.1 and WCAG 1.3.1 standards;
- Updating the Accessibility statement to include exemptions for non-accessible content.

The Commission has also taken steps to ensure the accessibility of internal documents are improved and staff took part in accessibility training to improve the organisational understanding of accessibility standards.

Hamish Trench



Chief Executive and Accountable Officer

18 November 2024

This report contains key statements and reports that enable the Scottish Land Commission to meet accountability requirements and demonstrate compliance with good corporate governance.

Corporate Governance Report

Directors' Report

Board of Commissioners

Full details of the Commissioners' Register of Interest can be found on our website:
www.landcommission.gov.scot

Andrew Thin – Chair of Scottish Land Commission until 31 January 2024

Andrew has over thirty years of experience in leadership roles in the public, private and third sectors. He coordinated the work of the Agricultural Holdings Legislation Review in 2014. His previous public sector roles have included Crofters Commissioner, Chair of the Cairngorms National Park Authority, Chair of Scottish Natural Heritage, and until 2022 Chair of Scottish Canals.

Michael Russell – Chair of Scottish Land Commission from 1 February 2024

Michael Russell, served as a Scottish Government Minister and Member of the Scottish Parliament at various times between 1999 and 2021. He has had a long term involvement with land reform having been Environment Minister from 2007-2009, a member of the Scottish Parliament Committee which scrutinised the Land Reform Bill in 2015 and an MSP for the South of Scotland Region for two terms before being elected in 2011 to serve the constituency of Argyll and Bute. He retired from representational politics in 2021, but remained SNP President until 2023. He is the author of seven books and has worked as a columnist and commentator as well as a television producer and director. He was the founder of the Celtic Media Festival, now in its 45th year, was part time Professor in Scottish Culture and Governance at the University of Glasgow (where he is now an Honorary Professor in the College of Arts & Humanities) and is the trustee of a number of charities.

Dr Bob McIntosh CBE – Tenant Farming Commissioner

Bob is a retired public servant with extensive experience in public policy, in particular in land management and forestry, Bob was the Scottish Government Director for Environment and Forestry between 2012 and 2015, and before that served as the Director of Forestry Commission Scotland and in many other roles in the Forestry Commission. He was a partner in a 650-acre hill farm for 15 years. He was until recently a Board Member of Highlands and Islands Enterprise.

Dr Sally Reynolds

Sally is an Agricultural Consultant (with a PhD in mathematical ecology); she recently worked, for eight years, within the Community Land Sector as Development Manager with Carloway Estate Trust (*Urras Oighreachd Chàrlabhaigh*). An active crofter, she contributes to a number of activities which benefit the community. She currently works, in a Business Development role, with Stornoway Port.

Lorne MacLeod

Lorne was a founding director, and latterly Chair, of Community Land Scotland, and has been a director of the community land buyout groups in Eriskay, South Uist and Benbecula, and the Isle of Gigha. He was Highlands and Islands Enterprise's first Director of Strengthening Communities. He is a chartered accountant, and director of a retail and distribution business in the Isle of Skye.

Megan MacInnes – Land Commissioner until 19 December 2023

Megan has over 15 years' experience working on land reform internationally, particularly throughout Southeast Asia, with community groups, NGOs, governments, international organisations and large agribusiness companies. She has considerable expertise in protecting land rights, land management, community empowerment, natural resource governance and human rights. She grew up on Skye and is now part of a crofting family in Applecross, and until May 2020 was the Land Advisor with the international NGO Global Witness.

Professor David Adams – Land Commissioner until 19 December 2023

David Adams is Emeritus Professor in Urban Studies at the University of Glasgow. A Fellow of the Royal Town Planning Institute and the Royal Institution of Chartered Surveyors, David was previously an adviser to the Land Reform Review Group and has researched and published widely on urban land problems.

Dr Craig Mackenzie – Land Commissioner from 1 February 2024

Dr Craig Mackenzie, a Senior Lecturer at the University of Edinburgh Business School, brings over 20 years of experience in investment management, combining financial and sustainable investment roles. In his most recent position, he led strategic asset allocation and developed climate solutions and natural capital investment funds. Over his career, Craig has shaped good practice standards on corporate environmental and social responsibility, serving on advisory boards for the Global Reporting Initiative, the Principles for Responsible Investment (PRI) and FTSE. As an academic, he founded the Centre for Business and Climate Change (now BCCaS) at the University of Edinburgh and helped launch carbon management and climate finance MSc programs. He has a PhD in behavioural finance and has published on sustainability and corporate responsibility.

Professor Deb Roberts – Land Commissioner from 1 February 2024

Professor Deb Roberts is Deputy Chief Executive and Director of Science at the James Hutton Institute. Deb trained as an agricultural economist and, prior to moving into her current position, her research focussed on understanding how agricultural and environmental policies affect economic development and social wellbeing in rural areas. She holds an Honorary Chair in Real Estate at the University of Aberdeen.

Management Team

Hamish Trench – Chief Executive and Accountable Officer

Responsible for the strategic leadership and operational management of the organisation and supporting Commissioners in fulfilling their functions.

Nikki Nagler – Head of Communications and Corporate Services

Member of Management Team from 4 January 2023. Responsible for leading the Commission's communications and corporate services including corporate governance.

Emma Cooper – Head of Land Rights and Responsibilities

Responsible for leading the programme of work supporting the practical implementation of the Scottish Government's Land Rights and Responsibilities Statement (LRRS), responsible land ownership and use.

Pensions

Scottish Land Commission staff members are eligible to be members of the Principal Civil Service Pension Scheme. Details of the scheme and details of the pension entitlements of the Scottish Land Commission's senior managers are given in the Remuneration and Staff Report ([page 36](#)) and note 2 ([page 56](#)) to these accounts.

Freedom of Information Requests

The Scottish Land Commission received 17 Freedom of Information requests during the year 2023-24. Details of these can be reviewed on the Scottish Information Commissioner's website: stats.itspublicknowledge.info.

Data Protection

There were no data losses during the year.

Payment Practice Code

In line with Scottish Government policy, the Scottish Land Commission requires that all suppliers' invoices not in dispute are paid within 10 working days of receipt. The Scottish Land Commission aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time in these terms. During the year ended 31 March 2024, the Scottish Land Commission paid 95 % of its invoices within these terms.

Non-Audit Fees

The Auditor General for Scotland has appointed Deloitte as the external auditor. Details of the audit fee for the year to 31 March 2024 are disclosed in note 3 ([page 57](#)) to the accounts. Deloitte were not engaged or paid for any non-audit work during the year.

Statement of Accountable Officer's Responsibilities

In accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 and section 19 of the Land Reform (Scotland) Act 2016, Scottish Ministers have directed the Scottish Land Commission to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction issued by the Scottish Ministers.

The accounts are prepared on an accruals basis and must give a true and fair view of the Scottish Land Commission's state of affairs at the period end and of its operating costs, recognised gains and losses and cash flows for the financial period.

In preparing the accounts, the Accountable Officer is required to:

- Observe the Accounts Direction issued by Scottish Ministers including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts
- Prepare the accounts on a going concern basis.

The Permanent Secretary and Principal Accountable Officer of the Scottish Government has appointed the Chief Executive of the Scottish Land Commission as Accountable Officer.

Statement by Accountable Officer

As Accountable Officer, I am responsible for the regularity and propriety of the public finances for which I am answerable, for keeping proper records and for safeguarding the Scottish Land Commission's assets, as set out in the Memorandum to Accountable Officers for Parts of the Scottish Administration issued by Scottish Ministers.

Disclosure of Information to the Auditors

As Accountable Officer, as far as I am aware, there is no relevant audit information of which the Scottish Land Commission's auditor is unaware. I have taken all reasonable steps to make myself aware of any relevant audit information and to establish that the Scottish Land Commission's auditor is aware of the information.

Accountable Officer Confirmation on the Annual Report and Accounts

As Accountable Officer I confirm that the annual report and accounts as a whole is fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Background

The Governance Statement records the stewardship of the Scottish Land Commission and supplements the annual accounts. This statement also draws together statements and evidence on governance, risk management and control, to provide a coherent and consistent reporting mechanism.

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities set out in the Accountable Officer's Memorandum.

In the discharge of my personal responsibilities I ensure organisational compliance with the Scottish Public Finance Manual (SPFM). The SPFM is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety.

Governance Framework

The Board

The Chair leads the Board of Commissioners and the Chief Executive leads the executive management of the Scottish Land Commission.

The Board comprises six Commissioners: there is one Chair, four Land Commissioners and one Tenant Farming Commissioner, all of whom are appointed by Scottish Ministers.

More information on the Commissioners can be found on [pages 24-25](#).

Board of Commissioners during 2023-24

Commissioner	Board Position	Attendance at Board Meetings during 2023-24
Andrew Thin *	Chair	6/7
Megan MacInnes **	Commissioner	6/7
Professor David Adams **	Commissioner	6/7
Dr Bob McIntosh	Tenant Farming Commissioner	8/9
Dr Sally Reynolds	Commissioner	9/9
Lorne MacLeod	Commissioner	9/9
Michael Russell ***	Chair	2/2
Dr Craig Mackenzie ***	Commissioner	1/2
Professor Deb Roberts ***	Commissioner	2/2

* Appointment ended on 31/1/2024 ** Appointment ended on 19/12/2023 *** Appointment began on 1/2/2024

The role of the Board is to provide strategic leadership for the organisation, setting the policy direction including development of a strategic plan and programme of work to be agreed with Scottish Ministers. They also oversee the performance of the organisation and the Chief Executive is accountable to the Board for its performance.

During the 2023-24 year the Board focused on:

- Overseeing delivery of the strategic plan and programme of work
- Extensive public and stakeholder engagement including regular virtual public meetings across Scotland
- Quarterly performance monitoring addressing delivery, financial, risk and governance performance
- Board member development and training.

The Board is supported by an Audit and Risk Committee to maintain oversight of internal and external audit, financial, risk and governance performance, and a Staffing and Remuneration Committee.

The Board is committed to high standards of corporate governance and believes that a sound governance structure engenders a successful organisation.

The Board's standing orders can be obtained from the Commission's website: www.landcommission.gov.scot.

Audit and Risk Committee

Throughout 2023-24 the commission also saw a change in the structure of the Audit and Risk Committee, previously an external member had been co-opted to the Audit and Risk Committee, however in February 2024 two new Commissioners were appointed by the Board to serve on the Audit and Risk Committee alongside the existing Audit and Risk Committee Chair. This Committee met four times during the 2023-24 year.

Audit and Risk Committee Members during 2023-24

Committee Member	Committee Position	Attendance at Committee Meetings during 2023-24
Lorne MacLeod	Chair (Commissioner) † Member (Commissioner)	4/4
Megan MacInnes	Chair (Commissioner) ◇ Member (Commissioner)	3/4
Dr Craig Mackenzie **	Member (Commissioner)	1/1
Professor Deb Roberts **	Member (Commissioner)	1/1
Michelle Ashford ***	Member (Co-opted)	3/3

* Appointment ended on 19/12/2023

** Member from 1/2/2024

*** Co-opted appointment ended on 19/12/2023

† Member until 31/10/23 and Chair from 1/11/2024

◇ Chair until 31/10/23 and member until 19/12/2024

The external and internal auditors normally attend all Audit and Risk Committee meetings. They are given the opportunity to speak confidentially to the Committee members. The purpose of the Audit and Risk Committee is to monitor and review risk, control and corporate governance. It operates independently and reports to the Board.

The Audit and Risk Committee terms of reference can be obtained from the Commission's website: www.landcommission.gov.scot.

Staffing and Remuneration Committee

A Staffing and Remuneration Committee oversees and monitors the remuneration systems put in place for the Commission, including the annual pay remits, as well as senior appointments. The staffing and remuneration committee is a committee of the Commission. The members of the Staffing and Remuneration Committee are the Board of Commissioners chaired by the Chair of the Land Commission. The Committee met three times during the 2023-24 year.

Staffing and Remuneration Committee Members during 2023-24

Committee Member	Committee Position	Attendance at Committee Meetings during 2023-24
Andrew Thin*	Chair	2/2
Megan MacInnes**	Commissioner	1/2
Professor David Adams**	Commissioner	2/2
Dr Bob McIntosh	Tenant Farming Commissioner	2/2
Dr Sally Reynolds	Commissioner	2/2
Lorne MacLeod	Commissioner	2/2
Michael Russell***	Chair	1/1
Professor Deb Roberts***	Commissioner	1/1
Dr Craig Mackenzie***	Commissioner	0/1

*Appointment ended on 31/1/2024 **Appointment ended on 19/12/2023 ***Appointment began on 1/2/2024

Management Team 2023-24

- Hamish Trench (Chief Executive and Accountable Officer)
- Nikki Nagler (Head of Communications and Corporate Services)
- Emma Cooper (Head of Land Rights and Responsibilities).

More information on the Senior Management Team can be found on [page 25](#).

The Management Team meets regularly to co-ordinate operational management. The Senior Management Team is committed to high standards of corporate governance and provides the leadership, strategic oversight and the control environment required to deliver the Scottish Land Commission's key aims.

Risk and Control Framework

All bodies subject to the requirements of the Scottish Public Finance Manual (SPFM) must operate a risk management strategy in accordance with relevant guidance issued by the Scottish Ministers.

The risk and control mechanism is based on an ongoing process designed to identify the principal risks to the achievement of the Scottish Land Commission's policies, aims and objectives; to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically.

The Scottish Land Commission maintains a Strategic Risk Register which records internal and external risks and identifies the mitigating actions required to reduce the threat of these risks occurring and their impact. The Strategic Risk Register is regularly updated and reviewed as a standing item by both the Senior Management Team and the Audit and Risk Committee. Each individual risk is allocated an owner who ensures that mitigating action is carried out. The Risk Register is presented to the Board on a quarterly basis.

The principal risks identified during the year to 31 March 2024 can be categorised under four main headings:

Delivery

- Risk of catastrophic loss of systems resulting in the Commission not being able to operate as an organisation
- Risk that the Commission is unable to react quickly in matching resources to changes in priorities.

Reputational

- Risk of changes in Board appointments or a failure to recruit resulting in disruption to effective governance or lack of clarity around strategic direction
- Risk that emerging issues result in reactive policy making and relationship management
- Risk of inconsistency in joining up the Commission's outputs in clear narrative and linking to the wider land reform agenda
- Risk of ineffective management of strong relationships with key stakeholders in policy development and in identifying opportunities for collaboration, reducing the potential of relationships with a range of stakeholders
- Risk of ineffective management of relationship across Scottish Government and restricts the chance of the Commission's work being understood and recommendations well received.

Compliance

- Risk that the Commission fails to have in place or adhere to statutory or non-statutory corporate governance policies or procedures
- Risk that the Commission fails to deliver to its allocated budget, resulting in reputational, administrative and governance failures.

Staffing

- Risk that individual members of staff are absent due to illness, etc resulting in loss of capacity for critical elements of business systems and delivery
- Risk that changing work priorities, competing expectations or insufficient prioritisation impacts on staff wellbeing
- Risk of disruption to delivery and business systems as a result of some staff moving to more permanent options of home working.

The Scottish Land Commission follows the Scottish Government policy on Information Security and has a Senior Information Risk Owner in place to manage information risk.

The risk and control processes applied within the Scottish Land Commission accord with guidance given in the SPFM and have been in place for the year ended 31 March 2024 and up to the date of the approval of the annual report and accounts.

During the year, and up to the date of signing the accounts, the following governance arrangements were in place:

- Whistle Blowing Policy
- Anti-Fraud Policy
- Updated Finance Desk Instructions.

The system of internal control will continue to be reviewed to ensure effective assurances as the organisation matures and develops.

Best Value

The Commission's Governance Framework ensures that, by following best practice principles and guidance across the organisation, we continue to secure best value in our operations and procurement of services and contracts. For example, the Commission has reviewed and renewed our shared service arrangements with the Cairngorms National Park Authority for the provision of HR services, bringing core services in-house to ensure best value for money. Our IT shared service contract was also retendered, ensuring that the Commission continues to get best value from its suppliers.

The Commission will undertake a review of our public relations and webhosting contracts in 2024-25 to ensure best value for money.

Conflicts of Interest Procedures

The Scottish Land Commission operates strict and comprehensive procedures to deal with potential conflicts of interest. A register of interests, covering Commissioners and staff, is held and updated on an annual basis. This is available for examination by any member of the public wishing to do so, and Commissioners' information is published on the Scottish Land Commission's website.

Commissioners record any potential conflicts of interest at the start of every Commission Board meeting and, where appropriate, absent themselves from decisions on any matters in which they have an interest. These declarations are recorded in the minutes of the meeting.

External Audit

Deloitte has been appointed as the Scottish Land Commission's external auditor for a five-year period from 1 April 2022.

Internal Audit

The internal audit function is an integral part of the internal control system. The Scottish Land Commission's internal audit service for the financial year 2023-24 was provided by BDO LLP, who undertook work based on an analysis of the risk to which the Commission was exposed. During 2023-24 BDO LLP reviewed and evaluated the Scottish Land Commission's processes in the following areas:

- Strategic planning
- Financial processes
- Health and safety
- IT general controls
- Follow-up of recommendations.

The findings are presented in the reports issued during the year to the Senior Management Team and the Audit and Risk Committee. These include an opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvements.

A total of fifteen recommendations were made throughout the year which ranged from medium to low risk, with no high-risk recommendations identified. A total of 18 recommendations were carried forward from work undertaken in previous years.

Each year the Internal Audit provider issues an annual report which includes an opinion on the system of internal control. The findings of the review of the Commission's risk management, governance and internal control processes provided the Commission with reasonable assurance that there are no major weaknesses in the internal control systems for the areas reviewed in 2023-24.

In their annual report, Internal Audit acknowledged that resource changes had had an impact on the Commission's ability to implement all recommendations made. Of the 33 recommendations due to be implemented, 12 recommendations (37%) have been categorised as fully implemented, 11 (33%) have been categorised as partially implemented, 5 (15%) are not yet implemented, 3 (9%) require further evidence to be provided to verify that they've been implemented and two (6%) that were suspended.

Data and Information Management

Procedures are in place to ensure compliance with data and information management obligations. The Commission has had no recorded or reported instances of data loss or breaches during the year. The Commission has taken steps to ensure compliance with GDPR obligations. The Commission has a dedicated Data Protection Officer, Information Asset Owners and Senior Information Risk Owner.

There has been an increased risk in cyber security, associated with home working, a disrupted environment and heightened international tensions. The Commission recognises the importance of ensuring cyber resilience and has continued to work with Scottish Government to make sure that our digital technologies are in line with the Scottish Public Sector Action Plan on Cyber Resilience. The Scottish Land Commission renewed its Cyber Essentials certification and achieved Cyber Essentials Plus. The Commission again carried out training of staff and simulated exercises on the importance of remaining vigilant to phishing attacks and scenario planning for potential breaches.

Anti-corruption and Anti-bribery Matters

The Commission has an Anti-Fraud Policy in place and there have been no reported incidents of corruption or fraud.

Significant Governance Issues

During 2023-24 there were no significant governance issues to report.

Governance Focus Looking Ahead

The key governance challenges going forward centre on delivery of outcomes in the context of growing financial constraints in the public sector:

- Achieving delivery of the Scottish Land Commission's strategic plan and programme of work and contributing to Scotland's national outcomes
- Examining new ways of working to help deliver climate action commitments and create a flexible working environment for staff
- Building upon our existing programme of organisational development to shape the type of organisation we want to be focusing on improving business planning
- Further developing the scheme of delegation as the Scottish Land Commission evolves to ensure it operates in an efficient and effective way
- Continued development of the project management approach including delivery reporting, evaluation model and performance management information including key performance indicators
- Ongoing programme of training and development for Commissioners based on skills and development requirements
- Ensuring the effective governance of the Staff Engagement Forum and the Staffing and Remuneration Committee in helping shape organisational development
- Maintaining an effective working relationship with PCS to support staff wellbeing at work.

Management Assurances

The Accountable Officer's review of the effectiveness of the system of internal control and risk management arrangements is informed by:

1. Letter of assurance supported by a completed internal control checklist, agreed by the Heads of Service identifying controls and if applicable stating areas of concern
2. The work of internal auditors, including in-year reports to the Scottish Land Commission's Audit and Risk Committee (this includes their independent and objective opinion on the adequacy and effectiveness of the Commission's systems of internal control together with recommendations for improvement)
3. Comments made by external audit in their reports
4. The annual report, and quarterly updates, provided by the Chair of the Audit and Risk Committee to the Board, detailing the work of that committee during the year
5. Quarterly reviews by the Audit and Risk Committee of the organisation's risk register and the work of internal audit in assessing effectiveness of risk management arrangements
6. Letters of assurance from the Cairngorms National Park Authority who provide a shared HR service to the Scottish Land Commission.

Conclusion

Based on the sources of assurance identified above, and the continuous review of corporate governance practices in line with the SPFM best practice principles and guidance, I am satisfied that appropriate governance controls are in place and these are operating effectively. The framework of controls needs to continue to develop as the organisation matures to ensure it is proportionate and effective.

Remuneration and Staff Report

The Remuneration and Staff Report is subject to audit except for the Remuneration Policy, Gender Note, Sickness Absence data, Staff policies with regards to Equal Opportunities, Disability and Diversity, Fairness at Work, and Learning and Development Policies, which are reviewed by Audit Scotland for consistency with the audited accounts.

Remuneration Policy

Board Members

The Scottish Land Commission Board comprises six Commissioners. Commissioners' remuneration is approved by Scottish Ministers and is determined according to the Public Sector Pay Policy for Senior Appointment (see www.scotland.gov.uk/publications for further detail).

Current Board Member appointments are non-pensionable. Four members of the Board were appointed on 16 December 2016 (Andrew Thin, Chair, Dr Bob McIntosh, Tenant Farming Commissioner, Lorne MacLeod and Dr Sally Reynolds, Land Commissioners) on five-year terms. Two members of the Board were appointed for four-year terms (Megan MacInnes and Professor David Adams, Land Commissioners). Megan MacInnes and Professor David Adams were reappointed from 19 December 2020 by Scottish Government for a further three years. Lorne MacLeod, Dr Bob McIntosh and Dr Sally Reynolds were reappointed from 19 December 2021 for a further three years and Andrew Thin was reappointed from 19 December 2021 for a further two years.

Professor David Adams and Megan MacInnes concluded their appointments with the Commission on 19 December 2023.

Andrew Thin concluded his appointment as Chair on 31 January 2024.

On 1 February 2024, three new members of the Board were appointed on five-year terms (Michael Russell, Chair, Dr Craig Mackenzie and Professor Deb Roberts, Land Commissioners). Scottish Government led the recruitment process for all new appointments.

Staff

All permanent and fixed-term staff are employees of the Scottish Land Commission. For 2023-24 the Commission has adopted the Scottish Government pay grading policy to determine salary levels in line with Scottish Government Pay Policy and Remuneration Committee approval. From January 2023, all pay negotiations are conducted with PCS in line with our recognition agreement. The CEO role salary level is separate to this and falls under Scottish Government Finance Pay Policy. Consideration is given to the need for pay to be set at a level which will ensure the recruitment, retention and motivation of staff. Also kept under consideration are the Government's policies on Civil Service and public sector pay and the need to closely observe public spending controls. Performance of all staff is monitored through a performance appraisal system.

Audit and Risk Committee

Until 19 December 2023 the Scottish Land Commission's Audit and Risk Committee was comprised of two Commissioners and one co-opted member from an external organisation. From 1 February 2024 the Audit and Risk Committee is comprised of three Commissioners.

The co-opted member was not in receipt of any remuneration and therefore is not included in the following report.

Board Remuneration (Audited)

Commissioners were due remuneration as follows

Commissioners who held office during 2023-24	2023-24 (£)	2022-23 (£)
Andrew Thin (Chair)	10,000-15,000	10,000-15,000
Michael Russell (Chair) *	0 - 5,000	-
Megan MacInnes (Land Commissioner)	5,000 – 10,000	5,000 – 10,000
Professor David Adams (Land Commissioner)	5,000 – 10,000	5,000 – 10,000
Dr Bob McIntosh (Tenant Farming Commissioner)	20,000 – 25,000	20,000 – 25,000
Dr Sally Reynolds (Land Commissioner)	5,000 – 10,000	5,000 – 10,000
Lorne MacLeod (Land Commissioner)	5,000 – 10,000	5,000 – 10,000
Craig Mackenzie (Land Commissioner) *	0 – 5,000	-
Deborah Roberts (Land Commissioner) *	0 – 5,000	-

Commissioners' appointments are non-pensionable.

Scottish Land Commission Chair is committed to four days per month.

Tenant Farming Commissioner is committed to eight days per month.

Land Commissioners are committed to two days per month.

* Appointments began on 1/2/2024

Remuneration of Senior Staff (Audited)

The following section provides details of the remuneration and pension interests of the senior staff of the Scottish Land Commission

	Salary		Pension benefits		Total	
	£000		£000		£000	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Chief Executive						
Hamish Trench	80-85	75-80	40	9		85-90
Senior Management Team						
Nikki Nagler* Full-Year equivalent	60-65 (60-65)	10-15 (50-55)	23	5		15-20
Emma Cooper** Full-Year equivalent	55-60 (60-65)	55-60 (55-60)	23	30		80-85

* Started with the Commission 4 January 2023

** 0.86 from 1st April 2023 to 01.02.2024

Salary – includes gross salary, overtime and any other allowance to the extent that it is subject to UK taxation.

This report is based on payments due within the year by the Scottish Land Commission.

Benefits in kind – there were no benefits in kind within 2022-23 (2021-22: nil).

Bonuses – there were no bonuses within 2023-24 (2022-23: nil).

Compensation for Loss of Office

This value was nil for 2023-24 (2022-23: nil).

Pay Multiples (Audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid staff member in their organisation along with the median, lower quartile and upper quartile remuneration figures of the organisation's workforce. The banded remuneration of the highest-paid staff member in the Scottish Land Commission in financial year 2023-24 was £80k-£85k (2022-23: £75-£80k)..

	2023-24 salaries £	2023-24 ratio to highest paid staff member salary	2022-23 salaries £	2022-23 ratio to highest paid staff member salary
Lower quartile	32,544	2.46	32,699	2.37
Median	39,967	2.00	35,800	2.16
Upper quartile	47,222	1.69	48,049	1.61

In 2023-24 no employees received remuneration in excess of the Chief Executive. Remuneration ranged from £25,190 to £67,008 (excluding the Chief Executive) (2022-23: £23,542 to £62,624).

There was 3.35% change in the highest paid staff member salary in 2023-24 (2.14% 2022-23). The average percentage change of the workforce salaries from the previous financial year was 4.45% (6.85% 2022-23). Pay award increases within 2023-24 were in line with Scottish Government pay policy.

Pension Benefits (Audited)

	Accrued pension at pension age as at 31/03/24 and related lump sum		Real increase in pension and related lump sum at pension age		CETV* at 31/03/24	CETV at 31/03/23	Real increase in CETV as funded by employer
	£000	£000	£000	£000	£000	£000	£000
	Pension	Lump sum	Pension	Lump sum			
Chief Executive							
Hamish Trench	25-30	-	0-2.5	-	507	438	26
Senior Management Team							
Nikki Nagler	0-5	-	0-2.5	-	20	3	12
Emma Cooper	5-10	-	0-2.5	-	64	43	12

*CETV stands for Cash Equivalent Transfer Value and more information can be found on [page 40](#).

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings

for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website:

www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Report

Staff Costs and Numbers (Audited)

	Permanent Staff	Board Members	Others	Total 2023-24	Total 2022-23
	£000	£000	£000	£000	£000
Salaries	716	55	-	771	739
Social security costs	77	2	-	79	77
Other pension costs	198	-	-	198	188
Inward secondment and agency staff	(64)	-	9	(55)	-
Total	927	57	9	993	966

Average Number of Employees (Audited)

The average number of full-time equivalent (FTE) persons employed during the year

	Number 2023-24	Number 2022-23
Senior management	2.86	2.61
Professional, managerial, administration and support	12.42	12.65
Total	15.28	15.26

Senior management represents members of Management Team.

As at 31 March 2024 88.9% of staff were on permanent contracts, comprising 16 permanent staff and two members of staff on a fixed-term contract.

The Commission had no consultancy remuneration or off payroll arrangements in the year ended 2023-24 (2022-23: nil).

Gender Note

	Males 31 March 2024	Females 31 March 2024	Males 31 March 2023	Females 31 March 2023
Commissioners	4	2	4	2
Chief Executive	1	-	1	-
Employees	4	13	4	14

Employee numbers include part-time staff.

The figures above are the total numbers of staff as at 31 March 2024 not full-time equivalents.

Sickness Absence

Sickness absence during the year to 31 March 2024 was 81 days (2023: 117.5 days), representing 2.2% of the total number of available days (2023: 3%). This equates to an average number of days sickness per member of staff of 4.5 days (2023: 6.18 days).

Exit Packages

There were no exit packages within 2023-24 (2022-23: nil).

Staff Turnover

During 2023-24 the Scottish Land Commission had four permanent members of staff leave, this represents a staff turnover figure of 22.2% (2022-23 10.52%, in addition to this the commission had three fixed term appointments leave which if included represents a staff turnover figure of 38.89% (2022-23: 15.79%).

Equal Opportunities, Disability and Diversity Policies

The Scottish Land Commission adopts the Scottish Government policies on equal opportunities and diversity. The policy on equal opportunity states that all staff should be treated equally irrespective of their sex, marital/civil partnership status, age, race, ethnic origin, sexual orientation, disability, religion or belief, working pattern, employment status, gender identity (transgender), maternity or paternity status, caring responsibility or trade union membership. The Commission will seek to avoid unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for learning and development, pay and benefits, discipline and selection for redundancy. In line with Scottish Government policy, the Scottish Land Commission is specifically required to increase the diversity of staff within the organisation. The Commission cannot directly discriminate in the selection of employees for recruitment or promotion, but the Commission may use appropriate lawful methods, including lawful positive action to address under-representation of any group that the Commission identifies as being under-represented in particular types of jobs. Employment and development of disabled persons is covered by our equal opportunities and diversity policy and as part of the organisation's commitment to the Disability Confident scheme; applications for employment received from any candidate who indicates that they have a disability will be automatically short-listed if they demonstrate that they meet all the essential short-listing criteria for the role. The Scottish Land Commission will make reasonable adjustments to its standard working practices to overcome barriers caused by disability. The Scottish Land Commission undertakes to develop all staff, positively values the different perspectives and skills each brings to our work, and has adopted a comprehensive learning and development policy and fairness at work policy.

The Scottish Land Commission offers flexible working by offering both home and office working to its staff. The Scottish Land Commission is committed to delivering its functions in a manner that encourages equal opportunities, aims to eliminate unlawful discrimination and other conduct prohibited by equality legislation.

Parliamentary Accountability Report

Losses and Special Payments

There were no losses or special payments made during the year 2023-24 (2022-23: nil)..

Gifts and Charitable Donations

There were no gifts or charitable donations made during the year 2023-24 (2022-23: nil).

Remote Contingent Liabilities

The Scottish Land Commission is required to report any liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability under IAS37. There are currently no remote contingent liabilities.

Fees and Charges Income

The Scottish Land Commission received no fees or charges income within the year 2023-24 (2022-23: nil).

Hamish Trench



Chief Executive and Accountable Officer

18 November 2024

Independent Auditor's Report

Independent auditor's report to the members of the Scottish Land Commission, the Auditor General for Scotland and the Scottish Parliament.

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Scottish Land Commission for the year ended 31 March 2024 under the Land Reform (Scotland) Act 2016. The financial statements comprise Statement of Financial Position, the Statement of Comprehensive Net Expenditure, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Government Financial Reporting Manual (the 2023/24 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2024 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 FReM; and
- have been prepared in accordance with the requirements of the Land Reform (Scotland) Act 2016 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the central government sector to identify that the Land Reform (Scotland) Act 2016 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This includes the Land Reform (Scotland) Act 2016.
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operating within the resource limit. The risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we obtained confirmation of the resource limit allocated by the Scottish Government and tested a sample of accruals, prepayments and invoices received around the year-end to assess whether they have been recorded in the correct period.

In common with audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Land Reform (Scotland) Act 2016 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Land Reform (Scotland) Act 2016 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Land Reform (Scotland) Act 2016 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Mo Ramzan (for and on behalf of Deloitte LLP),
4 Brindley Place,
Birmingham,
B1 2HZ
United Kingdom

18 November 2024

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2024

		2024	2023
	Note	£000	£000
Staff costs	2	993	966
Other operating expenses	3	482	542
Total operating expenditure		1,475	1,508
Net operating expenditure		1,475	1,508

The notes on pages 53 to 62 form part of these accounts.

Statement of Financial Position

As at 31 March 2024

		2024	2023
	Note	£000	£000
Non-current assets			
Total non-current assets	4	-	-
Current assets			
Trade and other receivables	5	29	15
Cash and cash equivalents	6	214	135
Total non-current assets		243	150
Current liabilities			
Trade and other payables	7	(130)	(95)
Total current assets less current liabilities		113	55
Total assets less current liabilities		113	55
Taxpayers' equity			
General reserve		113	55

The Accountable Officer authorised these financial statements for issue on 18 November 2024.

Only events up until the authorised for issue date are reflected in these accounts.

The notes on pages 53 to 62 form part of these accounts.

Hamish Trench



Chief Executive and Accountable Officer

18 November 2024

Statement of Cash Flows

For the year ended 31 March 2024

		2024	2023
	Note	£000	£000
Cash flows from operating activities			
Net operating expenditure		(1,475)	(1,508)
		(1,475)	(1,508)
Movements in working capital			
Increase/(decrease) in trade and other payables	7	35	35
(Increase)/decrease in trade and other receivables	5	(14)	12
		21	47
Net cash flow from operating activities		(1,454)	(1,461)
Financing activities			
Grant-in-Aid		1,535	1,550
Net cash flow from financing activities		1,535	1,550
Investing activities			
Purchase of property, plant and equipment	4	-	-
Net cash used in investing activities		-	-
Net (decrease)/increase in cash and cash equivalents		79	89
Cash and cash equivalents at beginning of year	6	135	46
Cash and cash equivalents at end of year	6	214	135

The notes on pages 53 to 62 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2024

General Reserve	£000
Balance at 01 April 2022	13
Year ended 31 March 2023	
Grant-in-Aid	1,550
Comprehensive net expenditure for the year	(1,508)
Balance at 31 March 2023	55
Year ended 31 March 2024	
Grant-in-Aid	1,535
Comprehensive net expenditure for the year	(1,475)
Balance at 31 March 2024	113

The notes on pages 53 to 62 form part of these accounts.

Notes to the Financial Statements

1 Accounting Policies

The financial statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM) issued by HM Treasury and the Accounts Direction ([page 63](#)) issued by Scottish Ministers.

The FReM sets out the format of the annual accounts. Grant-in-Aid (GIA) is included in the General Reserve in the Statement of Changes in Taxpayers' Equity rather than included in the Statement of Comprehensive Net Expenditure. All other income and expenditure is included in the Statement of Comprehensive Net Expenditure.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Scottish Land Commission for the purposes of giving a true and fair view has been selected.

The particular policies adopted by the Scottish Land Commission are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

The financial statements included in this report have been prepared on a going concern basis. The Accountable Officer has considered the budget and associated Grant-in-Aid allocation for 2024-25 and considers the Scottish Land Commission to have adequate resources to continue in operational existence for the foreseeable future.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention.

1.2 Intangible Assets

Expenditure relating to IT software and software developments is capitalised if the asset has a cost of at least £5,000. General IT software project management costs are not capitalised. All assets are recorded at cost and the estimated useful lives and residual values are reviewed annually in line with the asset management policy. The Scottish Land Commission does not have any intangible assets that require to be capitalised within this financial year.

1.3 Property, Plant and Equipment

Expenditure on office refurbishments, office furniture and fittings, office equipment, IT equipment and infrastructure is capitalised if the asset has a value of at least £5,000 with a useful life of more than one year. General IT project management costs are not capitalised. The assets are recorded at cost and the estimated useful lives and residual values are reviewed annually in line with the asset management policy.

1.4 Depreciation

Capital assets will be depreciated / amortised on a straight-line historical cost basis as follows.

Property, plant and equipment:

- Office refurbishment – 10 years
- Furniture – 10 years
- Office equipment – 5 years.

Information technology:

- IT equipment – 3 years
- IT infrastructure – 3 years.

Intangible assets:

- Software licences – 3 years
- Developed software and website – 3 years.

Office refurbishments and furniture is written-off over the remaining life of the lease (the date of the first lease break) if below 10 years. IT software, including developed software is written-off over the expected life if less than three years. The estimated useful lives and residual values are reviewed annually.

1.5 Value Added Tax

Irrecoverable VAT is included with the relevant costs and charged to the Statement of Comprehensive Net Expenditure in the period in which it is incurred.

1.6 Employee Benefits

Salaries and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following year. A liability and an expense are recognised for accrued but unused annual leave and flexi leave balances at the 31 March, in accordance with the underlying policy. These costs are shown in the Remuneration and Staff Report.

1.7 Pension Costs

Pension costs as reported in the Scottish Land Commission's accounts relate to the period during which it benefits from the employee's services. This includes amounts covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), a defined benefit scheme, which are paid by the Scottish Land Commission to the PCSPS on an accruing basis. The Commission is unable to identify its share of the underlying assets and liabilities and therefore the liability for payment of future benefits is a charge on the PCSPS which prepares its own scheme statements.

1.8 Trade Receivables

All material amounts due as at 31 March 2024 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

1.9 Trade Payables

All material amounts due as at 31 March 2024 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were made.

1.10 Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash with the bank and in hand.

1.11 Grant-in-Aid

The Scottish Land Commission receives Grant-in-Aid from the Scottish Government to finance its net expenditure. Grant-in-Aid is credited to the general reserve in the period in which it is received. The net cost of the Scottish Land Commission is charged to this fund.

1.12 Critical Accounting Judgements and Key Sources of Estimation

In the application of the Scottish Land Commission's accounting policies as described in Note 1, the Accountable Officer is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Judgements, estimates and associated assumptions are based on experience and other factors that are considered to be relevant and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In relation to the 2023-24 financial year there were no critical judgments or any significant estimates made.

1.13 Leases

At inception, the organisation assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within tangible fixed assets, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other tangible fixed assets. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments

included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company’s estimate of the amount expected to be payable under a residual value guarantee; or the company’s assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.14 Adoption of New and Revised Standards

At the date of authorisation of these financial statements there were the following Accounting Standards issued, but not yet effective, which relate to the Scottish Land Commission:

IFRS 14 Regulatory Deferral Accounts – Effective for accounting periods starting on or after 1 January 2016, not applicable to the Land Commission; IFRS 17 Insurance contracts – Effective for account periods beginning on or after 1 January 2021. This standard is not yet adopted by the FrEM and is not applicable to the Land Commission. Potential to note pension change if information is not received by audit sign off date.

2 Staff Costs

	Permanent Staff	Board Members	Others	Total 2023-24	Total 2022-23
	£000	£000	£000	£000	£000
Salaries	716	55	-	771	739
Social security costs	77	2	-	79	77
Other pension costs	198	-	-	198	188
Inward secondment and agency staff	(64)	-	9	(55)	(38)
Total	927	57	9	993	966

3 Other Operating Expenses

	2024	2023
	£000	£000
Accommodation expenses	18	53
Research & Policy	147	134
Information systems & telecommunications	26	30
Training	26	31
Public meetings & conference expenses	7	9
Travel & subsistence - Commissioners	13	13
Travel & subsistence - staff	26	21
Communications activity	50	86
Human resources shared services	15	14
IT service	70	66
Legal and professional fees	28	27
External Auditor's remuneration	34	33
Internal Auditor's remuneration	12	18
Other running costs	10	7
Total other operating expenditure	482	542

4 Property, Plant and Equipment

Information Technology 2022-23

Cost	£000
At 1 April 2022	7
Additions	-
At 31 March 2023	7
Depreciation and impairment	
At 1 April 2022	7
Depreciation charged in the year	-
At 31 March 2023	7
Carrying amount	
At 31 March 2023	-
At 31 March 2022	-

Information Technology 2023-24

Cost	£000
At 1 April 2023	7
Additions	-
At 31 March 2024	7
Depreciation and impairment	
At 1 April 2023	7
Depreciation charged in the year	-
At 31 March 2024	7
Carrying amount	
At 31 March 2024	-
At 31 March 2023	-

5 Trade and Other Receivables

	2024	2023
	£000	£000
Amounts falling due within one year		
Trade receivables	21	0
Prepayments and accrued income	8	15
Amounts falling due after one year	£000	£000
Prepayments and accrued income	0	0
Total	15	27

6 Cash and Cash Equivalents

	£000
Balance at 01 April 2023	135
Net change in cash & cash equivalents	79
Balance at 31 March 2024	214
The following balances at 31 March were held with the government banking service and cash in hand	214
Balance at 31 March 2024	214

7 Trade and Other Payables

	2024	2023
	£000	£000
Trade payables	23	12
Accruals	107	83
Total	130	95

8 Commitments Under Other Non-cancellable Agreements

Total minimum future payments under contracts entered into prior to 31 March 2024 are given in the table below for each of the following periods. Obligations under these contracts from 31 March 2024 comprise

	2024	2023
Projects	£000	£000
Not later than one year	144	36
Later than one year and not later than five years	153	115
Later than five years	-	-

9 Related Party Transactions

The Scottish Land Commission is an NDPB sponsored by the Scottish Government and considers the following bodies to be related parties:

The Scottish Land Commission's Sponsor Directorate is the Scottish Government's Sustainable Land Use and Rural Policy Directorate (the Sponsor Directorate) and the Scottish Land Commission had significant material transactions with the Sponsor Directorate during the financial year. Financial transactions with the Directorate comprised Grant-in-Aid as disclosed in the Changes in Taxpayers Equity statement. In addition the commission had a member of staff seconded to the Scottish Government.

The Cairngorms National Park Authority is also an NDPB sponsored by the Scottish Government and provided the Commission with HR and payroll services during the year. This arrangement has altered for financial year 2024-25 with reduced HR support.

Highlands and Islands Enterprise is a public sector agency and provided the Commission with the use of office space within the year at their An Lòchran office in Inverness.

None of the Commission's members or key managerial staff have had any related party transactions during the year.

10 Financial Instruments

Due to the non-trading nature of the Scottish Land Commission's activities and the way in which Government departments are financed, the Scottish Land Commission is not exposed to the degree of financial risk faced by business entities. The Scottish Land Commission has no borrowings and relies on grants from Scottish Government for its cash requirements. The Scottish Land Commission is therefore not exposed to liquidity risks. It has no material deposits and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

Financial assets are recognised on the Statement of Financial Position when the Scottish Land Commission becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired, or the asset has been transferred. The Scottish Land Commission has no financial assets other than cash and trade receivables. Trade Receivables comprises only of prepayments this year. Prepayments do not meet the definition of a financial instrument. The financial instrument is therefore only cash and cash equivalents, details of which are in Note 6. Trade receivables do not carry any interest and are stated at their nominal value less any provision for impairment.

Financial liabilities are recognised in the Statement of Financial Position when the Scottish Land Commission becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired. The Scottish Land Commission has no financial liabilities other than trade payables. Trade payables are not interest bearing and are stated at their nominal value.

11 Commitments Under Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods. Obligations under operating leases from 31 March 2023 comprise

	2024	2023
Buildings	£000	£000
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-

The Scottish Land Commission's Lease at Longman House was held until March 2023.

12 Subsequent Events

Events taking place after the date the financial statements were authorised for issue are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

13 Segment Information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the organisation that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Scottish Land Commission reports segmental information based on the priority areas and outcomes outlined in the Strategic Plan and agreed by the management team and the Board. The accounting policies of the reportable outcomes are the same as those accounting policies described in note 1 ([page 53](#)).

During 2023-24 the Scottish Land Commission delivered its programme of work through the following priority areas as set out in the Performance Report section ([page 18](#)) of the annual report.

The table presents management information on income and expenditure relating to the operating segments for the year ended 31 March 2024.

Other assets and liabilities are not reported on a segmental basis as they do not form part of the regular review by management to make decisions about resources to be allocated to the segment or to assess its performance.

Expenditure year ended 31 March 2024

	Core Operating Costs	Priority 1	Priority 2	Priority 3	Priority 4	Total
Commissioner Costs	74	-	-	-	-	74
Staff Costs	997	-	-	-	-	997
Corporate Services	201	-	-	-	-	201
Communications and events	50	-	-	-	-	50
Other costs		41	3	97	12	153
Total	1,322	41	3	97	12	1,475

Priority 1 – Reforming Land Rights

Priority 2 – Embedding Responsible Land Ownership and Use

Priority 3 – Reforming Land Markets

Priority 4 – Tenant Farming Commissioner



Scottish Government
Riaghaltas na h-Alba
gov.scot

THE SCOTTISH LAND COMMISSION DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in accordance with Section 19 of the Land Reform (Scotland) Act 2016, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2018, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers.

10 May 2018



SCOTTISH LAND COMMISSION
COIMISEAN FEARAINN NA H-ALBA

Contact us

Scottish Land Commission
An Lòchran
10 Inverness Campus
Inverness
IV2 5NA

 info@landcommission.gov.scot

 01463 423 300

 www.landcommission.gov.scot

Find us on:

