

Net Zero, Energy and Transport Committee
Tuesday 5 November 2024
32nd Meeting, 2024 (Session 6)

Land Reform (Scotland) Bill

Introduction

1. The [Land Reform \(Scotland\) Bill](#) was introduced on 13 March, along with these accompanying documents:
 - [Explanatory Notes to Bill](#)
 - [Policy Memorandum](#)
 - [Financial Memorandum](#)
 - [Delegated Powers Memorandum](#)
 - [Statements on Legislative Competence](#)
2. The Net Zero, Energy and Transport Committee is lead committee for Stage 1 scrutiny. The Stage 1 deadline is Friday 28 March.
3. On 23 April, the Committee agreed its general approach to Stage 1 scrutiny, including initial witnesses and a series of visits and events.
4. The Committee launched a call for views on 4 April that closed on 21 May. Responses are [published online](#).
5. On 21 June, the Committee [held a panel event on the Bill](#) at the Royal Highland Show. It [visited Highland Perthshire](#) to meet local stakeholders on 23 September and will visit the Langholm area on 31 October/1 November.
6. At its first formal evidence session [on 11 June](#) the Committee heard from the Scottish Land Commission. At its second evidence session, [on 18 June](#), the Committee heard from a panel of legal experts. [On 25 June](#), the Committee heard from a range of stakeholders on part 2 of the Bill.

About the Bill

7. The Bill makes a large number of changes, mainly textual amendments to already existing legislation on land reform or agricultural holdings. The Policy Memorandum explains that changes are in four main areas:
 - land reform: new laws affecting large holdings of land (Part 1);
 - a model lease designed for letting land wholly or partly for environmental purposes (Part 2);
 - agricultural holdings legislation (Part 2); and
 - small landholdings legislation (Part 2).

Part 1

8. In relation to land reform (Part 1), the aims are stated as—

- to further improve the transparency of land ownership and management in Scotland,
- to strengthen the rights of communities in rural areas by giving them greater involvement in decisions about the land on which they live and work,
- to improve the sustainable development of communities by increasing opportunities for community bodies to purchase land when it comes up for sale,
- to allow Scottish Ministers to consider (before a planned sale) if land being sold in lots could increase the supply of more varied plots of land in a way that might be expected to have a positive impact on the ongoing sustainability of communities in the area.

9. The Policy Memorandum says these key measures would apply in relation to large landholdings—

- New obligations to produce Land Management Plans and to engage with local communities, to support compliance with the principles of the Land Rights and Responsibilities Statement.
- Community bodies to receive prior notification in certain cases that the owner intends to transfer a large landholding, or part of it, and provide an opportunity for them to purchase the land.
- Introduction of a transfer test at the point of certain transfers of all (or part of a large landholding) if the land to be transferred is over 1000 hectares (ha), to determine if the owner should be required to transfer the land in smaller parts (known as lotting).

10. Large landholdings are defined differently for different purposes within the Bill—

- For community engagement and land management plan requirements, a large landholding is more than 3000 hectares, or land of at least 1000 hectares that accounts for more than 25% of a permanently inhabited island.
- For pre-notification and transfer test, a large landholding is more than 1000 hectares.

11. There is a [SPICe blog](#) on Part 1.

Part 2 (agricultural leases and tenancies)

12. The evidence session on 25 June will cover Part 2 of the Bill only. Part 2 encompasses 3 of the 4 main areas of reform in the Bill. The Policy Memorandum says the overall aim is to modernise the law on agricultural holdings and small landholdings, in relation to:

- diversification – providing tenant farmers with greater opportunity to diversify their business, and in that way to improve farm incomes and help address the twin crises of climate change and biodiversity loss;
- agricultural improvements – giving tenant farmers more scope to improve their holdings, and participate in sustainable and regenerative agriculture;
- existing good husbandry and estate management rules – ensuring that tenant farmers can undertake sustainable and regenerative agricultural practices in accordance with these rules;

- waygo [the term for when a tenancy comes to an end] – enabling tenants and landlords to settle their waygo claims in good time, and so move forward with the next stage of their life;
- rent review – drawing on the work of the [Tenant Farming Commissioner](#), to create a flexible ‘hybrid’ system of review better suited to modern needs;
- resumption – ensuring that tenant farmers receive fair compensation where the landlord takes back any part of the leased land;
- compensation for game damage – modernising the compensation for game damage provisions by making good a wider range of losses; and
- pre-emptive right to buy – improving the registration process to make it less burdensome for the tenant.

13. Part 2 also:

- Places a duty on Scottish Ministers to publish a ‘model lease for environmental purposes’; and
- Modernises the law on small landholdings to give small landholders similar rights to other agricultural tenants and extends the role of the Tenant Farming Commissioner to these holdings. Small landholdings are a legally distinct form of agricultural tenure in Scotland, rather than simply all holdings under a certain size. The Policy Memorandum estimates that there are just 59 of them.

14. The Scottish Parliament Information Centre (SPICe) has published a [briefing](#) explaining the Bill in more detail.

Evidence session and next steps

15. On 5 November, the Committee will hear from a panel of community land stakeholders. Witnesses have provided these written submissions:

- [Community Land Scotland](#)
- [Scottish Community Alliance](#)
- [The Development Trusts Association Scotland](#)

16. Following this evidence session, the Committee will discuss and agree further witnesses on the Bill.

17. Once all evidence and information has been gathered, and after considering reports from the Delegated Powers and Law Reform Committee (on delegated power provisions in the Bill) and from the Finance and Public Administration Committee (on estimates in the Bill’s Financial Memorandum), the Committee will report to the Parliament on whether the Bill’s general principles should be approved. The Parliament will then vote on a Scottish Government motion to approve the general principles. If these are agreed, the Bill moves to Stage 2, when the Bill may be amended.

**Clerks to the Committee
November 2024**