

Net Zero, Energy and Transport Committee
Tuesday 17 December 2024
38th 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](#)
 - [Policy Memorandum](#)
 - [Financial Memorandum](#)
 - [Delegated Powers Memorandum](#)
 - [Statements on Legislative Competence](#)
2. The Net Zero, Energy and Transport Committee is the lead committee for Stage 1 scrutiny. The Stage 1 deadline is Friday 28 March. On 23 April, the Committee agreed its general approach to Stage 1 scrutiny, including initial witnesses and a series of visits and events. It agreed more witnesses on 12 November.
3. The Committee launched a call for views on 4 April that closed on 21 May. Responses are [published online](#). It [held a panel event on the Bill](#) at the Royal Highland Show on 21 June. It [visited Highland Perthshire](#) to meet local stakeholders on 23 September and [the Langholm area](#) on 31 October/1 November.
4. So far, the Committee has held these evidence sessions:
 - [11 June](#) – Scottish Land Commission
 - [18 June](#) – a panel of legal experts, mainly on Part 1 of Bill
 - [25 June](#) – stakeholders on Part 2 of the Bill
 - [5 November](#) – community land stakeholders
 - [19 November](#) – landowners and land managers
 - [26 November](#) – further legal experts, mainly on Part 1 of Bill
 - [3 December](#) – researchers and commentators
 - [10 December](#) – crofting stakeholders

About the Bill

5. The Bill makes a large number of changes, mainly textual amendments to already existing legislation on land reform or agricultural holdings. SPICe has published a [briefing](#) explaining the Bill.
6. 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 for environmental purposes (Part 2);
 - Agricultural holdings legislation (Part 2); and
 - Small landholdings legislation (Part 2).

Part 1

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

- To further improve the transparency of land ownership and management;
- 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.

8. 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; and
- 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).

9. Large landholdings are defined differently for different purposes. 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 over 1000 hectares.

10. There is a [Scottish Parliament Information Centre \(SPICe\) blog](#) on Part 1.

Part 2 (agricultural leases and tenancies)

11. The Policy Memorandum says the overall aim of Part 2 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 a tenancy ending) – enabling tenants and landlords to resolve waygo claims in good time and both move on;

- 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.

12. 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 tenure in Scotland, not just all holdings under a certain size. The Policy Memorandum estimates that there are just 59 of them.

Evidence session and next steps

13. On 17 December the Committee will take evidence on Part 2 of the Bill from a range of practitioners in this area:

- **Hamish Lean, Shepherd and Wedderburn** – solicitor, specialist in agricultural law, particular expertise in agricultural tenancy disputes;
- **Tom Oates, Oates Rural** – chartered surveyor, specialisms include land sales and acquisitions and negotiation of deals particularly within the tenanted sector;
- **Martin Hall, Davidson and Robertson** – registered valuer and trained arbiter, expertise includes landlord and tenant matters, dispute resolutions and valuations; and
- **Andrew Wood, Bidwells** – asset management and development specialist, expertise includes estate management and valuation.

14. The Committee will hear from further witnesses at meetings until early 2025. The Committee will then consider all this evidence, as well as reports from the Delegated Powers and Law Reform Committee (on delegated power provisions in the Bill) and the Finance and Public Administration Committee (on estimates in the Bill’s Financial Memorandum), in the course of preparing a report to the Parliament on whether the Bill’s general principles should be approved.

15. The Parliament will then vote on a Scottish Government motion to approve the general principles. If agreed, the Bill moves to Stage 2, when it can be amended.

Clerks to the Committee November 2024