



Land Reform in Scotland

The Land Reform Bill is currently going through the Scottish Parliament amid growing energy around land reform in Scotland. This note gives an overview of the situation potential impacts, particularly on access to land and small-scale farming. This is a short review of a big topic.

Background

Scotland has the most concentrated pattern of land ownership in the developed world, with 432 people or companies owning half of the privately owned rural land. Large land-holdings are dominated by 'estates,' which cover over 10,000 acres (4000 ha). The biggest landowners are: the Duke of Buccleuch, 241,887 acres (1.5% of privately owned Scotland); Anders Polvsen, 150,000 acres (1%); Atholl Estate, 124,125 acres (0.8%). The primary land use for such estates is field 'sports' (hunting, shooting, fishing), followed by sheep farming. Anyone can buy land in Scotland and there is little control on use. A long history of concentrated land ownership has resulted in a very low rural population, particularly in the Highlands and Islands. It is in this region that community ownership has taken off in recent years. Although the land mass covered is still relatively small, many communities have reported increasing populations, affordable housing and jobs following buy-outs.

Farm sizes in Scotland are greater than in the rest of Europe, the average farm over 100 acres (40 ha) and farms over 200 hectares make up 76% of the farming land in Scotland. This figure is skewed by big estates which are eligible for large agricultural subsidies. Farm size varies regionally; farms over 200 acres make up 23% of holdings in the Scottish Borders but only 8% in the Highland region where crofting predominates, supporting 30,000 people. Crofting is a unique social system of small-holdings that stems from the Highland clearances. A croft is usually around 12 acres as well as common grazing shared with other crofters. Crofting laws only cover regions in the north-west of Scotland. Land is often poor so most crofters have several occupations. Crofters have the right-to-buy their croft and their croft house from their landlord.

The price of farm land has been rising rapidly over the last decade, as investment in land has been seen as a stable investment amid financial uncertainty and the concentration of land has reduced farm land on the market. The price of prime agricultural land in Scotland rose from £5000/acre (0.4 hectares) in 2008 to £8000 in 2013 where it has remained due to political uncertainties. The price of land greatly out-weighs return for small-scale agriculture.

Land Reform Bill

The Land Reform Bill is currently being considered by the Scottish Government following recommendations of the Land Reform Review Group (LRRG). This group was established by Scottish Ministers in July 2012 and made some recommendations to the Government which were widely supported. Many people feel that the Bill has been watered down. The Scottish National Party say that proposals are radical but in reality they are conservative. Amongst the proposals are:

- A statement on Land Rights and Responsibilities which outlines objectives for Scottish Ministers on land reform
- Guidance for land-owners on engaging communities in land management decisions.

- A community right-to-buy land if a landowner is blocking sustainable development. This expands on current community right-to-buy legislation which is very difficult to use. It requires that communities prove they need the land for the public interest. Community ownership is currently at 500,000 acres and the Government aims to double this by 2020.
- An end to business tax exceptions for sporting estates which were introduced in 1994. Agriculture will remain exempt.
- A review of deer management which has become an issue amid deer populations so large as to be environmentally damaging.
- Changes to agricultural holdings legislation including a new Tenant Farming Commissioner, changes to tenancy duration laws and tenant right-to-buy when land comes on the market. Tenants no longer have to register to qualify for the right-to-buy and can force the sale of land if the landlord is in breach of contract.
- A land register which will bring information on who owns land into the public domain. Currently it is very difficult to find out who owns much of Scotland.

Several LRRG recommendations were dropped from the Bill making it a disappointing reform schedule. Since over 300,000 hectares of land is held in tax havens it was recommended land should be registered in an EU state. However this was blocked by internal Scottish Government lawyers. There were also proposals for significant tax reforms, an absolute right-to-buy for tenant farmers and for a limit on the maximum size of land-holding which have not been included.

Action on Land Reform

Interest and activity around land reform has been growing in Scotland over recent years. Particularly since the referendum on independence, which created great energy for change, groups and campaigns have been appearing. For example, the Scottish Land Action Movement is a collection of activists which aims to energise a movement for radical land reform. The Our Land campaign aims to lobby the Government for more radical reforms and recently held a festival across Scotland to raise the profile of land reform.

Conclusion

Despite showing some hope for change, the Bill doesn't touch on the extreme concentration of land ownership which causes such inequality in Scotland. It skirts around the edges of this issue making small changes to an archaic system which enables monopoly land ownership. For example the only measures to enable access to land is the right-to-buy. For communities, legislation has proven too complex to use and there isn't adequate financial support. For tenant farmers it may increase the number of landowners over time, but it is likely that the number of rented farms will continue to decline as farm sizes increase and tenants become more secure. Whilst the Government makes a nod towards land reform, its other policies support the increasing industrialisation of food production. Agricultural subsidies drive the amalgamation of farm units which are continually increasing in size: the number of units over 200 hectares grew 11.6% from between 1993 and 2007. Consequently, despite the growing concern of large land owners, the price of farm land has remained stable whilst land on the market continues to decline. In particular, there is increasing demand for sporting estates by the international community, which are seen as a strong financial asset.

Whilst there is increasing energy around creating more radical land reform, and community ownership is slowly increasing, it is clear that the expected legislative changes will do little to create a more egalitarian system of land ownership. However the Government upholds that land reform is an ongoing process and many hope that this will be the beginning of a long road to more radical change.