

'Building Community Wealth in Scotland': Consultation Response from John Muir Trust

Introduction

John Muir Trust (JMT) welcomes the opportunity to respond to the Scottish Government's consultation on '*Building Community Wealth in Scotland*'. We are a membership organisation and our overarching charitable purpose in Scotland is to conserve, protect and restore wild places for the benefit of all. The Trust works closely with local communities and a wide range of other stakeholders to secure that purpose.

JMT recognises Community Wealth Building (CWB) as an important component of transitioning to a wellbeing economy that recognises and supports environmental conservation as a contributor to sustainable economic and social development for all of Scotland's people and the wider public good. We therefore view the forthcoming Community Wealth Building Bill as an opportunity to help mainstream CWB principles within and across a range of public policy areas of critical importance to achieving a wellbeing economy.

The remainder of our submission provides JMT's views on the proposed Duty to Advance CWB and the scope for legislative and non-legislative policy initiatives relating specifically to three of the five foundational pillars of CWB as appropriate. Specifically: Pillar 3 (Land and Property); Pillar 4 (Inclusive Ownership); and Pillar 5 (Finance).

A Duty to Advance CWB

The Scottish Government makes clear in its consultation paper that transitioning to a wellbeing economy requires a "*whole system transformation*". The paper is also clear on the important role that public bodies have to play in ensuring that CWB is delivered in practice, as a consequence of their statutory and non-statutory functions, including public procurement. JMT therefore welcomes the proposed duty to advance CWB as a way of ensuring that CWB principles can help drive the transition to a wellbeing economy. We consider that such a duty should be placed upon Scottish Ministers and all public bodies (essentially Option C in the consultation paper).

In tandem with the proposed duty for Scottish Ministers and public bodies, we suggest that Scottish Ministers produce a high-level Community Wealth Building Statement incorporating principles relating to CWB's five foundational pillars to guide how Scottish Ministers and public bodies will deliver CWB in practice. The Land Reform (Scotland) Act 2016 included provisions to produce a Land Rights and Responsibilities Statement. There is therefore a policy precedent for such a Statement to be introduced in relation to Community Wealth Building.

We suggest that the proposed legal duty should ensure that Scottish Ministers must have regard to the proposed CWB Statement's principles when developing policy in relation to their portfolios. Ministers should be required to report periodically to Parliament on progress in implementing the principles contained in the CWB Statement. We further suggest that the CWB Statement should be subject to review and potential revision by Scottish Ministers every five years, as is currently the case for the Land Rights and Responsibilities Statement.

We propose that all public sector bodies be placed under a duty to produce time bound CWB strategies and action plans to ensure that the CWB Statement's principles are implemented. Such strategies and action plans should provide details of how public bodies will apply CWB principles in practice in relation to specific functions, with progress being periodically reported on.

JMT considers it appropriate to provide statutory guidance to public bodies regarding their duty to develop the envisaged strategies and action plans, particularly given that the proposed duty will have statutory status. There may also be scope for producing additional non-statutory guidance as appropriate.

Community Wealth Building Commission

Scottish Ministers have indicated that they intend to 'lock-in' Community Wealth Building as an integral part of the transition to a wellbeing economy. The proposed statutory duty discussed above will have a crucial role in enabling that to happen. JMT proposes that a Community Wealth Building Commission also be established by Scottish Ministers via provisions in the forthcoming Bill to complement and further reinforce the duty's 'locking' function in relation to CWB.

As with the proposed CWB Statement, there is precedent for such an approach in relation to land reform policy. The Land Reform (Scotland) Act 2016 established the Scottish Land Commission which has been instrumental in ensuring that land reform stays on the public policy agenda. A Community Wealth Building Commission can fulfil the same function in terms of retaining CWB on that agenda.

Pillar 3: Land and Property

Pillar definition: Growing social, ecological, financial, and economic value that local communities gain from land and property assets.

Overview of activity: Productive use of anchor organisation land and property, for example through diversified ownership models including community ownership, and tackling vacant and derelict land and buildings.

What this will achieve: Land and property are used for the common good and benefit communities, SMEs and micro-businesses and the environment.

We use this section of our response to comment on ways that local communities can gain more ecological, social, financial, and economic value from land and property assets. We discuss issues relating to the transfer of ownership of land and property under the Inclusive Ownership Pillar later in our submission.

Scottish Ministers own circa 13% of Scotland's land, making them Scotland's largest landowners. Much of that land, in the form of the National Forest Estate, is managed on the behalf of Ministers by Forestry and Land Scotland. Other public bodies such as NatureScot and Highlands and Islands Enterprise also manage land on behalf of Scottish Ministers.

Currently, Community bodies aspiring to manage substantial tracts of forest land are required to buy the land in question through the National Forest Land Scheme (NFLS) or Community Asset Transfer Scheme (CATS), often at or near market value. We are supportive of the proposal contained in Scottish Community Alliance's (SCA) consultation response that Scottish Ministers explore the scope for Scottish Ministers to delegate responsibility for land management to community or other appropriate bodies, where so doing would have a demonstrable positive local community and wider public benefit. Such an approach would reduce demand on the Scottish Land Fund and other potential funding sources as the land would remain in the ownership of Scottish Ministers.

We also echo SCA's observation in their consultation response regarding the potential for developing small-sale landholdings for ownership or tenancy on Scottish Ministers' land, including potential provision of woodland crofts, woodland small-holdings and woodlots.

We also believe that the Land Rights and Responsibilities Statement could support CWB in a significant way if given more statutory force through the Land Reform Bill. Principles 3 and 7 explicitly mention communities. Principle 3 links community wellbeing with community ownership and access to land or property. It states, “*More local communities should have the opportunity to own, lease or use buildings and land which can contribute to their community’s wellbeing and future development*”. Principle 7 links land management in the public interest with involving communities in land use decisions, stating, “*There should be meaningful collaboration and community engagement in decisions about land.*”

Pillar 4: Inclusive Ownership

Pillar definition: Developing more local and inclusive enterprises which generate community wealth, including social enterprises, employee-owned firms and cooperatives.

Overview of activity: Promoting greater diversity in the business base by encouraging formation and development of inclusive business models which support the local retention of wealth.

What this will achieve: More inclusive and democratically owned enterprises and assets which means the wealth created locally and by local people stays in those communities in the form of incomes and profits rather than being extracted out.

JMT notes the close relationship between CWB and aspects of the land reform policy agenda. We previously submitted a response to the Scottish Government’s consultation on proposals relating to the forthcoming Land Reform Bill, of which we are broadly supportive. Here we confine our comments to amending Community Right to Buy (CRTB) criteria to simplify the process in favour of communities, and to extend the scope of eligibility bodies to include organisations representing communities of interest.

We consider there to be a strong case for simplifying the existing suite of Community Rights to Buy to make them more accessible and easier to use for community bodies. Specifically, by removing the requirement to identify an owner from the registration process; simplifying the re-registration process; and extending the statutory time-period for exercising Community Right to Buy Provisions from 8 months to a minimum of 12 months.

We also consider there to be merit in broadening the scope of eligible organisations able to use appropriate CRTBs to include communities of interest, as well as communities of geography. We are particularly interested in exploring the scope for CRTB provisions to apply to hybrid ownership models encompassing communities of interest and of geography, as a way of facilitating more diverse ownership of land that can deliver CWB in practice.

Pillar 5: Finance

Pillar definition: Ensuring that flows of investment and financial institutions work for local people, communities, and businesses.

Overview of activity: Increasing investment and re-circulating wealth within local economies including through access to affordable credit and business finance.

What this will achieve: Money and investment stays in a local area and is available to support communities and businesses.

JMT has been developing proposals for a discretionary Carbon Emissions Land Tax (CELT) to be levied by local authorities on landowners (with appropriate exemptions) with holdings of over 1000 hectares. We envisage revenues from CELT being retained by local authorities to fund a range of local carbon reduction

initiatives such as home insulation, extended concessionary public transport and nature restoration projects. It may be possible to extend the range of locally funded initiatives to also encompass other CWB pillars more directly. We would be pleased to discuss with Ministers and officials the potential contribution that our proposed CELT may be able to make to delivering CWB in practice.

JMT is also supportive of developing a national Community Wealth Fund, financed via compulsory developer contributions from onshore and offshore renewables and natural capital investments. We are particularly supportive of such a Fund being used to support communities to acquire and invest in revenue-generating assets to create long-term sustainable income sources that contribute to these communities' wellbeing. We also consider that the envisaged Community Wealth Fund should be designed to build local capacity for community asset ownership and development.

We consider that there is scope for the Scottish National Investment Bank (SNIB) to be more closely aligned to facilitate the delivery of CWB locally. The Bank was established in 2020 to *“provide patient (long term) capital to business and projects connected to Scotland to build a fairer, more sustainable economy.”* As part of the process of 'locking-in' CWB as a core component of the wellbeing economy, Scottish Ministers should explore the scope for directing SNIB to establish a specific fund providing accessible capital finance for communities to acquire and develop assets that contribute to local community wealth building. In that context, JMT would particularly welcome a focus on investment that aligns with our core charitable purpose in Scotland to conserve, protect and restore wild places for the benefit of all.

ENDS