Second Annual Progress Report on Getting the best from our land – A Land Use Strategy for Scotland 2016 - 2021

Laid before the Scottish Parliament by the Scottish Ministers under section 37A of the Climate Change (Scotland) Act 2009

September 2021 SG/2021/215



Introduction

Land use has long been recognised as playing a vital role in tackling the climate and environment crises and adapting to inevitable climate change. Scotland's first Land Use Strategy was produced under a requirement of section 57 of the Climate Change (Scotland) Act 2009. In addition to this, Section 37A of The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 placed a further duty on Scotlish Ministers to produce annual reports on the Land Use Strategy. This document is the second of such reports and covers the period of March 2020 to March 2021. It is the final annual report that reflects upon Scotland's Second Land Use Strategy 2016-2021 (LUS2).

Since the publication of the first LUS2 annual report (July 2020), a number of key policy documents have been published that relate to or impact on land use or land management.

In October 2020 the Scottish Government launched its consultation on the draft new air quality strategy – Cleaner Air For Scotland 2. This draft strategy set out proposals for delivering further air quality improvements over the next five years in areas such as agriculture, industry and transport. It proposed reducing ammonia emissions, protecting natural ecosystems from nitrogen based damage, and advancement of low emissions zones in our cities. The draft strategy also recognised the importance of an integrated approach and the value of nature based solutions to deliver multiple benefits for society and the natural environment. Although beyond the scope of this report, <u>the final Strategy</u> was launched in July 2021.

In December 2020 the Scottish Government published the Climate Change Plan update (CCPu) which updates the 2018-2032 Climate Change Plan to reflect the changes to Scotland's emissions reduction targets brought in by the Climate Change (Emissions Reduction Targets) (Scotland) Act 2019. Containing more than 100 new policies and proposals, the CCPu sets out how Scotland will meet its emissions targets over the period to 2032, and will support our just transition to net zero by 2045. The CCPu also sets out steps we will take to support a green recovery from COVID-19. These actions will deliver across multiple objectives such as: strengthening the economy, protecting and creating new jobs, and building a more resilient and a fairer society whilst reducing emissions and improving our environment and wellbeing.

The Just Transition Commission published their final report in March 2021, emphasising that Scotland's transition to net zero should be a national mission and be planned for with meaningful engagement. The Commission highlighted that climate action, fairness and opportunity must go together - and that taking action to tackle climate change must in addition make Scotland a healthier, more prosperous and more equal society, whilst restoring its natural environment. The Scottish Government has welcomed this report and recognises the importance of ensuring that Scotland's journey to net zero is just. The Scottish Government is currently considering the Commission's report and a cross-Government response is expected to be published later in 2021.

Scotland's Third Land Use Strategy was also published in March 2021. It focuses on the integrated nature of land use, and for the first time adopts a landscape-based approach to demonstrate the interconnected range of demands and benefits we all get from our land. The new Strategy highlights ongoing policy actions that are addressing the climate and environment crises and delivering better outcomes for Scotland's communities. Recognising that Scotland's land is a resource that should benefit everyone, and that we all have a responsibility to ensure its sustainable use, the strategy centres on the importance of inclusive discussions around how land can best be used and managed.

Policy Updates

The first LUS2 annual report (July 2020) provided a comprehensive overview of progress on the Strategy's nine policies and five proposals. Where actions were signposted as complete in 2020 we will not revisit them in this report. Information on those policies remains available on the Scottish Government website - <u>first annual progress report.</u>

As this second report is the final one for LUS2, the sections below set out not only progress updates since last year on ongoing actions of LUS2, but also provide an objective-by-objective overview of wider Scottish Government policies, actions and initiatives that are playing a positive role in the delivery of Scotland's long term sustainable land use vision and its three core objectives.

LUS2 policies

Regional Land Use Partnerships

Regional Land Use Partnerships (RLUPs) will facilitate regional decision-making to help achieve Scotland's climate and environment targets through land use change. In 2020, Scottish Ministers reaffirmed their commitment to support the emergence of RLUPs from 2021 and for Regional Land Use Frameworks (RLUFs) to be developed by 2023.

The Scottish Government asked the Scottish Land Commission (SLC) to provide advice on the establishment of RLUPs, which the SLC published in November 2020. To support the evaluation of the SLC's ambitious and high-level advice, the Scottish Government is currently testing approaches to governance, locally democratic engagement and implementation of Regional Land Use Partnerships with a set of pilots to inform decisions on wider roll-out.

This year, five volunteer pilot RLUPs have been launched. The geography of the five pilot regions corresponds with indicative Regional Spatial Strategy areas and are:

- Cairngorms National Park;
- Highland Council Region;
- Loch Lomond and the Trossachs National Park;
- North East Region (Aberdeenshire and Aberdeen City Councils); and
- South of Scotland (Dumfries and Galloway and Scottish Borders Councils).

Modest funding has been provided to each pilot region to help with establishing their partnership, and a Coordination Network established for the pilot regions to share knowledge and methods of working/best practice as the project progresses.

Farmer-Led Groups

As part of the drive to reduce greenhouse gas emissions, over 2020/21 the last Government convened a series of Farmer-Led Groups to advise Scottish Ministers on sector-specific proposals to tackle climate change in agriculture. The five groups brought together people who have knowledge and expertise to propose practical workable solutions to ensure that agriculture contributes to Scotland's climate targets.

The groups were:

- Suckler Beef Climate Change Group
- Dairy Sector Climate Change Group
- Pig Sector Group
- Arable Climate Change Group
- Hill, Upland and Crofting Climate Change Group

The Groups' reports are available on the Scottish Government website <u>Agriculture</u> and the environment: Farmer-led climate change groups - gov.scot (www.gov.scot). Together they set out a whole-industry approach to tackling climate change and restoring and enhancing biodiversity within food production and farming. The detailed proposals and ideas are now being considered by Scottish Ministers. Although beyond the scope of this report, in August 2021 the Scottish Government announced the establishment of the Agriculture Reform Implementation Oversight Board (ARIOB). The Board will be asked to contribute to Scottish Government's work to implement policy reform, incorporating the relevant recommendations of the farmer-led groups to cut emissions across agriculture, support the production of sustainable, high quality food, and design a new support system and approach.

Scottish Land Commission protocols & guidance

During 2020-21 the Scottish Land Commission (SLC) published seven protocols and ten pieces of guidance and toolkits setting out practical advice on how land owners, land managers and communities could work together to make better and fairer decisions about land use.

The new series of protocols provide clear expectations for how the Scottish Government's Land Rights and Responsibilities Statement (LRRS) can be realised through the way land is owned, used and managed. Throughout 2020-21 the SLC undertook a programme of activity promoting the protocols and good practice. This included webinars and workshops for landowners, land managers and communities, and the production of a range of case studies demonstrating good practice in land rights and responsibilities. The protocols have been downloaded over 900 times from the SLC's website to date and gained significant stakeholder support.

The SLC have also worked with 150 landowners and communities over the last year to embed land rights and responsibilities in practice, and have run a pilot self-assessment project with landowners to help them identify positive actions they could take towards achieving the expectations set out in the statement and the protocols. Further self-assessments, training and guidance will be delivered over the coming year to help more landowners and communities achieve a better balance between land rights and land responsibilities.

Tackling Vacant and Derelict Land

At the request of the Scottish Government, in 2018 the SLC and SEPA established the Vacant and Derelict Land Taskforce. This brought together senior representatives from around 30 businesses, public bodies and third sector organisations to consider ways to bring vacant and derelict land back into productive use and stem the flow of new vacant and derelict land (VDL) sites being created. The Task Force published its recommendations in October 2020, and the Scottish Government published its response in December 2020. A new £50 million programme was announced to bring thousands of hectares of vacant and derelict land back into use over the next five years. This investment will help to meet climate change targets, promote the health, wellbeing and resilience of communities and support a fair, green recovery. It will also encourage future infrastructure investment into areas where it is need the most to help revitalise communities.

Wider delivery of Land Use Strategy Objectives

The second Land Use Strategy, *Getting the best from our land – A Land Use Strategy for Scotland 2016 - 2021*, set out nine policies and five proposals aimed at helping Scotland deliver on its three overarching objectives which were determined in consultation with stakeholders during the development of Scotland's first Land Use Strategy:

- Land based businesses working with nature to contribute more to Scotland's prosperity.
- Responsible stewardship of Scotland's natural resources delivering more benefits to Scotland's people
- Urban and rural communities are better connected to the land with more people enjoying the land and positively influencing land use.

These objectives recognise that Scotland's natural capital is one of our greatest assets and needs to be managed in an inclusive and sustainable way to maximise the provision of a wide range of economic, environmental and social benefits for current and future generations. Our land provides places for us to live, work, and enjoy greenspace and the natural environment and ecosystems services we need as the basis for a wide range of business activities. We know we need to make major changes to the way we use our land and it is essential that communities across all of Scotland are engaged and able to contribute to delivering these changes.

Objective 1: Land-based businesses working with nature to contribute more to Scotland's prosperity

The Agricultural Transformation Programme was established with £40 million of initial funding and is improving the environmental sustainability of the sector by building sustainability through business practices that encourage productivity, innovation and inclusion. To date it has delivered:

- a pilot Sustainable Agriculture Capital Grant Scheme (SACGS) to provide grant funding for farmers and crofters to purchase specific items of agricultural equipment aimed at reducing farm greenhouse gas emissions;
- additional funding for the Forestry Grant Scheme, specifically for farmers and crofters to purchase small scale wood processing equipment and establish farm woodland planting.

As part of the Scottish Government's Low Carbon Fund, Scottish Forestry has been allocated an additional £100 million to help increase woodland creation from the current level of 12,000 hectares in 2020/21 up to 18,000 hectares in 2024/25. Forestry and Land Scotland will receive an additional £30 million to expand Scotland's national forests and land and deliver new woodland creation. In addition £20 million has been made available for the re-development of the Newton tree nursery, increasing production of saplings to support increased woodland creation in Scotland.

The <u>Small Woodlands Loan Scheme</u>, launched in March 2021, aims to remove any cash flow barriers that crofters, farmers or small woodland owners might experience

when considering tree planting. The new loan scheme, administered by Scottish Forestry, works alongside the existing main Forestry Grant Scheme and is aimed at woodland creation projects up to 20 hectares in size.

A new farmer-led initiative, facilitated by Scottish Government and Scottish Forestry, called <u>Integrating Trees on Your Land</u> was launched in February 2021. The aim of the initiative is to help farmers, crofters and land managers become more aware of the mulitple benefits that woodland creation can have for their business. It encourages more trees to be planted in the right places and for the right reasons and gives practical guidance on how this can be achieved. The network hosts events for land managers across Scotland and brings them together with experts to share practical knowledge and advice about the processes, objectives, challenges and outcomes of planting trees.

The Agricultural Holdings (Relinquishment and Assignation) (Scotland) Regulations 2020, under of the Land Reform (Scotland) Act 2016, came into force in February 2021. The new regulations provide a process whereby Scottish tenant farmers with secure 1991 Act tenancies can sell their tenancy to the landlord or assign their tenancy to a new entrant or to a person progressing in farming, at market value.

In November 2020, the Scottish Government published its response to the recommendations from the Grouse Moor Management Group, with reference to relevant recommendations of the Independent Deer Working Group and the Climate Change Committee report (for example in areas such as muirburn).

The Scottish Government responded to the Deer Working Group report in March 2021. The Deer Working Group Report set out a wide range of ambitious recommendations for deer management systems across Scotland. Developing and implementing new systems is complex and there are aspects that will require further careful consideration and consultation. Some of the recommendations involve changes to practices and work on the ground, and the intention is to seek their implementation as soon as is practicable. Others will require legislative updates and analysis on interdependencies, which will look to be brought forward during the course of the next Parliament

Objective 2: Responsible stewardship of Scotland's natural resources delivering more benefits to Scotland's people

The <u>Scottish biodiversity strategy post-2020: statement of intent</u> set the direction for a new biodiversity strategy which will respond to the increased urgency for action to tackle the twin crises of biodiversity loss and climate change. Priorities include extending the area of Scotland protected for nature to at least 30% by 2030 and publish a new, high-level, policy focussed strategy within a year of the Convention of Biological Diversity COP15 meeting.

The Establishment of <u>The Environment Strategy for Scotland: visions and outcomes</u> created an overarching framework for environmental strategies and plans with a vision of "One Earth. One home. One shared future".

The Scottish Government has committed significant funding to peatland restoration. In 2020, £20 million of funding was announced as the first step of a commitment to a multiyear investment of £250 million over 10 years, to restore 20,000 hectares of Scottish peatland annually, towards a total of 250,000 hectares by 2030. It is estimated that this level of annual investment could support the creation of around 200 jobs over 3-5 years, mostly in rural and remote areas.

The <u>National Development Plan for Crofting</u> highlighted the core elements necessary to ensure that crofting remains at the heart of our remote rural and island communities, as well as delivering policy priorities for climate change mitigation and biodiversity.

The <u>water resilient places policy framework</u> presented a vision for the future and described the components needed to form a coherent framework to support the delivery of water resilient places. The Scottish Government is making an additional £12 million investment in coastal change adaptation to help adapt to the threat of sea level rise and protect our natural coastal defences from erosion.

Work on the establishment of a <u>Scottish Nitrogen Balance Sheet is ongoing</u>. Nitrogen is a basic building block of life and the effective and efficient use of nitrogen is an important consideration for many sectors of the economy, the environment and public health. Following an initial phase of engagement with stakeholder organisations, the Scottish Government consulted publicly over winter 2020/21 on a set of proposals for the Scottish Nitrogen Balance Sheet (SNBS). The consultation analysis report and an initial response was published in March 2021. The Scottish Government is now working towards laying regulations in the Scottish Parliament to formally establish the SNBS in advance of the statutory deadline of March 2022.

Crown Estate Scotland launched its first round of <u>ScotWind leasing</u> in 2020. Through management of seabed rights in Scottish waters for new commercial scale offshore wind project development, low carbon energy generation will be encouraged which will help Scotland to achieve its net zero emissions target by 2045. Although beyond the scope of this report this application round closed in July 2021 with 74 applications from developers looking for the rights to build projects across the 15 areas of seabed available.

Objective 3: Urban and rural communities better connected to the land, with more people enjoying the land and positively influencing land use

The publication of the <u>Climate Emergency Skills Action Plan 2020-2025</u> set out the need for investment in education, training and work based learning towards green jobs. This will support people to access the job opportunities that will be created as we move to a net zero economy, for example in renewable energy, retrofitting buildings, enhancing our environment and the promotion and embedding of the circular economy.

The Fourth National Planning Framework: position statement set out how development will secure positive effects for biodiversity. The position statement looks to align National Planning Framework 4 (NPF4) with the visions and outcomes of Scotland's Environment Strategy, the principles set out within the Land Use Strategy

and objectives for the natural environment set out in the Climate Change Plan update and Adaptation Strategy.

In March 2021 <u>Scotland's Climate Assembly's Interim Report</u> was laid in the Scottish Parliament. Over 100 members of Scotland's Climate Assembly took on the task of learning about, discussing and making recommendations on how best to tackle climate change and the climate emergency in an effective and fair way. This included balancing the needs of the environment, landowners and communities across Scotland to optimise sustainable use of our land to: achieve emissions reductions; empower communities to develop localised solutions to tackling climate change; and realise the principle of 20-minute communities/neighbourhoods. The <u>full</u> report on the process and the specific actions and outcomes of Assembly members' recommendations was presented to Parliament in June 2021, and falls beyond the scope of this report.

The Land Reform (Scotland) Act 2016 (Register of Persons Holding a Controlled Interest in Land) (Scotland) Regulations 2021 were unanimously passed by the Scottish Parliament in February 2021. The Regulations' purpose was to establish a new register, the Register of Persons Holding a Controlled Interest in Land. The new register will improve transparency on land ownership by making information publicly available about those who ultimately make decisions about the management or use of land, even if they are not registered as the land owner. The Register will be held and administered by Registers of Scotland, and will be free to search and operational on 1 April 2022.

The independent collaborative review of the progress and scope of the 2013 Town Centre Action Plan looked to build on the <u>'town centre first'</u> approach to develop a refreshed view for our towns. The Scottish Government has also committed to developing a network of Climate Action Towns to help small towns with little historical involvement in climate action to: reduce what they use; recycle more; and become carbon neutral. The network will also take forward ambitions for 20-minute neighbourhoods. These aim to ensure that people can meet most of their essential needs within a 20-minute walk, including shopping, access to local services and transport, green space and an environment that encourages active travel, health and wellbeing.

Continued funding for the <u>Scottish Land Fund</u> will provide £10 million per year to help support urban and rural communities to become more sustainable and take decisions about their environment through the ownership and management of land and land assets.

<u>Crown Estates Scotland</u> Community Capacity Grants have continued to help sustainable communities by providing early stage financial support for community enterprise projects that contribute to local regeneration and sustainable development, and help create good places to live, work and visit. Environment Grants have also provided funding to Crown Estate Scotland tenants for projects on the Scottish Crown Estate that deliver demonstrable environmental benefits.



© Crown copyright 2021

OGL

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit **nationalarchives.gov.uk/doc/open-government-licence/version/3** or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: **psi@nationalarchives.gsi.gov.uk**.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.scot

Any enquiries regarding this publication should be sent to us at

The Scottish Government St Andrew's House Edinburgh EH1 3DG

ISBN: 978-1-80201-323-8 (web only)

Published by The Scottish Government, September 2021

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA PPDAS929946 (09/21)

www.gov.scot