

RURAL RESET

**POLICY CHOICES
RURAL VOICES**

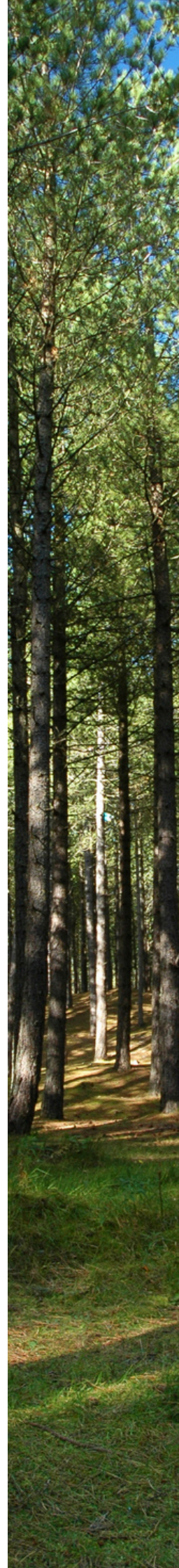
**SCOTTISH LAND & ESTATES' POLICY
PROSPECTUS FOR 2024 - 2025**



Scottish
Land & Estates

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FOREWORD

There is rarely such thing as a quiet year in rural Scotland. We have a nation to feed; wildlife to nurture; woodland to create; peatland to restore; wind, water and sun to transform in to renewable energy. We have homes to build and restore; economies and industries to sustain, and livelihoods to support.

At Scottish Land & Estates, we want to see a prosperous and sustainable future for rural Scotland, delivering benefits for all and our members want to play an even bigger role in being part of the solution to the challenges rural Scotland face.

The pace of change in rural policy recently has been dramatic. With a new Agriculture Act in place, the Wildlife Management and Muirburn Act already taking effect, and Land Reform and Housing Bills making their way through Holyrood, legislative developments in the coming year have the potential to fundamentally change the way people living and working in rural Scotland live their lives.

No one feels this more acutely than those who manage our land, produce our food and live and work in our rural communities. Scottish Land & Estates is committed to championing those people and businesses, as well as the communities they support, including everything from small crofts and cottage industries to large farms and landscape scale projects. Our role is to provide them with a voice, and help them shape the laws and policies which affect them.

We want to work with Scottish and UK Governments, agencies and local authorities and with politicians from all parties to help create and sustain vibrant rural communities underpinned by a strong economies that work towards our shared priorities: tackling climate change, restoring nature and delivering benefits for all. This prospectus sets out the ideas and policies that will help us deliver for people, jobs and nature.

It is time to reconsider how we approach the challenges facing rural Scotland. Rural communities and businesses have often felt that the issues we face play second fiddle to those living in our urban areas.

Rural areas make up 98% of Scotland's total land mass, and almost one third of the UK as a whole. Our rural estates alone produce 57% of Scotland's renewable energy; our farmers produce over a quarter of the UK's food for exports; our countryside custodians are leading the world in restoring peatland, creating woodland and helping nature fight back against biodiversity loss.

For all the benefits our rural sector brings to Scotland, and the whole of the UK, we believe it is time for our governments to reset their relationship with rural Scotland. And with a rural reset comes the opportunity to ensure policy is designed with rural communities in mind. Doing that will help put food on our plates, protect our natural environment, provide homes in our rural communities accelerate economic growth, contributing so much to our shared priorities for the future.

We look forward to working with you in the coming year, united in our commitment to sustaining, enhancing and delivering for rural Scotland. This is integral to Scotland's identity, economy and our shared goals. Together, we can ensure that rural Scotland remains a place of opportunity, resilience, and growth for generations to come.



Sarah-Jane Laing
Chief Executive



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Director of Policy



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Press & Public Affairs Manager

EXECUTIVE SUMMARY

This paper outlines the policy priorities of rural businesses, and the people who live and work in rural Scotland. Whilst the pages that follow take an in depth look at the challenges that our rural communities are facing and how we might begin to tackle them, the message that is coming from our rural communities remains simple and clear: Policy must be designed with rural communities in mind.

It is this message that underpins our policy work. We are listening to the needs of communities and businesses, while translating their concerns and suggestions into actions the Scottish and UK governments can take to drive Scotland forward. This starts with real, robust **rural proofing** through the introduction of **rural impact assessments** that involve direct communication with communities and businesses across rural Scotland.

Tackling climate change and restoring nature lies at the heart of what so many of Scotland's rural businesses are trying to achieve. Through renewable energy, woodland creation, peatland restoration, upgrading rural homes to make them more energy efficient, managing deer populations, enhancing our river ecosystems and natural flood defences, controlling vegetation and farming for the future, the list of measures our rural sector is taking to **protect and restore our natural environment** is substantial.

In terms of delivering on Scotland's net zero and biodiversity targets, it is rural businesses that are leading the way. But they need the support of both the Scottish and UK governments to continue delivering. **Removing the barriers** to investment and the looming spectre of unevidenced and harmful legislation would represent a step in the right direction. A reprioritisation of funding that would **restore parity for the rural affairs budget** would also support the delivery of these targets.

This is not a plea for new funding, but rather a request that funding that rightly belongs in rural Scotland is returned.

In order to achieve any of these benefits, rural Scotland needs the people and the skills to deliver them. But the rural depopulation crisis is making this increasingly difficult. One of the key drivers of this depopulation is a lack of affordable housing. The shortage of supply has been exacerbated by measures which have driven out landlords and consequently driven up rents. Learning lessons from previous rent control measures, and focussing instead on **increasing supply by removing barriers** to bringing homes back in to use, equitable funding for rural local authorities towards affordable housing, and a **favourable environment for private investment** in new homes for rural areas will all contribute to an improved picture for rural housing.

The rural economy is underpinned by a vibrant community of businesses from farms and rural estates, to hoteliers and pubs. To support those businesses, they require clarity from our governments. Clarity on both support and regulation of rural industries. This includes setting out a **multi-annual funding package** to ensure farmers can farm for the future with the clarity they need. It also includes providing the businesses that underpin our tourism industry with the confidence that the legislative changes that have directly impacted them are achieving their aims and **not undermining the rural tourism sector**.

There is so much that our governments and politicians can do to help drive rural Scotland forward. This paper sets out a handful of ways that this can be achieved, but the single message that lies beneath all of our work on these topics is that rural issues matter for people, jobs and nature. For a prosperous and sustainable future for the whole of Scotland, we need to get it right on rural issues.



**ESTATES ARE DELIVERING FOR
PEOPLE, JOBS AND NATURE**

RURAL PROOFING

At Scottish Land & Estates, we are clear that policy should be designed with rural communities in mind. Too often, the impact of policy and legislation drawn up by both of Scotland's governments fails to recognise the impact it can have on people who live and work in rural areas.

With a clearly defined Urban-Rural Divide in voter turnout, the most recent UK elections laid bare a greater sense of disillusionment with politics in rural areas than in our cities and population centres. One of the key drivers of this divide is the sense that rural issues are simply not understood, or taken seriously by those in power.

We know from years of working closely with politicians from all parties that this is not the case, and that a great passion for rural Scotland exists in Westminster and Holyrood. However, this does not always translate in to policy, and the reality for Scotland's rural population is that policy and legislation continues to favour the urban population at their expense.

Some recent examples of this include free bus travel for Under 22s – a popular policy for young people with access to regular bus services, but one that young people in rural areas with limited access to busses are unable to take advantage of.

At a UK level, business rates relief afforded to corporate entities undoubtedly helped many businesses weather the storm of the COVID pandemic. However, rural businesses are more likely to operate as non-corporate entities, particularly family farms and trusts, that would not qualify for this relief. This meant that rural businesses received less support on average than largely incorporated businesses in urban areas.

It is clear that improving our understanding of the impact of policy and legislation on rural areas will be fundamental to addressing the inequalities that are faced by people living and working in rural areas.

That is why we believe that the UK and Scottish Governments should appoint a dedicated team to undertake Rural Impact Assessments (RIAs) on policy and legislation at the earliest possible juncture in development, ensuring that policy is designed with rural communities in mind. The RIA team should engage regularly with stakeholders, communities and local authorities as policy with rural implications is developed.

Just as Business and Regulatory Impact Assessments ensure that the costs, benefits and risks of proposed legislation are well understood before implemented, RIAs would allow us to understand how policy and legislation would affect people and businesses in rural Scotland.

A RIA team would work across all departments in both the UK and Scottish Governments to report on the implications of policy and legislation for rural communities, businesses and public services, taking into account the unique challenges facing rural Scotland, and whether proposals may exacerbate or address existing urban-rural inequalities. They would also play a role in suggesting measures to improve outcomes for rural communities.

This robust approach to rural proofing could be placed on a legislative footing during the current UK Parliament term, and feature in all party's manifestos ahead of the Holyrood elections in 2026.



TACKLING CLIMATE CHANGE

Peatland Restoration

Over 23% of Scotland's land area is covered in peatland, equating to almost 10% of the whole of the UK. It is Scotland's largest terrestrial carbon store, holding around 1.6 billion tonnes of carbon, or the equivalent of 140 years of Scotland's emissions at today's rate.

In 2022, it was estimated that 80% of Scotland's peatlands were damaged because of agricultural, horticultural and forestry practices. Damaged peatland is a major source of greenhouse gas emissions, releasing 23.1 million tonnes of emissions per year – 15% of all emissions in Scotland. The need to restore this land is great, as it will form a key part of our overall emissions reduction as a nation.

Last year was a record-breaking year in this endeavour, with SLE's members working with Peatland ACTION leading to the restoration of 10,360 ha of peatland across over one hundred individual projects – the greatest area of peatland restored in a single year. However, this figure still falls well short of the Scottish Government's target of restoring 250,000 ha by 2030.

That is why SLE, in partnership with Peatland ACTION, has been delivering a series of events across Scotland to highlight the work that is being undertaken by land managers, and the opportunities that exist in the sector for anyone who wants to get involved in projects.

Progress towards the Scottish Government's targets require a strong partnership between land managers and key delivery partners, including land agents, contractors and the Scottish Government. Without these stakeholders working together in lockstep to achieve our ambitious targets, we stand no chance of reaching them.

The enormous contribution this work is making towards our climate goals cannot be understated. The figures behind the benefits of peatland restoration speak for themselves. It is imperative that politicians recognise the importance of this work.

However, we must ask questions about the mismatch between aspirations and collective ability to deliver at scale. To meet our 2030 targets, the rate of delivery would need to increase by approx. 300%.

Much like woodland creation, delivering peatland restoration at scale is crucial to achieving adequate carbon sequestration. Our members are responsible for the vast majority of the work that is ongoing to achieve this. Large-scale peatland restoration projects of more than 200ha – like most of those being carried out on rural estates – account for two-thirds of the peatland we have restored since 2013, whilst less than a quarter is achieved through smaller scale projects of less than 100ha.

It is clear that any effort to fragment this approach would inhibit our ability to deliver at scale. A key concern around upcoming legislative proposals is that it is underpinned by a desire to break up large estates that are delivering the benefits we desperately need to tackle climate change. The impact of such proposals on Scotland's ability to tackle climate change should be closely analysed before such decisions are taken.

The need to work at scale, and at pace, in order to meet our Net Zero, climate change and biodiversity commitments has never been greater. We must also ensure that finance and funding options remain attractive and accessible to those shouldering the risk. Land managers must be assured that measures introduced by the Scottish Government will not hinder recent progress, and continue to support them in the push for more peatland restoration in the months and years to come, fully recognising peatland restoration as a legitimate and effective way to tackle climate change.

Powering up Scotland

57% of Scotland's renewable energy production is generated on rural estates. Whether it's wind, solar or hydro, it is clear that rural businesses stand at the forefront of Scotland's renewable revolution. SLE's diverse membership is constantly exploring new and innovative ways of producing energy to power up Scotland and free us from reliance on fossil fuels in our energy mix.

As well as supporting their own sustainability goals, SLE members engaged in renewable energy production are also playing a key role in helping to meet the energy needs of the wider community.

Looking to the future, rural estates will continue playing a pivotal role in renewable energy production, and will likely help to facilitate the much-needed upgrade of the electricity transmission network in order to ensure the energy they produce can be efficiently transported to where it is needed.

Clearly, both the production and transmission of energy produced on rural estates requires financial input. Whilst much the financial requirements of large scale projects have been met by landowners to provide public good in support of our Net Zero ambitions, recognition and understanding of these significant contributions remains low.

That is why we are calling on the UK and Scottish Government to make it clear that they recognise the role rural estates are playing in our renewables revolution, and support them to continue delivering these benefits for the whole of the UK by incentivising new renewable projects in the right places, and ensuring communities that may be affected by new renewable projects become part of the process, and not just part of a box ticking exercise.

Woodland Creation

Woodland creation can play a significant role in reducing the effects of climate change, particularly by locking up carbon in growing trees. NatureScot estimates that 50 megatonnes of carbon are locked in Scotland's vegetation, the majority of which is held in the more than 1.3 million ha of natural woodland and forest.

Support for woodland creation has recently been impacted by budget decisions that have made it difficult for Scotland's foresters to keep up with targets set by the Scottish Government to create 18,000ha of new woodland each year until 2032. However, SLE members continue to deliver small and large scale privately funded projects that are helping push Scotland's woodland creation aspirations in the right direction.

Despite their efforts, there remains a significant gap between what is being delivered and what the Climate Change Committee and the Scottish Government believe is required. Whilst the private sector shoulders the burden of progress on this issue, dwindling public sector financial support is inhibiting further progress. A lack of clarity over future support is stifling investment, and we remain well off course to hitting our targets.

This is an issue of priorities for the Scottish Government, and we know that the First Minister has made it one of his four key priorities to tackle climate change. Restoring the forestry budget to previous levels after a 41%, £32million cut would send a clear signal that he is taking this seriously and help place our forestry aspirations on a more productive and sustainable footing.



Warmer Homes in Rural Scotland

Recent regulatory developments brought in by the 'Heat in Buildings Act' have sought to reduce household emissions and improve the efficiency of warming our homes. Whilst the intention of this legislation was well meaning, the practical implications for homes in rural Scotland were not well considered. Of particular concern to rural homeowners is the potential impact on heating fuel options, the availability of skilled tradesmen to carry out the work required for compliance, and the size and age of rural properties when compared with those in towns and cities.

This legislation is a case-in-point for the merits of rural impact assessments. Had these new regulations been viewed through the rural lens, the difficulties in complying with the new standards required under this legislation would have been highlighted and could have been rectified in the primary legislation, whilst the merits of bioenergy and other sources of heat may have been given greater consideration.

Upgrading homes to increase energy efficiency and reduce emissions is rightly a priority for the Scottish Government. However, this issue must be approached with due consideration of how this can be practically achieved in rural Scotland without placing a significant financial burden on owners and landlords.

It must also be recognised that rural areas have enhanced access to sustainable bioenergy options that could not be utilised under the new regulations, despite the reduction in emissions that utilising these options could bring about at a lower cost to owners or landlords. There is a need for us to consider adopting a different approach to these regulations for rural properties given the different circumstances they face, particularly in respect of building regulations for new properties. It is inequitable to set the same restrictions on properties that are already limited in their options as a consequence of their location.

With fewer heating options, higher costs involved and a greater ability to utilise alternative approaches, we believe rural properties should be provided with dispensation on new regulations. The rural Private Rented Sector should also have access to the same support as owner occupiers to help tenants enjoy warmer, more energy efficient homes through the rural uplift grant. There is also a need to ensure bioenergy is treated separately to fossil fuels in terms of its role in heating homes. We hope that the review of the potential ban on installing wood burning stoves in new-build homes recognises this, and its role in helping rural homes become part of our transition to net zero.



Since acquiring the estate in 2022, Chris and Camille Bently have embarked on a renovation program aimed at creating warmer, more energy-efficient homes for tenants. This includes installing new double-glazed windows and doors, as well as incorporating green energy solutions like solar panels and biomass heating.

The renovations respect the estate's historical character by using traditional materials, such as local slate and Aberdeenshire stone, while improving energy efficiency. This initiative significantly benefits the local community by employing local contractors, with 90% of the workforce residing within a 15-mile radius. Overall, the Bentlys' focus on warmer homes enhances living conditions for tenants and supports the local economy.

Helping it Happen Case Study

**Kildrummy & Glenkindie Estates
Helping it Happen Finalist 2024**



RESTORING NATURE AND SUPPORTING SCOTLAND'S WILDLIFE

Scotland's Rivers - Wild Salmon

Catchment and landscape-scale initiatives that improve conservation and stewardship of our rivers are being implemented across Scotland by SLE members. For us, the conservation of wild Atlantic salmon and other fish stocks in our rivers is a critical priority, and we recognise the need to take action to protect these vulnerable species.

In the latest species reassessment by the IUCN Red List of Threatened Species, released at COP28 in December 2023, Atlantic salmon were reclassified from 'Least Concern' to 'Endangered' in the UK, whilst 40% of our rivers and lochs are not in good condition.

A wide range of specific pressures continue to impact the condition of the water environment, including the effects of climate change on food availability and river levels, seal predation, sea lice, and generally poor river quality.

In trying to tackle these issues, we recognise that the Scottish Government has developed a Wild Salmon Strategy Implementation Plan. It is vital that this plan is delivered urgently and backed up by the development of a dedicated Scottish river catchment and freshwater/fisheries fund with a nature finance model similar to the Scottish Marine Environment Enhancement Fund.

We should also recognise the work that is already ongoing to nurse our rivers back to health, including projects like the Riverwoods partnership, which cover 125,000 km of the country and supported by SLE. Many of our members are actively engaged in catchment-scale river restoration and riparian planting projects with partners, delivering significant benefits for wildlife and people.

The Tweed Forum's work on the River Tweed - the most productive salmon river in the UK - is a helpful example of what can be done to help tackle the challenges facing our river ecosystems, working with landowners and estates like Roxburghe, Buccleuch and Wemyss & March to plant around 1.5 million riparian trees, significantly improving many hundreds of miles of river.

New measures announced by Scottish Forestry in 2023 to increase new planting of riparian woodland to 175,000 hectares across Scotland, and enhancing eligibility to a higher grant rate, has been a welcome step in supporting the delivery of these projects. The Scottish Government must continue to view riparian planting as a priority in order to ensure continued progress on improving the health of our rivers and streams.

Our members work incredibly hard to conserve Scotland's valuable wild freshwater fish and fisheries, and the wider aquatic environment on which they depend. Wild fisheries are a key component of the rural economy, bringing many benefits to communities through the provision of tourist facilities and accommodation. Fishing on the Tweed alone supports over 500 jobs and adds £25 million a year to the local economy. But declining stocks and unhealthy rivers pose a very real threat to this industry. Delivering on the Wild Salmon Strategy Implementation Plan and supporting the work that is already ongoing to restore our rivers of cold, clean water and reverse species decline - particularly riparian woodland planting projects - must be considered a priority for our natural environment.



Biodiversity Strategy

SLE and its members have been at the forefront of developing the Strategic Framework for Biodiversity. The objectives and actions set out within the strategy will influence land management practice and policy throughout Scotland for years to come. Our membership comprises so many of Scotland's countryside custodians who will be charged with the task of implementing this strategy. They take this role incredibly seriously, and are committed to ensuring the best possible outcome for Scotland's biodiversity.

While the strategy rightly focusses on nature and landscape, we must recognise the need for an integrated approach that recognises that productive agriculture and forestry is an essential component of land use which sustains businesses, jobs and our nation's food security.

Our members are committed to ensuring the biodiversity on the land they manage is protected and enhanced. It is important that they are supported to do so by policies and regulations that are stable and consistent, well-designed, well-funded, well-implemented, and well-governed, with a clear link between actions and results. Decision making, including in legislative development of the upcoming Nature (Scotland) Bill, should always be evidence-based with a focus on consulting with those who will be delivering on our goal to halt biodiversity loss by 2030, and reverse it by 2045.



Deer Management

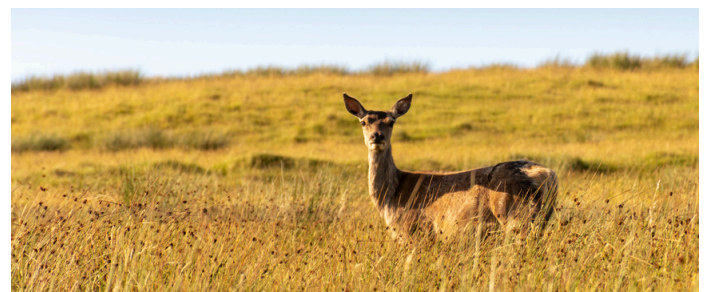
Deer management in Scotland has been a significant talking point in recent years, with a growing deer population becoming an increasing concern. The vast majority of deer management is undertaken by rural estates at private expense. However, given the harm that can be brought about by an uncontrolled deer population, it is clear that the measures taken by rural estates has a public benefit.

That is why we are pleased to support new pilot incentive schemes proposed by NatureScot and the Cairngorms National Park Authority, to increase culling and provide a subsidy payment for female and juvenile deer.

Encouraging and supporting effective deer management will help rural estates continue to provide solutions to the problem of swelling deer populations. However, other, more punitive proposals recently introduced including Deer Management Nature Restoration Orders (DMNROs) are unreasonable, unnecessary and disproportionate.

Current powers under the Deer Act are sufficient with some minor tweaking to deliver shared objectives, whereas imposition of DMNROs is likely to be fraught with legal and practical difficulties which will almost certainly detract from the ambition of delivering effective deer management at the landscape scale. We would encourage the Scottish Government to continue pursuing schemes that support deer management rather than punishing those responsible for carrying out this public good.

Reviewing the close season for female deer on an annual basis, and monitoring the venison industry must also inform decision making on the topic of deer management, ensuring the highest possible standards of animal welfare are maintained and the game industry, which provides high quality, low carbon, locally sourced and nutritiously valuable food, is supported.



Flood Management and Mitigation

The impact of flooding on Scotland's rural communities in recent years has been severe. Climate change, historic agricultural practices and, increasingly, the impact of reintroduced species have contributed to this situation. This paper has already discussed a raft of topics that relate to flooding in Scotland including peatland degradation, river health and forestry management.

The contributing factors to increased flooding in rural Scotland are well understood, and flood defence schemes across more populated areas frequently impacted by flooding has attracted significant investment in recent years. It is absolutely right that areas of denser populations should be protected from the effects of flooding during periods of heavy rain.

However, there is also a need to consider upstream solutions to the challenges of flooding. Much of this work falls to land managers who suffer the worst effects of flooding year after year. The restoration of peatland, planting of riparian woodland and re-meandering of rivers are three key measures being taken by land managers upstream to mitigate the worst effects of flooding downstream and preventing harm to larger population areas.

Natural flood management measures carried out by land managers in all forms have a clear public benefit, keeping people safe, preventing damage to infrastructure, farmland and private property, and preserving our natural environment. We were pleased that the Scottish Government accepted our advice to ensure that natural flood management should be included in the Schedule of the new Agriculture and Rural Communities -

Act as a purpose for which support may be provided. This paves the way to ensuring land managers can access support for their work which will keep our rural communities and landscapes safe from flood damage.

Increased flood risk has also been associated with the reintroduction of beavers in some areas of Scotland. While it is recognised that they can play a role in mitigating flooding downstream, their impact on existing flood mitigation measures, and damage to waterways can often exacerbate the challenges of tackling flooding in some areas. Once again, we were pleased that the new Agriculture Act incorporated our calls for these potential harms to be recognised, and put in place measures to allow land managers to tackle these challenges with financial support. This will enable them to adopt an adaptive management approach to protect their property and businesses before beaver impacts take place.

We must now see the provisions set out in the Schedule of the new Agriculture and Rural Communities Act translate in to practice to enable land managers to utilise this support and continue their valuable work to mitigate flood risks. It is important that this work is recognised as a public good that benefits so much more than the immediate area, contributing to the protection of villages, towns and cities down-stream.



Vegetation

The Encroachment of bracken on upland areas across Scotland is becoming an increasingly concerning issue. As the means for controlling this invasive species has been reduced by the discontinuation of the herbicide 'Asulox', alternative control measures are urgently required.

Not only does encroachment of bracken carry with it significant negative implications for various land uses, but it also poses a risk to public health, as a known carcinogen and harbourer of disease carrying tick.

As land managers battle to control bracken on our hills, the Scottish Government should urgently seek to work with them and experts to find an alternative herbicidal solution to this problem, or risk causing significant harm to our countryside and the people who enjoy it.

The control of vegetation on Scotland's moorland more widely must also be given greater consideration in the context of landscape-scale resilience to wildfire. Recent years has seen an increase in devastating wildfires that have had devastating consequences for climate and nature. Preventative fuel load management including muirburn and integrated wildfire management plans are key to containing wildfires and stopping them from breaking out in the first place.

We believe that the Scottish Government should consider supporting the development of integrated wildfire management plans and ensure that policy making around this issue is firmly based in the most up to date evidence. Concerns around a lack of understanding of these issues were raised by academics and Scottish Fire and Rescue during evidence sessions around the Wildlife Management and Muirburn Act. The Scottish Government has demonstrated its willingness to address the gap in knowledge that exists, and we look forward to working with them to do so.

Other effective area-based conservation measures (OECMs)

There is a lot of work to do to reach Scotland's ambitious 30X30 target to give protected status to 30% of Scotland's land and sea by 2030. OECMs represent a fresh approach to helping us achieve this. They offer an alternative to traditional protected areas by recognising areas that deliver positive, sustained, and long-term outcomes for biodiversity, as a result of the land management, regardless of the primary objective of this management.

OECMs also provide us with a real opportunity to ensure that the positive conservation work our land managers are already undertaking to enhance biodiversity and tackle climate change is recognised.

The Wildlife Estates Scotland (WES) initiative aims to support the work of our members and all land managers to achieve the objectives set out in 30X30. Their accreditation scheme, which comprises over 300,000ha of land which has undergone rigorous third-party assessment to analyse their biodiversity credentials, is a thorough measure of a business' nature and biodiversity credentials.

WES accredited members can play a crucial role in developing OECMs due to the contribution of environmental and biodiversity outcomes on which the members are already delivering. That is why we have been participating in detailed discussions with NatureScot and other partners regarding the development of OECMs in Scotland, and produced a detailed paper recently shared with ministers and NatureScot highlighting that WES Level 2 accreditation can meet agreed criteria for OECMs in Scotland.

We believe that designation of WES accredited land as an OECM could be transformational – both in terms of meeting statutory nature targets and encouraging more landholdings to evidence delivery for nature through accreditation, providing a demonstrable uplift in protected land quickly and decisively, with significant room for further growth.

HOUSING AND CONNECTIVITY

The Rural Rented Sector

Scotland's rural rented sector is in decline across the majority of rural local authorities. With the lack of availability of affordable housing being one of the key drivers of rural depopulation, tackling this decline is more important than ever to the rural economy and to maintaining resilience and critical mass of rural communities. A new Housing Bill provides an opportunity to reverse this decline by addressing the shortage of supply. This is by far the most effective way of addressing rent inflation in the long term and providing for Scotland's housing needs.

Those who deliver new housing and provide existing housing need certainty to be able to invest in their housing. As currently drafted, the Housing Bill does not provide certainty. It takes a punitive approach towards housing providers that has, through legislation in the Cost of Living Act, only served to exacerbate the issue.

There is a need to work with housing providers, particularly in rural areas, rather than against them to help deliver the housing we need to sustain healthy rural communities with homes for all. The Housing Bill must focus on tackling the underlying problem of housing supply, rather than focusing on the symptoms of rent inflation.



Connecting Rural Communities

SLE is hugely supportive of the UK Government's Shared Rural Network (SRN) project that is helping to bridge the divide in connectivity between urban and rural areas. However, we are concerned that the arbitrary target of 95% coverage is leading to extremely remote sites being selected for large and costly infrastructure projects that could be potentially harmful to the environment in which they are being built with little or no demonstratable benefits for rural communities.

This approach to SRN infrastructure proposals has caused concern among communities, local authorities, land managers and many other groups with rural interests. They share our concerns that proposals for remote infrastructure projects would harm the environment on which they are built whilst serving no one, simply to meet land coverage targets.

The UK Government must understand the landscape in which these sites are being selected and ensure that the significant costs associated with these projects are not spent on providing the odd stag or ground nesting bird with access to 4G simply to meet the arbitrary 95% coverage target.

A review of the SRN project focussed on ensuring the project delivers value for tax payers' money and provides the right infrastructure in the right place should be carried out as soon as practicable. We believe that connectivity targets should focus on people and communities, rather than land mass, particularly in remote locations in Scotland. We would also like to see the significant savings that would be associated with reassessing SRN proposals spent on priorities identified by rural communities in Scotland.

Supply and Planning

Delivering more homes more quickly is the single best way to tackle Scotland's housing crisis. Alongside building homes from scratch, this includes bringing empty and unused buildings back in to our housing stock, and enabling the renovations that may be required to bring homes in disrepair back in to use in rural areas.

Whilst supply is increasing in urban areas, it is declining for rural communities, particularly in terms of affordable homes. Despite this, rural communities continue to be short changed by the Scottish Government's affordable housing budget, with a commitment to deliver only 10% of new affordable housing in rural areas, despite accounting for 17% of the population and existing levels of inequality in terms of housing delivery. To address that inequality, the Scottish Government must commit to delivering at least 17% of new affordable housing in rural areas to provide parity and put a halt to embedding an unequal approach to delivering homes in rural Scotland.

Turning to the issue of planning, we believe that policy needs to encourage new housing where it is needed and taxation needs to incentivise delivery. Introducing permitted development rights to enable farmers to make use of sites in specific circumstances would help rural businesses become part of the solution whilst alleviating existing frustrations from land owners.

These willing participants in the alleviation of the housing emergency could be supported further by the removal of the VAT burden that is applied to the conversion of existing buildings in to housing, such as unused farm buildings. Further tax relief should be applied when land is used for the construction of affordable housing to incentivise this practice. The existence of these taxes is often the difference between development and no development. In this case, it is clear that development aimed at tackling the housing crisis should be encouraged, and where taxation causes a financial stumbling block, its removal seems like a simple step to take to encourage the construction of more homes.

We recognise that some support does exist for building new homes in rural areas through the Rural and Island Housing Fund. This funding is welcome, but there have been significant barriers to accessing the fund, leading to an underspend. A review should be undertaken in to how this support can reach the places where it needs to go, to encourage private sector uptake and ultimately deliver on its aims of delivering more homes where they are needed. This review must include housing providers and local communities to ensure that the fund is tailored to those who can deliver housing, as well as those who need it.



Glengorm Farming Partnership, led by Tom Nelson, has delivered five affordable homes on the Isle of Mull to address the housing shortage. By repurposing an underutilised farm steading into long-term rentals, the project increases the supply of permanent homes and supports community growth, funded by the Scottish Government's Rural and Islands Housing Fund.

Completed in Autumn 2023, the renovation preserved the steading's traditional character while enhancing energy efficiency. With 49 applications for five homes, Glengorm's rental offerings now total 13, providing long-term accommodation for around 50 residents and significantly impacting Mull's housing landscape.

Helping it Happen Case Study

Glengorm Farming Partnership
Helping it Happen Winner 2024



FOOD AND FARMING FOR THE FUTURE

Agriculture Funding

Although the implementation of the new Agriculture and Rural Communities Bill will be the responsibility of the Scottish Government, the funding that will underpin it will be set by the UK Government, making this issue one upon which we hope the UK and Scottish Governments will work closely together.

We know that planning ahead is a hugely important aspect of farming for the future, and farmers can only do this if they know what's coming next in terms of support. A longer-term view for agriculture, including future funding, would help boost confidence in the industry by allowing farmers to make longer term investment decisions.

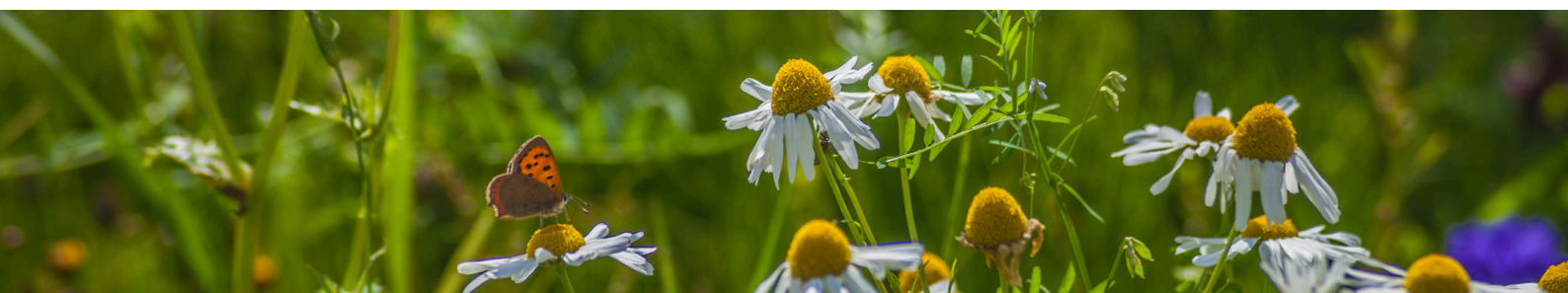
Taking into account these benefits and findings of the 2019 Bew Review, the UK Government has an opportunity to provide farmers with the clarity they need by committing to producing a transparent multi-annual funding package to support farmers for the years ahead, particularly now that we have a new Agriculture Bill in place.

This will also require the Scottish Government to map out how this funding will be allocated, and commit to ringfencing these funds with no exceptions. Clarity must be provided to those who are already providing benefits through sustainable and regenerative farming practices as to how they will be rewarded for their efforts prior to the implementation of new legislation. Failing to do so will disincentivise progress in this respect, and hold back farmers from taking the action they want to take to continue producing high quality food whilst helping to tackle climate change and nature loss.

We believe that the benefits Scotland's farmers are bringing to the UK, including food security, emissions reductions and other climate mitigation measures, as well as nature restoration and involvement in emerging natural capital markets are significant. The agricultural funding package should be rewarding and encouraged as far as possible with the resources available to the UK and Scottish Governments. We believe there is a strong case for increasing those resources given the clear benefits they bring to the UK as a whole.

Rural Workers

The availability of labour in rural Scotland is a concern to many rural businesses. Whilst immigration across the UK remains high, immigration to Scotland, particularly rural Scotland, is failing to meet the demands of the labour market and negatively impacting employers' ability to operate effectively. While we do not expect an "open door" policy, every effort should be made to understand the labour requirements of rural businesses and smooth the passage for workers who are needed, whether seasonal or year-round, to boost the rural economy. The UK Government should consider supporting a Rural Visa Pilot Scheme to ensure that rural businesses can attract the employees it needs for agriculture and other rural industries.

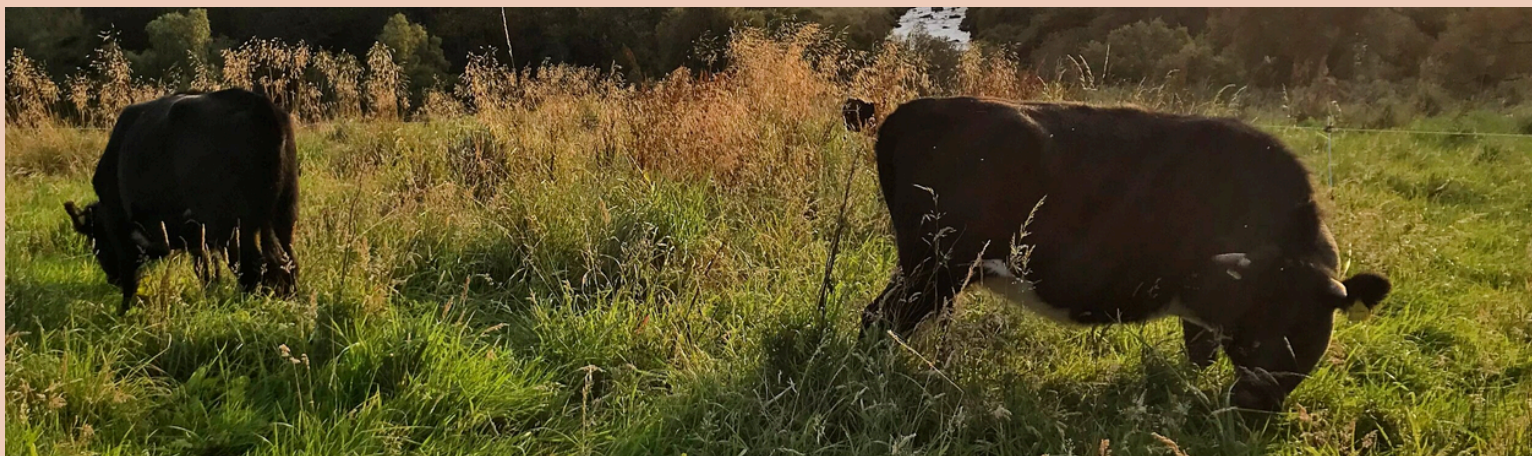


Family Businesses

Family farms, estates and businesses are the backbone of the rural economy. Inheritance tax reliefs allow farmers and rural business owners to continue to produce food, maintain landscapes and rural communities, and help mitigate climate change in the context of long term investment and low return on capital. Maintaining a stable capital tax system is important to give these businesses confidence to make long term commitments, particularly those needed to deliver for the environment over the coming decades.

Removing or curtailing agricultural property relief would jeopardise the future of family farms across Scotland, no matter their size and would be a blow to family entrepreneurship. Business property relief also enables family businesses built up over time to be passed down without threatening the viability of a business.

A number of tax reliefs and allowances (such as R&D relief) which are designed to benefit “business” only apply to corporate entities. This clearly disadvantages rural businesses where partnerships, sole traders and trusts are prevalent. We call on the Westminster Government to create parity of treatment for these purposes for non-corporate business entities



Helping it Happen Case Study

Grampian Graziers - Helping it Happen Finalist 2024



Grampian Graziers are committed to agro-ecological grazing practices that prioritize landscape maintenance, climate change mitigation, and food production. By employing a low-input farming method, their herd of 100% pasture-fed beef cattle is continually rotated across diverse pastures, allowing the land to recover and enhancing biodiversity. This controlled movement not only benefits livestock health but also fosters healthier soils and wildlife habitats, making the landscape more resilient to climate impacts.

The organization collaborates with local landowners to create tailored grazing plans that enrich plant diversity and improve soil health without the burden of livestock management. Through innovative practices like bale grazing and the integration of agroforestry, Grampian Graziers has demonstrated success in increasing species richness while minimizing soil disturbance. Their approach supports sustainable food production while addressing environmental challenges, as evidenced by the growing interest from other farmers seeking to adopt low-input systems. By directly selling beef to local customers and providing consultancy on nature-based farming, Grampian Graziers exemplifies a model that harmonizes agriculture with ecological stewardship.

ENGAGING WITH COMMUNITIES

Community engagement is as fundamental to the work of rural businesses as it is to politicians or indeed SLE as a stakeholder organisation. Our Landowner's commitment, to which all of our members sign up to, contains advice and guidance on best practice when it comes to engaging with the communities the support rural businesses across Scotland.

That is why we will always welcome any proposals which help to enable stronger ties between businesses or land managers with communities, such as those set out in upcoming legislation. We know that the vast majority of larger rural businesses play an active role in the communities surrounding them, providing homes, jobs and a hub around which rural communities can flourish.

Reaching out to communities can be a daunting task, but at SLE we want to support our members to do so in a way that benefits everyone involved. Whether it's engaging ahead of new developments, providing information about current operations or opportunities, or simply reaching out to say hello, building a relationship with the communities around which rural businesses are built is a hugely important aspect of success in the rural sector.

Advice from our policy team, engagement toolkits and signposting to government agencies such as the Scottish Land Commission or NatureScot help us to lay the groundwork for this to be done effectively.

Given the importance of rural businesses to the sustainability of rural communities, communicating the benefits of those businesses can often be a challenging task, particularly when there is a reluctance from the sector to talk themselves up.

But that is where SLE and government agencies can help. Initiatives like our flagship Helping it Happen Awards provide a platform to celebrate rural success, and communicate that to the public as widely as possible. Without the support of NatureScot, this would not be possible, and the endeavours of the people, businesses and organisations that help rural Scotland thrive would go unrecognised.

When it comes to local engagement, there is a clear role for the Scottish Government and its agencies to play as well. A major focus of the Scottish Land Commission has been community engagement, and their support for rural estates' engagement with communities is welcome. Support from the Registers of Scotland in improving transparency of operations is likewise integral to improving relations between rural estates and communities.

Land managers across Scotland are more than willing to engage with these agencies to improve transparency and relations with the communities around which they operate. These services must be preserved and enhanced where possible to enable the best possible outcomes from rural estates for local communities.



[Propagate - Helping it Happen Finalist](#)

TOURISM

Holiday Letting

The short term letting (STL) industry has provided many rural businesses with a an opportunity to diversify their income streams and support their local economy by attracting tourists to their local areas. Farms and other land-based businesses have been able to build resilience into their enterprises by operating holiday lets.

Meanwhile, hoteliers and traditional Bed and Breakfast operators are driving the rural economy forward, providing employment opportunities and economic hubs around which communities can thrive.

A raft of legislation aimed at alleviating some of the pressures associated with increasing numbers of tourists visiting rural Scotland is now in place. Assessing the impact of this legislation on tackling these challenges as well as on the businesses that have been impacted must now be a priority for the Scottish Government.

On Short Term Let Licencing, a review of the impact of this legislation on the STL sector was proposed by the Scottish Government for early autumn 2024. However, we understand that the Scottish Government now considers this review as being unlikely to take place, and no statistics have been produced by the government to demonstrate the impact of this legislation.

Nonetheless, industry data from June 2024 has shown that of over 2,000 short-term let properties surveyed, 77% of respondents reported a negative or extremely negative impact on business operations because of STL regulations. Additionally, 76% of survey respondents said that the actual costs of short-term let licensing has impacted on their income revenue or affected the viability of their business.

The Scottish Government should adhere to their assurances that an independent review will take place this autumn, including an assessment of the ongoing delays by local authorities who are failing in their requirement to grant successful licenses to hosts within a 30 week period from the application being submitted.

Turning to the Visitor Levy Act, the effective implementation of this legislation will be subject to the establishment of clear guidance and definitions for how the new bodies or forums will be structured in practice, and in which way the income derived from the Levy can, and most importantly cannot be utilised. It has been proposed that local authority representatives must not chair or hold a majority within these groups, but clearer definitions and guidelines are required to ensure transparency that the funds are being utilised for their intended purpose.

In a further hit to the tourism sector, which is so vital to many diversified rural businesses, the Treasury has published draft legislation to abolish the positive taxation treatment of Furnished Holiday Let businesses which had been announced in the previous government's Spring budget. This is the third development to hit the rural tourism sector in less than a year, with the cumulative impact of these measures placing the industry on a perilous footing. Whilst the proposed changes represent an element of tax simplification by aligning the tax treatment of landlords and their tenancies, it will be yet another unwelcome blow for many in the tourism and hospitality sector, particularly at this time in Scotland where Short Term Licensing has already imposed a significant additional burden of licensing and the forthcoming visitor levy.

These developments are yet more examples of a failure to consider the implications of legislation on rural businesses. Much of it is aimed at tackling the issues of urban tourism, however the blanket approach to legislation covering both urban and rural areas fails to consider the significant differences that exist between urban and rural businesses.

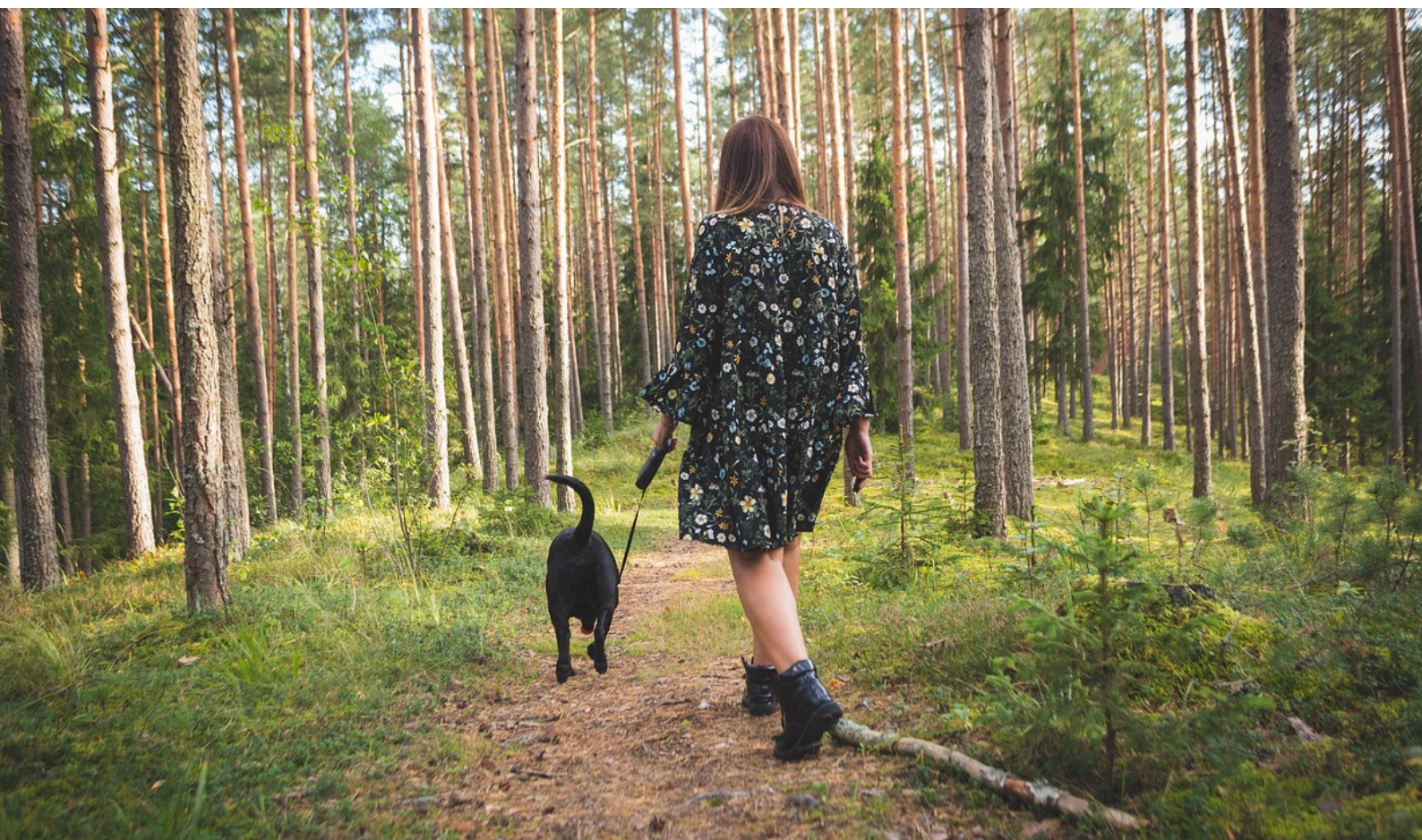
Responsible Access to our Countryside

When the Scottish Outdoor Access Code (SOAC) was first published in 2005 to provide guidance for access takers, land managers and local authorities as part of the Land Reform (Scotland) Act 2003, the Scottish Government stated that a review should take place every five years to ensure that it remained fit for purpose.

However, to date there appears to be no record of any such review taking place, despite many calls for such an evaluation and reassessment. The continuing relevance of much of the legislation and guidance remains essential but many previous mitigating factors have changed, and new elements that were not even part of our thinking over 25 years ago – such as the use of drones and e-bikes – are becoming increasingly prevalent in the outdoors, and the lack of such information is leading to increased misunderstanding and conflict.

Time has moved on and in several areas SOAC is no longer relevant, fails to address new factors and is not fit for purpose. Early positive discussions have been had with NatureScot and now is therefore the right time to reassess what does remain accurate and relevant within SOAC, as well as providing new guidance for everyone where none currently exists.

Encouraging people to access Scotland's beautiful countryside responsibly has been a hugely important part of our work at SLE for as long as we have existed. A key discussion point around this has been dog walking – a favourite pass-time for hundreds of thousands of people up and down the country. Alongside any review of SOAC, we would also encourage the Scottish Government to consider reviewing the evidence of the effectiveness of the Dogs (Protection of Livestock) (Amendment) (Scotland) Act 2021, and amplifying our annual message to dog owners to ensure there is no complacency on their part as to the risks posed to livestock, particularly during spring lambing season.



POLICY SUMMARY

Holyrood

- Introduce rural impact assessments for all government policy
- Recognise the role rural estates play in delivering 57% of Scotland's renewable energy
- Support them to continue delivering these benefits by incentivising new renewable projects in the right places
- Involve affected communities in the delivery of new renewable projects from start to finish
- Restore the £32 million of funding cut from the woodland creation grant
- Commit to working with private companies to enable greater levels of private investment in woodland creation
- Protect large scale climate mitigation projects from being broken up by Land Reform proposals
- Recognise the role of scale in delivering greater benefits for climate and nature
- Provide homes in rural areas with limited options special dispensations with the new Heat in Buildings Standards
- Drop plans to ban the installation of wood burning stoves in new homes in rural areas
- Provide transparency around the evidence being used to inform the legislative development of the upcoming Nature Bill
- Continue pursuing schemes that support deer management, and ditch the punitive approach of Deer Management and Nature Restoration Orders
- Review the close season for female deer on an annual basis
- Promote venison as a high quality, low carbon, locally sourced and nutritiously valuable food
- Outline the timeline for delivering the Wild Salmon Strategy Implementation Plan
- Support work to find an alternative to Asulox for the effective control of bracken in the countryside
- Designate Wildlife Estates Scotland Accredited land as an 'Other Effective Area-Based Conservation Measure' (OECM)
- Refocus the upcoming Housing (Scotland) Bill on tackling the issue of supply rather than the symptom of higher rents
- Increase the minimum percentage of affordable housing delivered in rural areas to 17% to provide the rural population with an equal proportion of affordable homes to urban areas
- Introduce permitted development rights to convert disused farm buildings into new homes
- Review the operation of the Short Term Let Licencing Scheme in all rural local authorities taking into account the latest available industry data
- Develop clear definitions and guidelines for how funds raised in the new Visitor Levy can and cannot be spent by local authorities, in line with new legislation
- Review and update the Scottish Outdoor Access Code

Got any questions?

If you have any questions about SLE's Policy Prospectus for 2024, or would like to arrange a meeting with us to discuss how we can work with you to help rural Scotland thrive, please contact our Press & Public Affairs Manager, Cameron Gillies: email - cameron.gillies@scottishlandandestates.co.uk; call 07776990321



POLICY SUMMARY

Westminster

- Introduce rural impact assessments for all government policy
- Recognise the role rural estates play in delivering 57% of Scotland's renewable energy
- Support them to continue delivering these benefits by incentivising new renewable projects in the right places
- Involve affected communities in the delivery of new renewable projects from start to finish
- Support work to find an alternative to Asulox for the effective control of bracken in the countryside
- Remove VAT for the conversion of disused rural properties into homes, and the development of affordable housing in rural areas
- Undertake an urgent review of the Shared Rural Network Project to ensure that the right masts are being built in the right place to serve people and communities, not arbitrary land mass
- Set out a multi-annual (five year) funding package for agriculture in Scotland at the next budget to help farmers plan for the future
- Introduce a rural visa pilot scheme to facilitate a sustainable rural workforce
- Maintain the current taxation treatment of Furnished Holiday Lets businesses
- Reverse the Family Farm Tax so that family farms and diversified family businesses, which are so prevalent in rural Scotland, can survive.



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