Rewriting the Rulebook of Landownership

Criteria of success for community landowners DRAFT

Section I: Introduction

This paper is designed to draw together the initial findings of the research team in order to stimulate discussion on those findings, and as a basis for refining the various proposed definitions and criteria drawn out from the initial research. The fundamental questions asked include:

1. Are the descriptions of what the purpose of community land ownership is, what characterises it, and what its values are, as described in the section on Definitions and Questions (below), appropriate; and how could they be improved?

2. Are the four broad indicators of success (below) an appropriate way to group consideration of the issues; and how can they be improved?

3. Are the detailed criteria for potentially measuring success within each of the broad indicator groups appropriate; and how can they be improved?

4. Do/should community land owning organisations (CLOs) seek to develop the work here into its own 'How good is our CLO?' self evaluation tool, potentially drawing on other existing quality management systems like the EFQM?

5. How can any system be kept simple yet have enough meaning and value to ensure it will be utilised by CLOs and be useful to others whose policy it is to support the sector?

Section II: Community ownership of land; its purpose, operating principles, characteristics and values

What is the purpose community ownership of land?

Community land ownership exists to enable the social and economic development of a community and enrich its environment and culture; increase the resilience and sustainability of the community and improve the life and livelihoods of the people. This is achieved under the direction of the

people of that community through their collective ownership of the land of that place, their democratic participation in and ownership of key decisions.

How does community ownership operate?

This model of ownership is democratically based; every person of the place of voting age is entitled to be a member of the land ownership vehicle (company); have a vote in the election of Directors; and have a say in key decisions about setting direction for the land and associated assets, its use and management.

The land is the fundamental primary resource from which all economic, social and environmental activity springs. Owning the land fundamentally changes the relationship that exists between people and the land they live on and gives the basis to imagine the opportunities available, and pursue them.

The model that is ownership supports more empowered, sustainable and resilient communities; regularly draws on significant voluntary effort; with the yield from the investment in the land being opportunity, in perpetuity, for the common good of the people of that community, its society, economy, environment and culture.

The key characteristics of community ownership.

The key characteristics of successful community landownership are that it is: democratic and participative; open in its membership; multi-functional; non-profit distributing, with surpluses in one part of the business potentially being used for non-surplus generating services and activities that meet social and environmental objectives; significantly volunteer driven, drawing on a diverse range of skills within the community; confident in imagining a better future for its community and place; empowered, entrepreneurial, energetic and resilient; able to enlist others in helping it deliver its ambitions; well networked and supported; multi and inter-generational in its focus.

The key values of community ownership.

The key values of community landownership are: the facilitation of local involvement in the use and management of land assets; that the common good comes first; that success is sustainability of community and place; that stewardship of land is for the long term; that the enterprise is surplus-generating (profitable); that profit is to serve the common good and maintain the ability to enable social and economic development, to enrich the life, environment and culture of the community and place; that use of the land

enables peoples' human rights to be achieved; that the next-generation has a sustainable local future.

We recognise that how these benefits and services are defined and prioritised changes according to local circumstances, age/stage of the community landowner and over time more generally. Community ownership is a relatively new model in the Scottish context (with some historical exceptions), and this project has aimed to support its normalisation as a model, in all its variations. We do this by asking:

- What is the economic model that is community ownership?
- What its values and characteristics are (see above)?
- What is community landownership's status definition? [Other organisations and sectors in our society can be described, for example, as: *Private, Public, Third Sector, Non-profit Distributing, Not for Profit Organisation, Quasi Autonomous Non-government Organisation (QUANGO), Non Departmental Public Body (NDPB), Executive Agency, Next Step Agency, come to mind] So how might the community ownership model be classed, is it important to give it a distinct classification?*

Section III: Criteria for success

It is our contention that for many communities, just owning the land is a measurable success in its own right and that ownership then acts as the basis of wider and long-term opportunity. Timeframe is important in terms of measuring success; clearly, community ownership is measured in intergenerational/the very long-term, but for planning purposes in 5-10 year blocks. We argue that community ownership is not an end point but a process, a direction of travel, with a clear overall purpose (see above). We also argue that community owners should seek to invest in long-term strategic planning. As the model becomes more established, this should become more achievable and part of its normalisation as a model.

We have divided our criteria into two sections:
- a set of over-arching core criteria, relevant to all community landowners
- a set of sub-criteria, divided into four thematic areas, from which community landowners can select those which are relevant to them

The four themes are:
- Sustainable Business & Sustainable Local Economy
- Governance and Democratic Principles
- Environment & Landscape
- Social & Cultural Capital

Community landowning brings a coordinated approach to all of these indicators. Part of that is down to perception and how community landowners see themselves, particularly given the vast range of variables – scale, maturity, objectives etc – and this project tries to capture the complex range of responses. Community landowners recognise that financial sustainability is key, but in order to deliver social benefits and meet needs in their communities.

No community landowner operates in isolation. Our research clearly demonstrates the importance of external forces on economic viability. To take one (albeit common) example: changing government policies and subsidies for renewables is an example of how external circumstances and changes in policy, over which community landowners have no control, can drastically influence success parameters and make it difficult for them to plan. Likewise, key funders need to know their objectives in funding community ownership are being met. In part these will relate to particularly wider government objectives and those of their agencies, as reflected in the national performance framework. We need to ask ourselves to what extent evaluation of the sector explicitly accounts for this, and do community landowners need to seek to add to/refine that framework to better reflect the range of activities they undertake?

One question at the root of this project has been whether community landownership models should be attempting to 'prove themselves' as equal to other types of (primarily private) landownership models, or if these criteria should be enabling community landowners to prioritise alternative/new measures of success. We argue that the latter represents the most effective way forward. Perhaps the key questions on this is around the differences in the community land owning model that are apparent, and what is the added value they offer. From our research, we can see how community landownership brings a different range of motivations and activities to landownership, because they look at the future of the community as a whole as the prime motivation, not a narrow personal interest or the economic bottom line. That bottom line is – as all our participants agreed – vital; however, one failed community landowner (which is likely to happen one day), will not prove the whole model wrong. The fact that numerous private landowners have failed has never been argued to disprove the viability of the whole model of private ownership. Likewise, our research combats the poisonous 'subsidy junkie' myth that has been used to criticise community landownership.

Lastly, both the human rights agenda and the human rights approach are reflected throughout all of the criteria below. This in part reflects new commitments to link land reform to human rights, particularly economic, social and cultural rights, and voluntary guidelines on the governance of tenure of land, as included in the Land Reform Act 2016. As such, key land-related economic, social and cultural rights are included – explicitly and implicitly – in the criteria (for example, the right to adequate food, right to adequate housing, right to work, right to physical and mental health, and the right to participate in cultural life).

Section IV: Proposed Methodology for Use

Although developing and refining a proposed methodology for the use/application of these criteria is the focus of our Inverness event, we would like to propose a methodology that had as its aim a balance between the need for each community landowner to adapt them to fit their own context, but in ways which also enables others to gather an overall bigger picture of progress and success.

We may need to consider the question of when to start using the criteria as benchmarks, and how to differentiate between well-established community landowners and those community groups just starting out on the path of thinking about a future buy-out. If we were able to conduct a criteria survey once per year (perhaps via an app system as used elsewhere?) that would help build a live database that had longevity and built up a picture over a number of years.

Section V: Indicators for Success

As the following will show, we have divided up our criteria into the four themed sections, although all are interlinked and there is potential for overlap. Part of the discussion in Inverness is around whether (1) there is agreement as to these four categories and (2) whether all the criteria are in the correct categories. We have tried to focus these criteria on what is being actually measured, rather than list the challenges/risks/opportunities of community landownership.

Additionally, our suggested criteria focus on measurable over which community landowners actually have some control, rather than opportunities which are either based on the 'luck of the draw' – of the asset base they acquired initially, or opportunities which are driven/curtailed by changing

policies of external agencies, all of which can significantly affect economic success for better or worse.

Another element to the development of criteria has been around their usefulness as a tool to compare community landowners; with some criteria most useful as self-assessment (e.g. staffing/employment figures, where comparing between two vastly different community landowners in terms of size and income stream, would not be very useful), and others as comparative tools. For either, the point of the model is self-assessment over a period of time – i.e. comparing initial intentions/plans with actual outcomes.

The intention is for community owners to self-assess, as appropriate, from this range of measures/criteria.
There might also be an independent assessment of their self-assessment as a possible option.

Community owners might start with some over-arching questions:
- *Do we have clear and measurable objectives?*
- *How are we doing?*
- *How do we know?*
- *What are we going to do now?*

The following four sets of criteria can then help answer a further six sub-questions:

- *What outcomes have we achieved?*
- *How well do we meet the needs of our community?*
- *How good are the services we provide?*
- *How good is our management?*
- *How good is our leadership?*
- *What is our capacity for improvement?*

CORE CRITERIA

- Human Rights
- Due diligence – obligations; legal, economic, governance

A: SUSTAINABLE BUSINESS & SUSTAINABLE LOCAL ECONOMY

SUSTAINABLE BUSINESS

1. Does the community landowner have a/any economic objectives objective(s) as part of its official aims and objectives, for instance an economic/business management plan which the local community have contributed to, implemented and is kept up to date?

2. Financial stability and sustainability – does the community trust break even financially; and ideally, make some profit to be invested back into community needs and projects? Being financially sustainable without ongoing grant should be a key aim: but winning capital and/or revenue grants for specific purposes and to meet planned objectives can be measured as legitimate success as very often such funding is won in competition with others on the basis of its ability to delver specific outcomes.
Is our definition of breaking even, income equals expenditure over an accounting year; OR that a profit or loss one year can be reinvested or covered the following year?

3. Is there a secure, medium/long term income stream to support the costs of ownership, including staffing costs (business development officers, admin support, renewables managers, estate managers for example) for the trusts, to lift some of the burden away from volunteers and support the directors/trusts with requisite expertise (e.g. financial or legal)?

SUSTAINABLE LOCAL ECONOMY

4. Does the community owner support security of tenure and housing?
Factors might include:
   - Security of tenure for housing, farms and businesses on the estate
   - Rent review management for these leases and sales.
   - Housing – two key points in here: (1) if relevant, does the owners support/build new/refurbished housing? (2) if relevant, does the owner focus on affordable housing?
   - Do we need something here about the proportion of second home ownership? e.g. does the owner put conditions on who can buy land plots/get building authorisation? e.g. are there any incentives/conditions in place to manage second home ownership?

5. Does and how do community owners support employment stability/opportunity and job creation? This might be measured via:
- ☐ Volume of paid employment/staffing provided directly by the community owner and does this match their original plans for staffing?

6. If relevant, has the community owner supported infrastructure asset development? And did they have an earlier target in a business plan to develop renewables, and if so, have they met this target? For example:
- ☐ Electricity/gas supplies
- ☐ Transport (roads, ferries, air, buses, trains)
- ☐ Broadband.

7. Supporting and working with the crofting economy is vital for those owners with significant crofting tenure on their land, including working productively with grazings committees. The expansion of crofting is a current strategic priority for the Scottish Government too. This provides some community owners with a set of possible criteria around crofting:
- ☐ Are crofting rents successfully collected and regularly reviewed?
- ☐ Does the community owner maintain good relationships with all crofting grazing committees and other institutions, including working with them to identify and implement infrastructure developments?
- ☐ As the landlord, does the community owner resolve any concerns relating to absentee and unused crofts, and ensure that new (re-allocated) crofts are available to those who want them?
- ☐ Does the community owner maintain a good relationship with the Crofting Commission/Crofting Federation/NFUS?

8. Does the community owner measure its expenditures against its priorities and commitments? This could be an internal measurement and also provide comparative information across community owners.

B. SOCIAL & CULTURAL CAPITAL

1. Does the community owner have a/any social/cultural/heritage objective(s) as part of its official aims and objectives/management plan which the local community have contributed to and is kept up to date?

2. Does the community owner support and enable confidence and community pride – including engagement; social/community cohesion? By this we mean broadly the confidence of individuals and communities in their ability to

manage, support, diversify and grow significant assets for the long-term generational benefit of their communities.

Sub-indictors might include:

- % of total population who are members of the community trust
- % who regularly come to meetings
- % who get actively involved in activities (could be from taking up a trustee/director position, to volunteering on a sub-group, to attending an evening musical event, to helping on a beach-clean up etc)
- % who respond to email or postal surveys or consultations
- % of those who feel they have learnt something or improved their skills, capacity and confidence as a result of getting involved. For example what % of the group responsible for renewables knew anything about renewable energy beforehand?
- % of people who do get involved in the trust and other activities who feel that this role is recognised and appreciated by others within the community?
- % of people who feel that as a whole, the community has benefited from the community taking ownership of the land/area?
- Has training/capacity building been made available by the community owner to the community: % of people who attended training and then utilised it afterwards?
- Has the community owner been successful in building awareness and understanding in the wider Scottish public/policymakers/politicians/media?

3. Does the community owner try to support a healthy demographic profile among communities and regions? *A few points here (1) Reversing the long-standing overall decline in local/regional populations (2) Supporting a sustainable spread of population, and trying to tackle the 'pull' of local towns/urban hubs e.g. Stornoway, Oban (3) Supporting an adjustment in the age profile of local communities away from an ageing population to a greater proportion of working age folks and families.*

Sub-indicators might include:

- % of the population in nursery/primary school/secondary school
- % new houses being built (or renovations)
- % of crofting applicants being able to get them
- % of certain demographic groups moving/returning to the area (i.e. within an agreed desirable demographic age range, according to local circumstances (we should not assume its those with children who are the only group still young enough themselves to contribute economically to the area)
- % of second homes, out of the total changing hands
- % households requiring/receiving childcare (pre-school/after school)

4. Does the community owner provide social care functions – such as care for the elderly or child care – and other functions traditionally associated with local government, might potentially be run locally by community trusts, if appropriate? *Part of the diversification of trust activities and the fundamental of meeting a community need/benefit.*

Sub-indicators might include:

- % households/individuals who require care and % of those needs being met
- Is the community owner paid to provide such care by social services?
- Does the community owner arrange for volunteer/independent care to be provided, separate from social service provision (and if this is coming from the Trust own funds, what % of expenditures does it equate to)?

5. Does the community owner support local and community heritage? *This is linked to point 1 on community confidence/cohesion.* Do they support greater understanding of heritage and culture and its place in the community; as well as develop any potential to link to economic, environmental and other benefits?

Sub-indicators could include:

- Numbers (or % of local population) attending heritage or cultural focused events – workshops, concerts, gigs, heritage talks etc.
- % of budget/expenditure or volunteering time spent by members of the community on events which promote cultural heritage
- Collaboration/joint activities with external arts, culture and heritage focused agencies or other community owners or agencies

C. ENVIRONMENT & LANDSCAPE

1. Does the CLO have a/any environmental obligations and/or objective(s) as part of its official aims and objectives, which the local community have contributed to and is kept up to date?

2. Does the community owner support the sustainable management of natural capital, including dealing with historical/existing degradation and building environmental resilience? Does the community owner support the sustainable use of environmental resource/natural capital? For instance:

- The protection of environmental assets – land, marine, air?

☐ Aim to be environmentally sustainable, reduce or removing carbon footprint of communities?

3. Does the community owner promote greater understanding of/participation in the environment by residents and visitors? This might be measured in a number of different ways:
   ☐ Recording the numbers of people walking or utilising outdoor areas
   ☐ Recording the numbers of people using footpaths
   ☐ Recording the numbers of people involved in joint environmentally focused activities (e.g. beach clean ups)
   ☐ Establishing an environmentally-focused sub-group(s) which takes leadership of these activities for the community owner?

4. Does the community owner develop those assets to support other activities e.g. tourism, forestry, fishing; eco-systems services? This might be measured in a number of different ways:
   ☐ % of income/expenditures which are related to promoting environmental/ecological assets,
   ☐ % of forestry assets for income sources
   ☐ Management of fishing/stalking/shooting licenses: upland management, deer and game management
   ☐ Recycling service provision
   ☐ Waste management provision

5. Does the community owner work on building and supporting productive relationships with conservation, heritage and environmental charities and agencies – e.g. SWT, JMT, SHN, NTS – for the benefit of both? Specific sub-indicators might include:
   ☐ Sitting on the boards of these agencies or regularly attending their meetings
   ☐ Co-managing projects
   ☐ Sharing territorial boundaries and landscape wide environmental management activities (e.g. deer management plans)
   ☐ Does the conservation agency support the community owner in the submission of grant applications
   ☐ Does the community owner list an agency staff member (e.g. countryside ranger) as part of their team (and maybe support their salary)?

6. Does the community owner support the increasing use/reliance on renewables/alternative energy sources and improving efficiencies on energy use and fuel? Sub-indicators might include:
   ☐ Improving insulation in community owned houses

- Supporting privately owned households to access improved insulation
- Improving access to greener energy and fuel sources for residents
- Building and supporting productive relationships with the big energy companies e.g. SSE; understanding how they operate, plus how that is changing under different jurisdictions and funding regimes. Same point with quarrying companies/forestry/land based industries?

7. Does the community owner support bio-diversity, perhaps via targeted environmental policies and actions/activities? Sub-indicators might include:
- Developing and maintaining a bio-diversity action plan
- Regular surveys of critical populations of species
- Taking action based on this information-gathering with the aim of boosting specific populations where applicable.
- Basing some of this on existing measurements used by environmental agencies

D. GOVERNANCE & DEMOCRATIC PRINCIPLES

1. Does the CLO have a/any governance/participation objective(s) as part of its official aims and objectives/management plan which the local community have contributed to and is kept up to date?

2. Has the community owner established and maintained a strong democratic base for their trust? *Supporting continuing participation over the long-term for the activities of the trusts including consultations, decision-making processes, day-to-day work as well as the 'big' strategic investment decisions.*
Sub-indicators might include:
- Number of local directors on the trust; the turnover rate, plus their age/gender profiles
- % of population directly involved with the trust/sub-groups
- Number of methods by which/how the trust communicates with the population (and the wider general public): e.g. regular emails/newsletters, website/social media, surveys/consultations, meetings/AGMs
- Is the business plan and other medium-long term plans regularly discussed with the community as a whole?

3. Does the community owner support productive relationships with local authorities and their departments: for instance -
- How would the community owner describe that relationship – supportive/not supportive and why?

- Do representatives of the local authority sit on the Trust or regularly attend meetings?
- Does the local authority actively support the community owner in grant applications and other projects?
- Does the local authority pay the community owner to provide any local services (e.g. recycling collection/social care/local transport)?

4. Does the community support connections across the sector, for example, peer-to-peer mentoring/ideas sharing/support? CLS has played a key role in doing this, as well as other agencies [e.g. HIE, Big Lottery etc].
Sub-indicators might include:
- Number of staff (or % of population) attending such regional/national events?
- Number of visitors from other peer groups which the community owner hosts annually?
- Social media/web-based measurements (hits on websites, likes on facebook pages, number of mentions in media)?

5. How does the community owner manage its volunteer base/workforce? How much of its work is based on volunteer hours/staffing – % labour, time and expertise?
- Does the community owner have a strategy for dealing with volunteer fatigue?
- What is the % turnover for volunteers?
- What is the % of the population who are residents but who never get involved in the community landowner's activities?
- Is there robust succession planning for directors and other office holders?