

Good morning! Madainn mhath. I hope that everyone is suitably refreshed after last night's AGM and conference dinner.

I'm sure that most, if not all, of the land reform issues were solved over dinner, along with most of the worldwide issues as well.

I just hope that someone wrote the solutions down...

...and can I maybe have a copy?

I am particularly pleased to address you at Sabhal Mòr Ostaig - which I know well from my consultancy days.

The title for this year's conference is "Shaping Change – Towards 1 million acres".

I'm delighted to have been invited to talk to you this morning on what the Scottish Government plans are to help meet this target, which was announced by the First Minister at last year's conference.

But before I launch into that, it might just be worth reflecting for a minute on just how much everyone in this room has achieved.

In the fringes of an EU meeting, I was talking to one of my counterparts about the community land movement here in Scotland and how it has grown and developed over the last 15 years.

His response was that this was – and I quote - a "social revolution", something I have to agree with and something that I am immensely proud of. I am proud that these changes are happening here in Scotland and that the government I am a member of has played a key role in facilitating this change.

Community Land Scotland's recently published economic indicators report makes it clear that models of community ownership work.

The study, which involved the 12 communities who had owned land for more than 5 years, highlighted several key facts.

Between them, they have upgraded 151 houses, built 6 new houses themselves and a further 33 in partnership with others.

They have released a total of a further 141 plots of land for housing development, which has contributed significantly to the positive population trends evident in many communities.

In addition the communities studied have redeveloped 20 other estate buildings for a variety of uses.

It is often argued that community ownership threatens investment, but the study counters this, with the 12 community owners annually contributing significantly to local employment and the local economy with over £2.5m spent on staff and local contractors in 2012/13 alone. The study estimated this was an increase of five times the comparable figures at time of the land's acquisition.

Direct staffing over this period has also increased from 22 employed at the time of acquisition to 103 in 2012/13, or in other words, direct employment more than quadrupled.

The 12 estates have seen their turnover increase 2 ½ times over – that is rising from £1.7m at acquisition to £6.1m in 2012/13.

Collectively – to date - they have installed almost 7MW of renewable energy capacity.

Community ownership also delivers outcomes that can neither be delivered by private ownership nor by government.

Before I set out the Scottish Government's vision I want to read out a quote to you.

“Land, which is a necessity of human existence, which is the original source of all wealth, which is strictly limited in extent, which is fixed in geographical position

“Land, I say, differs from all other forms of property, and the immemorial customs of nearly every modern state have placed the tenure, transfer, and obligations of land in a wholly different category from other classes of property”.

Any guesses on who said this? It might surprise some to hear it's a short extract from a speech by Winston Churchill from 1909; where he goes on to say...

“It is not the individual I attack; it is the system. It is not the man who is bad; it is the law which is bad.

“It is not the man who is blameworthy for doing what the law allows and what other men do; it is the State which would be blameworthy if it were not to endeavour to reform the law and correct the practice”.

To me this demonstrates that the debate on land, and how land is used and contributes to the public interest, has always been of importance to those that take the time to think about it.

Over 100 years later, we are still grappling with the very issues Winston Churchill identified as being important. It is in that context I want to set out Scottish Government's vision for land ownership in Scotland.

Our vision is for a fairer, or wider and more equitable, distribution of land in Scotland, where both communities and individuals have access to land.

I have said it before, but I feel Scotland is on a journey to delivering land reform.

My colleagues and I believe the nation's land should be used to benefit the people and environment of Scotland and to deliver sustainable economic growth with due regard for impacts on the environment. We believe that the land of Scotland should support improvement of the health and wellbeing of communities across Scotland. I share the vision of many that Scotland's land should benefit the Common Good.

To fulfil Scotland's potential, this Government believes we need to build a society with greater diversity of land ownership. As I have said before, if I was tasked with designing a

system of land ownership from scratch, I certainly would not design a system where 0.008% of Scotland's population owned half the private land.

Our society will thrive when communities and individuals have access to land to fulfil their aspirations and needs.

It will thrive when our land can support business and employment in urban and rural areas, and for provision of community infrastructure, such as housing and green space.

Clearly, this includes community land buy-outs to achieve greater distribution of land to communities, opportunities for sustainable development and to realise increased economic vitality and employment.

This aspiration for greater community ownership is sometimes portrayed as pro community and anti-private ownership. This is simply not the case.

As concentration of ownership decreases there will be room for both more community owners and, I believe, more private owners too.

It is clear that land reform in Scotland is not something solely for the Highlands and Islands, or rural Scotland.

It is for the whole of Scotland.

We need to take land reform to urban areas to tackle the blight of derelict land in our cities.

We need to encourage community groups in our cities and rural towns to take control of their own destiny and build the sort of sustainable communities that they want future generations to be proud of.

When people read the Land Reform Review Group's report, its reflection on housing and urban Scotland may have come a bit of a surprise to some.

For most of us, our home and maybe, if we are lucky enough, a garden is the extent to which we would expect to own any land, and as well know, for many even this modest goal is out of reach.

The ratio the review group highlight, on the change in the price of housing relative to income since the 1930's, is a clear reminder that change is ever present and affordability has deteriorated over time.

They associate at least some of this change in land values with successive governments' land related policies.

This needs to be interrogated further, but it does raise the relevance of land to us all, through its impact on the supply and affordability of housing.

In this issue, we recognise the need to tackle the housing market to ensure that housing is available, affordable and sustainable, across the country.

The Scottish Government is committed to the provision of affordable housing across Scotland – working flexibly and in partnership, and using innovative approaches to maximise investment.

Funding for the 30,000 affordable homes over the lifetime of the Parliament is on track.

In the four year period April 2012 to March 2016, this Government plans to invest £1.3 billion in affordable housing. At least 20,000 of the 30,000 target will be in the form of homes for affordable social rent.

Resource Planning Assumptions have been allocated to each Local Authority Area to provide affordable housing with local partners.

Higher subsidy levels are available in rural areas where a 3 person equivalent house in the West Highlands, the Island authorities and remote rural Argyll can be subsidised up to a level of £72,000 per unit as compared to £62,000 for a house meeting higher energy standards.

It is recognised that self-build plays a key role in Scotland's housing supply system, particularly in rural areas.

We recognise that the availability of lending to support self-build projects in Scotland has been restricted, both in terms of the overall number of active lenders and the terms on which self-build mortgages are offered.

Reflecting this, housing colleagues are working a self-build loan pilot project to be launched later this summer.

The Scottish Government has provided £4 million of loan funding to the Highland Small Communities Housing Trust for a "Rural Rent to Buy Pilot Scheme".

This is aimed at supporting first time buyers on modest incomes to fund the deposit on a new home while also stimulating the affordable housing market.

The Trust works with those eligible self-builders, who are on modest incomes and unable to raise the deposit for a mortgage, to construct of new build properties on behalf of the identified or prospective owner.

The prospective owner rents the completed property for a period of 5 years from the Trust, with a proportion of rent being set aside to assist the prospective owner to build up a deposit to allow the property to be purchased at the end of the 5 year period.

The Scottish Government has also made available an Empty Homes Loan Fund to provide loans to organisations in order to help them renovate empty homes and make them available as affordable housing.

To date, £4.5 million has been offered, or an increase over the £4 million originally set for the fund. The projects started on 1 April 2013 and over the ten-year life of the fund, up to 478 houses could be refurbished.

In my own portfolio, the Croft House Grant Scheme provides grant assistance for the construction or improvement of croft housing.

The scheme has a budget of £1.4 million for 2013-14 and it enables 60-70 croft housing units per annum to be constructed or refurbished.

Scottish Government is committed to a review of the grant scheme, but it is not intended to involve provision of loans which the private sector is better equipped to provide.

However, it is recognised that rural housing needs additional policy solutions to meet need and there are a number of individual pilots and processes being developed to support rural housing.

We will continue to review and monitor the degree to which policies are successful and to assist Local Authorities to deliver housing in rural areas where their Strategic plans identify needs.

We need to be clear on how we want the ownership and use of the land of Scotland to be tailored to fit the needs of future generations.

I'm not talking about the sort of "land grabs" that some quarters have been suggesting.

Far from it.

How we change the pattern of ownership and use of land in Scotland is something that everyone has a stake in and needs to take responsibility for.

The Scottish Government, as one of Scotland's largest landowners, is active in exploring opportunities for creation of new community ownership projects through appropriate transfers of ownership from the Scottish Government estate.

People that live on Scottish Government's 58 crofting estates, broadly speaking – or so I am told - view us as a good landlord, and when probed on this question the answer it is because we are seen as somewhat 'benign'.

I believe that our tenants should have higher expectations and higher aspirations for themselves. I hope that they are inspired by other community owners to approach Scottish Government and take control of their own future.

We recognise that government has not, in this respect, always been as enabling as communities might need.

In future, we aim to foster a constructive process where communities actively want to take on the opportunity of shaping their future.

It has been just over a fortnight since the Land Reform Review Group published its final report, and the recommendations contained in the report are wide ranging and comprehensive and potentially far-reaching.

I want to take this opportunity to thank Alison Elliot and the LRRG and all who fed their views into the process. The outcome has been a substantial, authoritative report, and given its depth, it will require some time to carefully consider the full contents.

It contains recommendations we may agree with and some we may not, but I very much welcome the overall direction of travel and look forward to considering the detail in the report.

In particular, I value the way in which the review group are asking all of us to question the public interest arguments that underpin policies and governance of this natural and finite resource – Scotland's land.

I know that the report was the focus for one of the breakout sessions yesterday, and will be again today, and I will be interested to hear the outcomes of your discussions.

Perhaps my officials will have already managed to pinch a few ideas that we will pass off as our own!

I have already announced, on behalf of The Scottish Government, that we will take forward two of the Group's recommendations.

We have committed to completing the land register within 10 years, and ensuring that all publicly owned land is registered within 5 years.

This is not an insubstantial commitment by the Scottish Government, and we are firmly of the view that greater transparency it will deliver will aid the debate around land in the future, and I see this as first of many actions that will aid transparency.

We will also be setting up a short term working group, which will be tasked with improving the existing information on the numbers and types of community land owners and the land that they own, and to develop a strategy for achieving the 1 million acre target announced last year.

This group will consider how best the Scottish Government can work with partners to promote community ownership.

This will ensure that communities across both urban and rural Scotland have the information, advice and support they need to facilitate the transfer of the right asset to achieve their aims.

This should be regardless of whether that asset is currently in public or private ownership.

On the 1M acre target, it is important to highlight progress made since the First Minister's announcement.

Major acquisitions funded by the Scottish Land Fund in the last year include that of the Carloway Estate Trust community – at a cost of £207,500 some 11,500 acres have been secured.

We have also seen the success of the North Harris Trust – where the Isle of Scalpay was gifted by the owner and the Scottish Land Fund assisted the acquisition by funding of £60k to assist with some transfer and development costs – in total approx. 1,700 acres were acquired.

The land fund also granted Pairc Trust £230k to assist with the acquisition and development of the Pairc Estate, which extends to some 26,700 acres.

This didn't meet the whole cost of the purchase, which was some £500k. The community raised the remaining amount themselves, something which I applaud and congratulate them on.

Of course, while these three acquisitions alone amount to almost 40,000 acres since last year's conference, but it is not just the large area transfers that we should be focussing on.

The majority of rural communities are purchasing far smaller pieces of land, land which can have a transformational effect on their communities.

Groups such as Sunart Community Company who have purchased 0.25 acres in order for them to create a small hydro scheme which, when completed, will benefit their community for years to come.

It is only fair and just that these rural communities have the same support, advice and access to funding as other groups looking at large area purchases.

Every community purchasing even a small area of land adds to the target of 1 million acres in community ownership by 2020.

It is therefore important to look at the principle behind these projects.

The Review Group themselves, throughout their report, emphasise that any decisions on land use and ownership must be made in the public interest and for the common good.

Not the private interest, or a company's interest, or even solely a community interest, but the public interest.

It's an important point to keep in mind as we move forward.

We will be taking the time to carefully consider everything that the Review Group has said, but as I have said I am encouraged by many of the broad themes in the report.

There are recommendations around better and more publicly available information about landownership, tenure, use and value.

The reports highlights a need to adapt, and make fit for purpose, existing legislation around, for example, compulsory purchase.

It sets out a need for a more active approach to regenerating unused land, replacing passive owners with active owners, whether or not that is the same owner.

It highlights the need to ensure that the fiscal arrangements around land are equitable, transparent, fair, and assist in getting the most out of our land resources.

Of course, asset transfer often needs support.

The Scottish Government's Community Empowerment Action Plan and Regeneration Strategy have long highlighted the benefits that community ownership can bring to local communities.

This is why, since 2011, we have been funding the Development Trusts Association Scotland to run the Community Ownership Support Service.

This represents a £1.2m commitment to deliver a national programme that provides a focal point and central resource for asset transfer activity within Scotland.

This service supports the transfer of publicly held assets into community ownership.

To date, 18 assets have transferred into community ownership with a further 11 in final stages of negotiation. There are currently 214 open cases of enquiry. The process of developing a robust case for the sustainable transfer of assets can take a number of years for community groups to achieve.

The Community Ownership Support Service offers information, advice, resources and practical support to communities across rural and urban Scotland.

There are also financial support mechanisms and one of these is State Aids.

The Scottish Government sees State aid not as an impediment but as an enabler of efficient public spending.

The State Aid Unit advises public funders to apply a discerning approach to the rules, especially where local benefits far outweigh any possible distortions of the European Single Market.

As an example of this approach, we were delighted to see the acquisition of Aigas Community Forest in Beaulieu with help from the Scottish Land Fund.

This was purchased under the National Forest Land Scheme, a scheme which the Review Group refer to as "as a positive mechanism providing an opportunity for local communities to buy or lease land".

I know that it has been a very long road to get to this point for the community, but I'm positive that it will be worth the wait.

The scheme has so far seen the transfer of nearly 4,000 hectares of land to 25 local communities, Non-Governmental Organisations and affordable housing bodies.

Communities have approval to purchase a further 3,000 hectares to deliver a range of projects supporting local development, such as hydro renewable schemes, forestry based enterprises, or improved recreational facilities.

Key outputs from the sales to date include 11 sites with the potential to build over 80 homes – and so far over 40 houses have been either built or are nearing completion.

Other outputs include woodland crofts, community growing projects, local wood fuel businesses, renewable energy projects, timber harvesting and marketing activity and local employment opportunities.

These transfers will help our most remote communities to become more economically sustainable and to make best use of their natural assets.

I can confirm that the Scottish Government will refresh its published guidance for funders on State aid in the specific context of interventions in remote rural locations, to ensure that we continue to enable these key transfers to communities.

The group highlights the need to get the framework right to assist communities in fulfilling their aspirations, and on this they make several recommendations.

From what I have outlined above government is taken action in several areas to address barriers, and will look carefully at best way to move forward.

I recognise that resourcing community land ownership is important.

Indeed the Review Group states in its report that “funding to finance buying buildings and land is crucial to expanding local community land ownership.”

The Group recommends that “an adequate level of funding should be available to meet an expected increase in demand for local community land ownership”.

As things stand, there will be funding for community purchase of land until 2016, and this is having an impact on the number of communities that are approaching the Fund for funding.

Indeed, the Year 2 report of the Fund, notes that “in particular we have seen a significant rise in enquiries around announcement of awards.”

“The success of other groups appears to generate interest in communities and provide them with a belief that they too could secure funding for their community.

Experience to date indicates that asset acquisition projects need time to develop and confidence in the availability of funding to do this.”

It is with this in mind I want to reassure you all that this government is committed to maintaining the Scottish Land Fund and I can confirm that we will do so until at least until 2020.

It would be inappropriate for me to put a value on what we would put in; as this is for future spending round decisions.

However I hope my reassurance will give greater confidence to communities to consider community land ownership.

It would give communities time to work up their plans.

This is an especially important consideration as plans do not just happen: projects need time to develop, and this can sometimes be a year or two or more.

It would allow for a growing interest and confidence in the sector which is important in underpinning the growth in community ownership of land.

I understand that from time to time communities come forward with very large scale projects that dwarf the size of the land fund.

Often, funding them would jeopardise the stream of smaller community acquisitions in the pipeline.

I therefore want communities to know that the Scottish Government is open to discussion, on a case by case basis, on how we help these communities fulfil their aspirations, and stretch the land fund to meet that demand.

There have been calls for the Scottish Government to set out its intentions on the recommendations of the Review Group.

This is understandable. However, as I stated earlier, the report and its recommendations will need further study, and it would be irresponsible to rush into these without a thorough investigation of the facts and consequences of implement them.

Fundamentally the Scottish Government is interested in the outcomes desired by the recommendations in the Report and will focus on shaping its actions to meet these outcomes.

Having said that, the Scottish Government is already taking action on several recommendations in the report.

We have created the Crofting Legislation Stakeholder Consultation Group to develop a modern and robust statutory framework for crofting.

Members of the group include the likes of : Scottish Land & Estates; National Farmers Union Scotland; Crofting Commission; Registers of Scotland; and the Cross-Party Group on Crofting

We have the Agricultural Holdings Review, which will, amongst other things, consider the review groups recommendation on the community dimension of any right to buy.

There is, too, the Wild Fisheries review which is tasked with developing and promoting a modern, evidence-based management system for wild fisheries fit for purpose in the 21st century.

Probably one of the biggest areas where government has already made clear commitments is on the Community Empowerment Agenda and in the planned Community Empowerment (Scotland) Bill.

Although it is not in my gift today to tell you what exactly is in the bill, as much as I would love to, you already know that as part of the consultation on the Community Empowerment Bill, we were proposing improving the community right to buy.

For more on this and other proposals, you will have to wait for it to be laid before parliament later this month.

When you see this, I do hope you will be encouraged by this Government's commitment, to both the community ownership and community empowerment agendas.

However, I clearly recognise that all this will only deliver part of the measures that will ultimately need to be taken forward, and between now and December this year, the Scottish Government will consider the fuller agenda.

In our consideration of the recommendations of LRRG, the Scottish Government will take into account the views of stakeholders in taking forward the development of legislation.

I am however pleased to inform you that it is intended that a Bill will be brought forward before the end of the current term of the Scottish Parliament. Due to protocol I cannot say more than that at this stage in terms of the Bill's content.

But we must all recognise, as the review group suggested, land reform is not an event, but a process and it will need continued perseverance to deliver meaningful change.

There are measures we can address now, and we are doing so where appropriate, but other challenges will need careful reflection on the Group's recommendations and, perhaps, further work before formulating our response.

However, there are many areas of policy where community led activity is tackling - this includes Community Broadband Scotland, where applications from community-led broadband projects for capital assistance grants from its Start Up fund.

Funding totalling £430,587 has been awarded to these projects, five of which are making progress towards the 655 broadband connections expected. Investment of this kind can help ensure community ownership projects have the necessary infrastructure to allow communities to flourish.

I want also to welcome the publication of Scotland's Rural College's third Rural Scotland in Focus report.

It highlights some great examples of the outcomes that can be achieved locally and nationally to address issues facing rural Scotland.

Its authors also recognise the need for continued action by us all, with ownership of the agenda by our communities and businesses, vital.

I completely agree with SRUC's view of the need for continued action, which is why I will ensure that we reflect on the recommendations within the Land Reform review report and come up with an inclusive strategy going forward.

Not all of the recommendations are within the Scottish Government's powers to take forward and there has been some talk already of just how much of the review group's recommendations lie within the gift of Scottish Ministers.

I want to be clear that devolution has enabled Scotland to progress and to address land reform in a way that would, I believe, have been nigh on impossible before the existence of a Scottish Parliament.

However without the full powers that come with independence, it will always be possible for those that want to evade the aspirations and policies of the Scottish Parliament to do so.

For example, last year this Government was considering approval of Durness Development Group's plans to purchase the 58 acre site from the Northern Lighthouse Board.

However, apparently, the MoD felt that it had the political clout to fight the Government over this on "grounds of national security".

Perhaps they might like to explain if it is tourists enjoying the views, locals having tea and cakes in the café, or walkers completing the Scottish National Trail that posed the greatest threat?

Thankfully the MOD ultimately saw sense on this occasion, but who's to say something similar may not occur with another community buyout.

So, in summary, the Scottish Government commissioned a wide ranging comprehensive report on land reform, which you have seen.

Our Parliament will debate land reform vigorously and, I hope, come forward with substantial proposals.

Although I expect that the Scottish Affairs Committee report into land reform, will make important observations about reserved levers that will distort and prevent action in Scotland, it is unlikely to get any traction or interest in Westminster.

There is too much vested interest, not least from the House of Lords, a number of whom, I'm sure, do own land in Scotland.

It won't be high on David Cameron's agenda either....no not the one sitting here...the other one.

That David Cameron is known to enjoy holidays on the Isle of Jura on the estate owned by his Stepfather-in-law, through Ginge Manor Estates Ltd. He is also a member of the House of Lords and the company is itself registered in Nassau in the Bahamas – outside the EU, so forgive me if I am cynical about the likelihood of action in "another place".

This brings me squarely onto the Crown Estate.

The review groups map on the front cover of the report, indicates that ½ of Scotland's total territorial area is seabed.

This is seabed that is administered by the Crown Estate Commissioners.

I have nothing against those who work for the organisation, but despite the number of reports that have made a clear case why decisions over the seabed should reside with Scottish Ministers, no action has yet been taken by Westminster.

With Independence, we do have the opportunity to change this, and that opportunity is now. Scotland is approaching a critical period in its future.

We have our destiny within our own grasp, and it means we can shape and guide the political, economic, social and geographic future of this country.

I know that you're all committed to seeing that, whatever decision the people of Scotland take, that our future is founded on the principles of fairness, social justice and equality, in all ways. I can assure you that this Government has the same principles in mind.

Together, we can ensure that future generations of Scots will enjoy this beautiful country of ours, secure in the knowledge that its ownership and its use will be aligned to deliver the best interests of the people of Scotland and to be managed – whether by communities, the public sector or private sector - in the public interest of the people of Scotland.