

Transforming Scotland's Approach to Vacant and Derelict Land

Recommendations from the Vacant and Derelict Land Taskforce

October 2020

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Executive Summary

Scotland has almost 11,000 hectares of vacant and derelict urban land. This legacy of our industrial past means that almost a third of the Scottish population lives within 500 metres of a derelict site. These sites blight communities, harm wellbeing, and limit opportunities – but they could be so much more: they could help solve some of society's biggest challenges.

In 2018 the Scottish Land Commission and the Scottish Environment Protection Agency (SEPA) established a national Taskforce to help realise this opportunity. We did not set out to tackle the legacy of urban dereliction – that comes next – we set out to do something much more fundamental. We set out to:

Transform Scotland's approach to tackling vacant and derelict land, create the conditions necessary for eradicating persistent dereliction in urban communities and realise the social, economic and environmental benefits of returning unloved derelict urban land back to productive use.

The Work of the Taskforce

The Taskforce brought together senior representatives from around 30 businesses, public bodies and third sector organisations. Each member of the Taskforce brought with them valuable insight and experience, which we have drawn on in pulling together our recommendations. We met seven times over the past 18 months and commissioned a programme of research to support our work. The outputs from this research are available on the <u>Scottish Land Commission's website</u>.

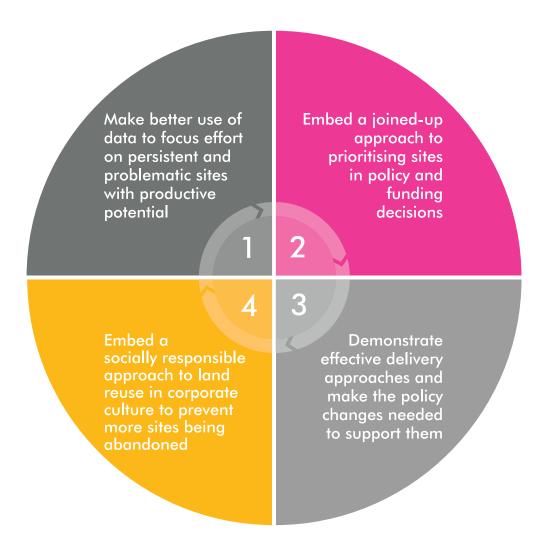
Figure 1: Membership of the Taskforce

The Taskforce members include representatives from the following organisations:

BT, Built Environment Exchange, Green Action Trust, Chartered Banker Institute, Clyde Gateway, Clydeplan, Community Land Scotland, Construction Scotland Innovation Centre, Development Trust Association Scotland, East Ayrshire Council, Edinburgh Chamber of Commerce, Glasgow City Council, Homes for Scotland, Institute of Directors, Leapmoor LLP, NatureScot, North Lanarkshire Council, Royal Scottish Geographical Society, Royal Town Planning Institute, Scotland's Towns Partnership, Scottish Enterprise, Scottish Environment Protection Agency, Scottish Futures Trust, Scottish Government, Scottish Land Commission, Scottish Power, Scotland's Regeneration Forum, Social Bite, Stirling University and Sweco.

The Taskforce is grateful to all the organisations and individuals who contributed to this report and for all of the advice and support we received throughout our work. Any errors or omissions are entirely the responsibility of the authors.

We used the findings from the research to develop four strategic priorities to guide our work (see below), which we published as part of our <u>Statement of Intent</u> in 2019.



Since then we have engaged widely with stakeholders to translate these high-level priorities into a practical and deliverable set of recommendations. As part of this we conducted individual and group interviews with representatives of more than 40 stakeholder groups, including local authorities, public bodies, community groups and private sector interests. We hosted a workshop attended by planners and economic development officers from 16 local authorities and a webinar attended by c. 50 local authority officers responsible for vacant, derelict and contaminated land. We have met with the local authority group responsible for the Vacant and Derelict Land Register three times, consulted with COSLA and engaged with Heads of Planning Scotland. Different members of the Taskforce have also spoken widely about our work at a range of conferences, seminars and events across the country – inviting feedback, engagement and ideas.

Our recommendations are a synthesis of all we have learned from this process and we are grateful to everyone who took part for their input and suggestions.

The Case for Change

Scotland's stock of vacant and derelict land is a legacy of our industrial past that has not changed much for years. Indeed, many of these sites have been in their present condition for decades. This matters for two reasons: because of the harm it causes, and because of the missed opportunities it represents. We can no longer afford to ignore it.

Life expectancy in Scotland is lower than elsewhere in the UK. Around 5,000 more people die in Scotland each year than should be the case. Addressing urban dereliction could help to change this – but the benefits don't stop there.

The potential for reusing vacant and derelict sites is <u>huge</u>. In fact, it is difficult to think of a single major area of Scottish public policy that would not benefit from a concerted national effort to bring these sites back into use. Focusing on these sites as a vehicle for delivery could help to enhance policy coordination across civic Scotland by concentrating effort and resources where they are most needed – a tangible example of the Place Principle in action.

Transforming Scotland's legacy sites will require innovation and technical skills across a variety of professional disciplines – from ecologists to renewable heat engineers. With the right strategic leadership, we could use this opportunity to develop the skills and commercial expertise Scotland needs to shift to a sustainable growth path and deliver a green recovery.

By focusing on vacant and derelict land we can do this in a way that will help direct resources and support to the parts of the country that need it most – making sure that those left behind by the last chapter in Scotland's economic history are at the forefront of the next.

Climate action needs to be a collective endeavour, but barely half of those living in our most deprived communities – those with the highest concentrations of vacant and derelict land – see it as an urgent priority. If we really want to make climate action a collective priority, then tackling our legacy of vacant and derelict sites is where we should start.

Making Better Use of Data to Drive Decisions

To tackle Scotland's legacy of vacant and derelict land we need to know where it is, what condition it is in, what barriers exist to its reuse and what its productive potential might be – and we need to make this information freely available so that anyone can use it to help bring sites back into use. Scotland is fortunate in that we already have a national register of vacant and derelict land, but the Register is far from perfect. We therefore recommend that:

- 1. Scotland's Vacant and Derelict Land Register should be reformed to provide a clearer focus on sites that have significant barriers to reuse, and effort and resources should be directed toward these sites through the planning system. The Register should incorporate accurate and up to date information about important barriers to reuse including flood risk, ownership and contamination; it should be linked to information about current planning and development status and incorporate small sites that are of particular concern to communities.
- 2. The information on the Register should be fully digitised and brought together in a publicly accessible, map-based format. This should be presented in an accessible and engaging way and linked to information about funding sources and reuse potential to help promote investment opportunities to commercial, philanthropic and social impact investors.

Aligning Policy to Support Delivery

While reusable grocery bags and regular trips to the bottle bank are now standard practice for most of us, the circular economy principles underpinning these good habits have not yet filtered through to our approach to land. While we may now baulk at the idea of single use plastics, we don't think twice about treating land – one of our most precious resources – as a disposable commodity. If Scotland is to emerge stronger from the pandemic, this needs to change. We need to start applying circular economy principles to land reuse and begin rebuilding the value of our collective inheritance. To achieve this, we recommend that:

- 3. Scotland's regeneration strategy should be updated and its status within the policy hierarchy enhanced to help embed a strong focus on place-based regeneration and land reuse in public policy and ensure that the opportunities of community empowerment, planning reform and community wealth building can be fully realised.
- 4. A more proactive approach to initiating and driving development should be adopted across the public sector. To support this, Scottish Planning Policy should incorporate a stronger focus on place-based regeneration; long term stuck sites should be identified as national investment priorities in the forthcoming National Planning Framework; and the remediation of brownfield sites should be recognised as an infrastructure investment priority in the next Infrastructure Investment Plan.
- 5. Action should be taken to make it easier to overcome ownership barriers to land reuse. This should include the introduction of new legislation for compulsory sales orders, a review of existing land assembly mechanisms, and reform of the current approach to public sector land disposals.

Aligning Strategic Funding to Support Delivery

Transforming vacant and derelict land could deliver substantial social, environmental and economic benefits but to do so there has to be strategic alignment between policy and funding. To achieve this, we recommend that:

- 6. Dedicated funding to support local authorities' efforts to bring vacant and derelict land back into use should be increased and an evaluation of the Vacant and Derelict Land Fund should be undertaken to ensure that funding criteria are fit for purpose.
- 7. The Scottish Government should initiate a review of strategic funding streams to ensure that they are aligned around the Place Principle and incorporate criteria that will help to direct investment to parts of the country that need it most. To support this, new approaches for appraising capital investment should be adopted across the public sector that go beyond financial measures and provide a clearer focus on wellbeing.
- 8. New approaches to funding the remediation of vacant and derelict land should be developed. This should include the introduction of an innovative new compensation instrument that would enable unavoidable biodiversity loss from greenfield development to be offset by improvements to derelict sites elsewhere, a new fund to enable derelict sites to be remediated to create a publicly-owned development land bank, and a community fund to tackle harmful and persistent small scale sites.

Stemming the Flow of New Sites

Scotland's overall stock of vacant and derelict land has not changed significantly in years. Part of the reason for this is that we are working against a huge backlog that is being added to all the time – it's like trying to empty a bath while the taps are still running! If we want to address the problem of vacant and derelict land, then the first thing we need to do is stop the problem from getting any worse. We need to turn off the taps. To do this we need to embed a culture of responsible land ownership so that when land or buildings are no longer required, they are never abandoned or allowed to fall into dereliction. To do this we recommend that:

9. The principle that it is unacceptable for land to be allowed to become derelict or to be left vacant indefinitely (if this has an adverse impact on the surrounding community) should be embedded within corporate social responsibility objectives across the public and private sector. To support this, public funding should be contingent on recipients fulfilling their obligations as responsible landowners and the disposal of public land and property only taking place after due diligence has taken place to ensure prompt and productive reuse.

- 10. All landowners should be expected to adopt proactive estate management policies that enable assets at risk of obsolescence to be identified early and put plans in place to avoid sites falling into disuse and becoming problematic. To support this, existing support for public sector asset disposal should be expanded.
- 11. The Government should move quickly to identify options for using the tax system to incentivise landowners to repurpose surplus commercial property for socially beneficial uses to prevent the emergence of a new legacy of vacant and derelict land as a result of the Covid-19 pandemic.

Tackling the Legacy

The scale of Scotland's legacy of vacant and derelict land means that a piecemeal approach will be inadequate. There are simply too many sites. Instead we need a thematic approach that allows us to tackle groups of sites collectively. There is no single right way of doing this, but our approach must be collaborative – drawing on the collective strength of the public, private and third sectors – and it must be inclusive, taking full account of the needs and aspirations of the communities concerned. Collective public sector leadership is key to success and has to be demonstrated through multi-year commitment to delivery. To do this we recommend that:

- 12. Scotland should establish a major national green infrastructure investment programme to bring our legacy of stuck sites back into use in ways that will contribute to a fair and green recovery, support job creation and skills development and help rebuild community resilience. The Programme should be built around four pillars of action: urban green spaces, community-led regeneration, low carbon housing and renewable energy, and supported by a multi-year funding package to stimulate investment.
- 13. Government should make a clear commitment to work toward the complete eradication of urban dereliction, put in place arrangements for monitoring progress toward this objective, and appoint a national coordinator to drive delivery.

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Part 1: Approach and the Case for Change

1 Introduction

Scotland has almost 11,000 hectares of vacant and derelict land spread across c.3,500 sites¹, an area roughly twice the size of Dundee. Although not exclusively an urban challenge, vacant and derelict land disproportionately affects urban communities in more deprived areas. Despite various policies and initiatives, the total amount of vacant and derelict land has not changed significantly in many years. Why is this, and how can we use these assets to unlock opportunities to make more of Scotland's land?

1.1 Establishing the Taskforce

The creation of the Scottish Land Commission in 2017 created a new impetus to address the issue of long term land vacancy and dereliction and led to the creation of the <u>Vacant and Derelict Land Taskforce</u> in 2018. The Taskforce, which was initially established in partnership with the Scottish Environment Protection Agency (SEPA), set out to:

Transform Scotland's approach to tackling vacant and derelict land, create the conditions necessary for eradicating persistent dereliction in urban communities and realise the social, economic and environmental benefits of returning unloved derelict urban land back to productive use.

Since its creation in September 2018, the Taskforce has met seven times.

From the outset, productive use was defined broadly to include everything from commercial development to green infrastructure.

Figure 1: Membership of the Taskforce

The Taskforce members include representatives from the following organisations:

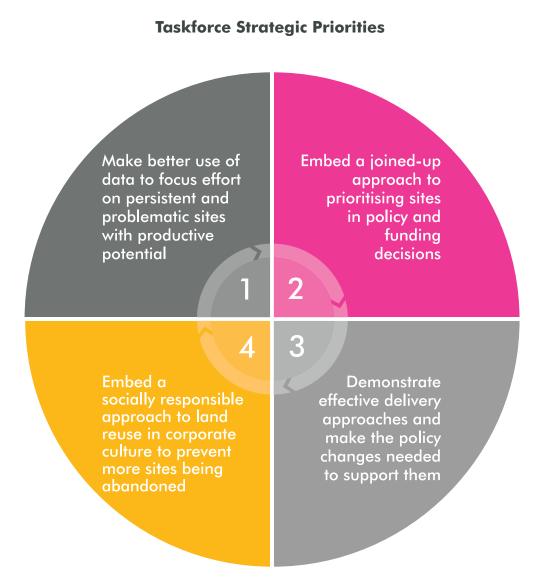
BT, Built Environment Exchange, Green Action Trust, Chartered Banker Institute, Clyde Gateway, Clydeplan, Community Land Scotland, Construction Scotland Innovation Centre, Development Trust Association Scotland, East Ayrshire Council, Edinburgh Chamber of Commerce, Glasgow City Council, Homes for Scotland, Institute of Directors, Leapmoor LLP, NatureScot, North Lanarkshire Council, Royal Scottish Geographical Society, Royal Town Planning Institute, Scotland's Towns Partnership, Scottish Enterprise, Scottish Environment Protection Agency, Scottish Futures Trust, Scottish Government, Scottish Land Commission, Scottish Power, Scotland's Regeneration Forum, Social Bite, Stirling University and Sweco.

¹Scottish Government (2020) Vacant and Derelict Land Survey 2019. Available <u>here</u>.

1.2 Identifying Strategic Priorities

A programme of research was undertaken to support the first phase of work. The outputs from this are available <u>here</u> and the key findings are summarised in section 3.

The findings from the research programme were used to develop four strategic priorities for the Taskforce (see below), which we published as part of our <u>Statement of Intent</u> in 2019.



1.3 Developing the Recommendations

Since then the Taskforce has worked to translate the four high-level strategic priorities into a series of practical recommendations that we believe will change the policy environment in the short, medium and long term to deliver real change.

The recommendations have been developed through extensive stakeholder engagement led by the Scottish Land Commission taking place over a period of three months in 2020. The consultation process has included over 40 stakeholders including over 20 local authorities, public agencies, membership and third sector organisations. The final set of recommendations was agreed by the Taskforce in August 2020.

The recommendations are targeted at all relevant actors including Government, public agencies, landowners and developers. Where possible, we have identified the organisations or existing structures that we think could play a role in delivery.

1.4 Turning the Recommendations into Reality

We are acutely aware that many of our recommendations will have resource implications for both the Government and public bodies involved in delivery. Revenue funding will be required to support the implementation of the policy recommendations described in sections 4 to 7 of this report while both capital investment and revenue funding will be required to deliver the ambitious programme of green infrastructure investment set out in section 8. Given current constraints on public finances we recognise that this will almost certainly require discussions between government and its agencies about reprioritisation of resources and hope that all parties will take a proactive approach to initiating these discussions.

To ensure that the full benefits of the programme of change set out in this report are realised, we also believe it is vital that central oversight and coordination will be required. This will be necessary to ensure that activities are complementary, lessons are learned and disseminated, and good practice is enshrined into our processes and systems.

We have set out our thinking on this coordination role in section 8.2.2, where we have recommended that the Government should appoint a national vacant and derelict land coordinator to oversee the delivery of our recommendations, but it is worth reiterating this here. We see the role of the national coordinator as threefold:

- To oversee delivery of the changes to Government policy and practice described in the report
- To make links between delivery agencies
- To report back to Government about lessons learned and implications for future policy change.

We recommend that this programme role should be embedded within Scottish Government with direct oversight from Scottish Ministers.

1.5 Structure of Report

The remainder of this report is structured as follows:

- The remainder of this section presents the key findings from the research programme and presents the case for change
- Section two contains our recommendations for changes in policy, funding and practice that will help to embed a more circular approach to land reuse in the future
- Section three presents our proposals for tackling Scotland's existing legacy of vacant and derelict land.

2 The Case for Change

Scotland's stock of vacant and derelict land is a legacy of our industrial past that has not changed much for years. Many of the sites have been in their present condition for decades. This matters for two reasons: because of the harm it causes, and because of the missed opportunities it represents. We can no longer afford to ignore it.

2.1 The Hidden Costs of Urban Dereliction

Life expectancy in Scotland is lower than elsewhere in the UK and this cannot be explained by differences in socio-economic conditions. Even after adjusting for differences in poverty and deprivation (the main causes of poor health in any society) around 5,000 more people die in Scotland each year than should be the case. A lot of research has been done to explain this. In 2016 the findings from this research were brought together in a <u>major report</u>², which identified the major causes of Scotland's "excess mortality." One of the factors identified was an "adverse physical environment."

The reasons for this are obvious. What you see when you get up in the morning and go home at night affects every aspect of your life. It affects how you feel about where you live, how you feel about yourself, whether you have the confidence to let your children out to play or even whether you have the motivation to get up in the morning.

Across Scotland, 28% of the population lives within 500 metres of a derelict site. In deprived communities, which also have the worst health outcomes, that increases to 55%³. This is not a coincidence. Addressing urban dereliction could play a major role in reducing health inequalities and improving wellbeing – but the benefits don't stop there.

²Walsh et. al. (2016), History, Politics and Vulnerability: Explaining Excess Mortality, Glasgow Centre for Population Health.

³Scottish Government (April 2020), Scottish Vacant and Derelict Land Survey.

2.2 A Missed Opportunity

The potential for reusing vacant and derelict sites is <u>huge</u>. They could be used to provide new homes, grow food, generate renewable energy, provide spaces to learn, play and connect. They could help us reduce carbon emissions, increase biodiversity and improve wellbeing. Addressing dereliction can also help to reduce crime and anti-social behaviour, making communities safer and more attractive for inward investment. It is difficult to think of a single major area of Scottish public policy that would not benefit from a concerted national effort to bring these sites back into use.

This holistic approach to place-based intervention lies at the heart of the <u>Place Principle</u>, which was formally adopted by the Scottish Government in 2018. Considerable progress has been made since then to embed the approach across Scotland's policy environment, but the continued presence of abandoned and neglected spaces within many communities across Scotland is a reminder that more remains to be done.

The Place Principle was developed by partners in the public and private sectors, the third sector and communities, to help them develop a clear vision for their place. It promotes a shared understanding of place, and the need to take a more collaborative approach to a place's services and assets to achieve better outcomes for people and communities.

Scottish Government website

A concerted national effort to bring Scotland's abandoned and unloved places back into use is a logical next step in this journey.

But the opportunity isn't just at the community level – a national focus on vacant and derelict land could also help tackle some of the biggest challenges we face as a society.

2.3 Towards a Wellbeing Economy

As the immediate public health crisis from Covid-19 starts to wane, the scale of the economic challenge we now face is becoming clearer. Job losses and business failure at a scale not seen in decades are realistic prospects. We need to restart our economy to meet these challenges – but we cannot simply return to our old ways of doing things.

Fighting Covid has brought the limitations of our existing economic model into stark relief but it has also created a huge appetite for change. There is a strong consensus that our current approach to growth is not working – for people or the planet – but a different approach is possible.

Regenerative growth, based on circular economy principles in which reuse of resources is designed into the production process from the start, is part of the solution. A zero waste approach to production is already becoming the norm in many parts of our economy – but we have yet to embrace this concept in relation to land reuse. Changing this could help us shift our whole economy onto a more sustainable growth path.

To achieve this, we need to increase productivity – we need to make better use of the resources at our disposal. Much of Scotland's stock of vacant and derelict land is in parts of the country left behind by previous waves of prosperity. These are places where we are manifestly not making the most of our assets – either human or natural. This has serious consequences for wellbeing, social cohesion and the economy.

The Place Principle was developed by partners in the public and private sectors, the third sector and communities, to help them develop a clear vision for their place. It promotes a shared understanding of place, and the need to take a more collaborative approach to a place's services and assets to achieve better outcomes for people and communities.

The causal links between inequality and sub-optimal economic growth are well established – UK GDP is already at least 9% lower than it should be because of rising inequality⁴. The economic rationale is compelling. We simply cannot afford to continue to leave large parts of urban Scotland behind.

2.4 A Green Renewal

A national focus on land reuse could also play a major role in tackling climate change. A significant proportion of Scotland's most persistent derelict sites are already partially naturalised and could – with relatively modest effort – be restored to fully functional natural capital assets. This would have several environmental and ecological benefits.

These sites could provide informal amenity greenspace for local communities – the absence of which has been keenly felt during the Covid pandemic. They could provide rare patches of urban habitat, supporting biodiversity and providing wildlife corridors through our towns and cities – and they could sequester carbon while helping to reduce adverse urban climate impacts like flooding, overheating and air pollution.

But the benefits don't stop there.

Using abandoned sites to grow food could help reduce unnecessary food miles while making it easier for communities to access fresh, healthy produce. Reusing brownfield land in preference to greenfield sites can help reduce the impact of development on the climate by reducing the need for residents to travel long distances for work and leisure. Some sites may even have the potential for renewable energy generation.

Transforming Scotland's legacy sites will require innovation and technical skills across a variety of professional disciplines – from ecologists to renewable heat engineers. With the right strategic leadership, we could use this opportunity to develop the skills and commercial expertise Scotland will need to transition onto a more sustainable growth path and deliver a green recovery.

By focusing on vacant and derelict land we can do this in a way that will help direct resources and support to the parts of the country that need it most – making sure that those left behind by the last phase of Scotland's economic development are at the forefront of the next phase.

⁴2015 parliamentary address by <u>OECD</u> Secretary General.

Climate action needs to be a collective endeavour, but according to the Scottish Household survey barely half of those living in our most deprived communities see it as an urgent priority (compared to 75% in more affluent neighbourhoods). If we really want to make climate action a collective priority, then tackling our legacy of vacant and derelict sites is the logical place to start.

3 Evidence

To help us better understand the challenge of vacant and derelict land, the Scottish Land Commission led a programme of research to inform the work of the Taskforce.

3.1 Understanding the Problem

The first piece of <u>research</u>⁵ provided, for the first time, an analysis of the different types of sites on the Scottish Vacant and Derelict Land Register and the challenges of bringing these back into use. It concluded that the Scottish Vacant and Derelict Land Register provides little guidance about which sites are harmful, which are just part of the overall land supply and which are slowly naturalising. It found that the sites brought back into use each year tend to be smaller, more recently vacated sites with fewer barriers to reuse (the "lower hanging fruit") – whereas older, more challenging sites in more difficult market areas tend to persist.

Thus, the steady, successful reuse of sites for new purposes masks a layer of problematic sites that persist from year to year – and indeed from decade to decade. The result is a legacy of hardcore sites that are unlikely to ever come back into use without concerted effort. These are Scotland's 'stuck sites': persistent, problematic, yet with productive potential for reuse where additional public focus is needed. A clear recommendation from this early work, which was subsequently adopted by the Taskforce, was that future activity should focus on these sites.

3.1.1 Introducing the DUSTEs

Further analysis⁶ was undertaken to identify and characterise Scotland's stuck sites. By applying a series of filters to the 2018 Scottish Vacant and Derelict Land Register, the research identified c.600 Derelict Urban Sites that have been unused since Two thousand or Earlier and are effectively permanent residents of the Register. These are Scotland's DUSTEs (see fig.2)

⁵Scottish Land Commission (2019) Vacant and Derelict Land Task Force: Phase One Report. Available <u>here</u>. ⁶Scottish Land Commission (2020) Understanding Scotland's Stuck Sites.

Fig.2 Scotland's Most Stuck Sites

Scotland's DUSTEs are:

- Derelict sites with identified barriers to re-use, such as leftover buildings and materials, are likely to be more challenging to bring back into use than sites that are simply vacant – and therefore in greater need of public support
- Urban Sites sites located within communities are more likely to be causing harm to people nearby – and therefore a higher priority for action than sites located out in the countryside
- unused since Two thousand or Earlier sites that have been on the Register since at least 2000 were not a result of the 2008 financial crash and have persisted for 18 years through market growth, crash and recovery and can therefore genuinely be regarded as 'stuck'.

To understand more about these sites, during the spring and summer of 2020 SEPA and the Green Action Trust led an engagement programme with planning authorities about registered sites within their geographic boundary.

This process enabled us to identify where development activity is underway but not yet reflected in the Register and where nature is beginning to take its course and sites have been partially or completely naturalised. Not only has this enabled us to refine the long list of DUSTEs to provide greater focus on the most problematic sites, but it has also helped to identify potential opportunities for transforming some sites into much needed urban green space. These sites could provide a relatively quick and low-cost approach for addressing some of Scotland's most persistent urban dereliction.

3.2 The Consequences of Long Term Dereliction

The next major piece of research⁷ undertaken for the Taskforce investigated the <u>consequences of long term vacancy and dereliction on communities</u>. It found that derelict sites can blight a community by affecting the wellbeing of the people living there and negatively affect the local environment and economy and social cohesion. The report was used to develop a framework for decision-makers to gauge the impacts of a site on communities that can be used to help identify and prioritise harmful sites.

The research found that it is often smaller sites that are particularly prominent within a local area that are the most harmful. The effect of clustering (where groups of neglected sites are located in a concentrated geographic area) and physical condition – i.e. sites that are in a neglected state – were also factors that were found to exacerbate the harmful effects of vacant and derelict land on communities.

These findings point to the need to provide mechanisms that will enable communities to take a lead role in identifying and prioritising locally significant sites for action, particularly where these may not yet have been identified on the national register. It also points to a need to focus efforts particularly on those parts where urban dereliction is most heavily concentrated.

⁷Stantec, Kevin Murray Associates and Glasgow Caledonian University (October 2019) Vacant and Derelict Land in Scotland: Assessing the Impact of Vacant and Derelict Land on Communities, Scotlish Land Commission. Available here.

Fig.1 Scotland's DUSTEs8



The DUSTEs are:

There are no DUSTE sites on Orkney or Shetland, therefore they are not displayed on this map.

- more prevalent in deprived areas
- more likely to be in private or complex ownership
- concentrated in west central Scotland
- often in weaker market areas
- often clustered together suggesting a place-based approach would be appropriate.

⁸Scottish Land Commission (2020) Understanding Scotland's Stuck Sites.

3.3 A New Approach to Encouraging Reuse

A review of funding sources for land reuse showed that there is significant funding available for a wide range of end uses and groups? However, research has also shown that we need to go beyond traditional financial valuation for land reuse if we are to more effectively target our stuck sites¹⁰. Decisions about what to do with a vacant site, including if and when to dispose of them, are most often made on the basis of fairly narrow cost-benefit analysis. Sites in areas with inherent problems are an even weaker prospect for generating reuse. Low land values can mean that owners often wait in hope of a better future return and the sites become 'stuck'. The findings inform guidance on a new approach to making a business case for reusing land based on Scotland's National Outcomes and draws out the social, environmental and community benefits of bringing of reusing land.

Taking a new view on investment focusing on people's health and wellbeing, nature and the nation's economy will be required to bring forward some of these sites. Innovation is underway already with SEPA and the Scottish Wildlife Trust's £1 Billion Challenge, which proposes a privately-financed Vacant and Derelict Land Fund to generate investment returns from environmental and social benefits. A longer term, more collaborative and broader approach to land reuse is required and this is actively encouraged through the Scottish Government's Place Principle.

The potential of these sites should not be considered in isolation. Our research on community impact has shown that affluent communities may have greater resilience and capacity to cope with the impacts of vacant and derelict land and may be more able to encourage reuse of a site, whereas the converse may be true of less affluent communities leading to much slower reuse of derelict sites. Land Commission research with SURF suggests that there may be a real risk of widening inequalities if the community context is not considered, which is why we need to put them at the heart of decision-making¹¹.

⁹Scottish Land Commission (2019) A review of funding sources for the reuse of Vacant and Derelict Land. Available <u>here</u>.

¹⁰Scottish Land Commission (2020) The Case for Change: A New Approach to Assessing the Benefits of the Productive Reuse of Land. Available <u>here</u>.

¹¹SURF (2019) Land and Communities: Beyond the Echo Chambers. Available <u>here</u>.

Part 2: Recommendations for Policy and Practice

4 Making Better Use of Data to Drive Decisions

To be able to tackle Scotland's legacy of vacant and derelict land we need to know where it is, what condition it is in, what barriers exist to its reuse and what its productive potential might be – and we need to make this information freely available so that anyone can use it to help bring sites back into use. Scotland is fortunate in that we already have a national register of vacant and derelict land, but the Register is far from perfect. Modernising and reforming the Register so that it can become a fully functional part of the planning system should be our first objective. To support this, we recommend that:

- 1. Scotland's Vacant and Derelict Land Register should be reformed to provide a clearer focus on sites that have significant barriers to reuse, and effort and resources should be directed toward these sites through the planning system. The Register should incorporate accurate and up to date information about important barriers to reuse including flood risk, ownership and contamination; it should be linked to information about current planning and development status and incorporate small sites that are of particular concern to communities.
- 2. The information on the Register should be fully digitised and brought together in a publicly accessible, map-based format. This should be presented in an accessible and engaging way and linked to information about funding sources and reuse potential to help promote investment opportunities to commercial, philanthropic and social impact investors.

4.1 The Vacant and Derelict Land Register

The main source of information about vacant and derelict land in Scotland is the national Vacant and Derelict Land Register. This is a centrally held register, administered by the Scottish Government to which all local authorities are invited to submit data, on a voluntary basis, through an annual survey.

The Vacant and Derelict Land Survey is used to allocate funding from the Vacant and Derelict Land Fund (VDLF), but other than this has no clear role in policy or decision-making. Research undertaken for the Taskforce¹² found that although the Register is a rich and potentially valuable resource, it is not currently fulfilling its full potential because it does not give a true picture of the nature or scale of vacant and derelict land in Scotland.

¹²Scottish Land Commission (2019) Vacant and Derelict Land Task Force: Phase One Report. Available <u>here</u>.

The data submitted to the Survey by different local authorities is inconsistent and of limited value in its ability to inform investment or planning decisions. The Register also contains little information about the barriers to reuse facing a site or its productive potential. For example, information on planning policy, viability, site history and potential outcomes are not included in the register.

The Register contains a mixture of sites, some of which face significant barriers to reuse and pose a genuine risk to community wellbeing and others that do not, but there is currently no way of differentiating between them.

While we know that there is a steady reuse of sites from the Register, the sites that are reused tend to be the 'lower hanging fruit.' They tend to be vacant rather than derelict and therefore likely to have fewer barriers to reuse, and they tend to have been more recently vacated.

This tends to mask a persistent legacy of sites that are effectively permanent occupants of the Register. These sites account for around 30% of sites on the register and many of them have been in their current condition for decades¹³. These are Scotland's 'stuck' sites and they should be tackled as a national priority.

There is huge potential for the Register to help focus effort and resources on stuck sites if the data collected by the Survey and contained within Register is used in way that supports planning and regeneration decisions. To achieve this, the Register should be reformed and given a much clearer role in policy. This would enable a much closer alignment between regeneration and planning objectives.

Reviewing the Register, associated Survey, and guidance would elevate it from what is currently largely a statistical exercise into a meaningful planning tool. This should, in turn, incentivise greater local authority participation, provide a more complete picture of vacant and derelict land and lead to improved place-making outcomes.

The Vacant and Derelict Land Register should be reformed to provide a clearer focus on problematic sites and repositioned to play a more direct role in guiding planning outcomes.

Considerable expertise relating to the Register exists within local authorities and an established working group exists that brings this expertise together. This group would be well placed to guide reforms to the register if supported and empowered to do so. A National Planning Performance Coordinator as proposed in the Planning (Scotland) Act 2019 would also be well placed to align the vacant and derelict land Survey findings with wider place-making activities.

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4.2 Micro-sites

The size threshold for inclusion in the Register is 0.1 hectares. This means that the Register generally overlooks smaller sites, even though these may be a cause of blight and be comparatively deliverable. Research¹⁴ to understand the impact that abandoned or neglected sites have on communities show that often smaller sites, such as gap sites or buildings, can have a particularly harmful effect on the surrounding area.

The sheer number of these sites would make it impractical to incorporate all of them on the Register, yet there is clearly a need for the most problematic local sites to be prioritised for action. To address this, we propose that communities should be encouraged to identify particularly problematic or harmful vacant and derelict sites through Local Place Plans.

The Vacant and Derelict Land Register should be extended to incorporate sites smaller than 0.1 ha where these have been identified as local priorities through a Local Place Plan and can be shown to have significant barriers to reuse.

Research undertaken on behalf of the Taskforce has been used to develop a <u>framework</u>, which has been designed to work alongside the <u>Place Standard</u> to assess the impact of vacant and derelict sites on communities. The Framework could be used to help assess how harmful sites are to the surrounding community and prioritise them for action.

Organisations such as Planning Aid for Scotland could play a helpful role in delivering this recommendation by working with communities to develop local place plans that explicitly identify locally significant problematic sites.

4.3 Understanding Site Constraints

The types of data and information included on the Register makes it difficult to understand how viable a site is and find a suitable end use. If more information about the site and its constraints were included in the Register this would reduce the time and resources needed for site investigations, which would help to de-risk sites and make it easier for them to be brought forward for development.

The public sector has a crucial role to play in providing data that informs place-making and investment decisions. Planning authorities, statutory planning agencies such as SEPA, NatureScot and Historic Environment Scotland, as well as Registers of Scotland, have a wealth of knowledge to provide information on factors such as biodiversity, heritage, flood risk, contamination, ownership and flooding.

Linking this information to the Vacant and Derelict Land Register would be hugely valuable in providing site-level information to inform decisions about reuse. This could help front-load the planning process and support land use decisions for local authorities, landowners, or developers in addressing site challenges. This allows all parties to be more adaptive, manage challenges and build in flexibility, ultimately creating the conditions to deliver.

¹⁴Scottish Land Commission (2019) Vacant and Derelict Land in Scotland: Assessing the Impact of Vacant and Derelict Land on Communities. Available <u>here</u>.

Relevant public agencies should be required to update the Register regularly with site level information covering current planning and development status, flood risk, contamination and ownership.

The information required to do this already exists within the public sector so there should not be any requirement for any major data collection exercise to achieve this and much of it is already being digitised as part of the <u>Scottish Government's Digital Planning</u> programme. Extending the scope of this Programme to incorporate vacant and derelict land could therefore provide a ready-made opportunity to deliver this recommendation.

4.4 Making Sites Visible

The Vacant and Derelict Land Register is currently presented in spreadsheet format accessed via the Scottish Government's website. The spreadsheet is difficult to find and not presented in an engaging way, effectively rendering the information within it invisible to all but the most determined investigators. This is a major barrier to reuse.

How we present and access vacant and derelict land data is important. Making information available, freely and publicly, could enable a wide range of stakeholders from public bodies, local businesses, to community groups to take a much more proactive approach to reuse. It could reinforce statutory development plan processes and support Local Place Plans, allowing regeneration to happen across different scales.

Presenting the information contained within a reformed Register on a publicly-available, map-based portal has the potential to transform what is currently a statistical exercise into an inspiring investment promotion tool – particularly if this is linked to information about potential funding sources.

A publicly-accessible, map-based portal should be created to provide easy access to the information in the Register and promote viable investment opportunities.

Work being taken forward through the Digital Planning Taskforce could provide the IT architecture needed to underpin this, but support would be required to develop public-facing gateway/s to the information. <u>Some local authorities</u> have already taken steps in this direction, such as South Ayrshire Council, for example, which has developed a <u>web-based story map</u> with its data, but many lack the capacity and/or technical expertise to do so.

Expertise in Geographic Information Systems (GIS) is particularly important for this. GIS expertise provides the technical ability to present data about sites in a map-based format and is invaluable for identifying opportunities to support better place-making and make better use of the public estate – but not all local authorities have these skills. Ideally all local authorities should invest in this capacity but current pressures on public finances means that this may not be realistic; therefore we suggest that resource should be made available at a national level.

Local authorities should aim to invest in in-house GIS expertise and resource should be made available at a national level to support this.

We believe that the Improvement Service could play an important role in providing the technical resource to support this. We also see a role for Scotland's enterprise agencies in helping to present large scale investment propositions to the market and for third sector organisations and community intermediaries to help promote opportunities to the community sector.

5 Aligning Policy to Support Delivery

Reduce, reuse, recycle is a familiar mantra that is quickly becoming a life habit for anyone with even a passing concern about the future of our planet. But while reusable grocery bags and regular trips to the bottle bank are now standard practice for most of us, the circular economy principles underpinning these good habits have not yet filtered through to our approach to one of our most precious resources – land, which is often treated as a disposable commodity.

If Scotland is to emerge stronger from the pandemic then this needs to change. We need to build on the positive work that is already happening and more urgently adapt the policy environment to start applying circular economy principles to land reuse and put wellbeing at the centre of decision-making. Turning this into reality will require us to mainstream a place-based approach in decision-making and rethinking the value of our collective assets. This means a proactive role for the public sector in initiating and driving development and a policy and funding environment that is aligned to support delivery. We suggest that the following changes are required:

- 3. Scotland's regeneration strategy should be updated and its status within the policy hierarchy enhanced to help embed a strong focus on place-based regeneration and land reuse in public policy, and ensure that the opportunities of community empowerment, planning reform and community wealth building can be fully realised.
- 4. A more proactive approach to initiating and driving development should be adopted across the public sector. To support this, Scottish Planning Policy should incorporate a stronger focus on place-based regeneration; long term stuck sites should be identified as national investment priorities in the forthcoming National Planning Framework; and the remediation of brownfield sites should be recognised as an infrastructure investment priority in the next Infrastructure Investment Plan.
- 5. Action should be taken to make it easier to overcome ownership barriers to land reuse. This should include the introduction of new legislation for compulsory sales orders, a review of existing land assembly mechanisms and reform of the current approach to public sector land disposals.

5.1 Embedding a Circular Approach to Land Reuse

Productive reuse of land will be fundamental to Scotland's transition to a circular economy, but land reuse does not currently feature very prominently in Scotland's strategic policy hierarchy. If Scotland is to make a successful transition to a low carbon economy, then this needs to change.

The main policy document relating to land reuse is the Scottish Government's Regeneration Strategy¹⁵ but this has not been updated since 2011, limiting its effectiveness. For example, one of the key actions within the Strategy was the introduction of new legislation on community empowerment. The Community Empowerment Act (Scotland) was introduced in 2015, creating important new opportunities for communities to drive local regeneration, but these opportunities are not reflected in the strategy. Similar arguments could be made about Local Place Plans, which were introduced in the Planning (Scotland) Act 2019 and the emerging narrative around community wealth-building.

Updating the strategy to reflect these and other important developments could play an important role in driving the shift toward a more circular approach to land reuse. We therefore recommend that:

Scottish Government reviews and updates the 2011 Regeneration Strategy with a view to enhancing its status and aligning it more closely with planning, land reform and the community empowerment agenda.

5.1.1 Public Interest-Led Delivery

Much has been said and written in recent years about the value of a public interest-led approach to delivery. Whether under the guise of an 'infrastructure first,' 'plan-led' or 'public interest-led development,' the essential idea is the same: to deliver the public interest in land, the state needs to play a much more proactive role in planning and delivering major development, and that in so doing can create value that would not otherwise exist. This is a view that the Taskforce wholeheartedly endorses.

Parts of Scotland have already grasped this opportunity. The Dundee Waterfront and the Clyde Gateway partnership are both examples of effective public interest-led delivery. We need to build on, replicate, and learn from such initiatives. To do this we suggest that:

The Government should consider how a public interest-led approach to delivery can be embedded across the public sector and take steps to support this through public policy.

¹⁵Scottish Government (December 2011) Achieving a Sustainable Future: Regeneration Strategy. Available <u>here</u>.

In 2019 the Scottish Land Commission provided <u>advice to the Scottish on options</u> <u>for capturing uplifts in land value uplift</u> to the Government. This advice drew on collaborative research undertaken with the Scottish Futures Trust and proposed an outline framework that could be used to help support public interest led delivery at a national level. Further work is now being undertaken to develop these ideas and will be published in early 2021.

This work will consider the experience of other European countries, which use approaches such as pre-emptive acquisition or land pooling to allow sites to be assembled for development. These approaches enable increases in land value to be used to help fund the infrastructure improvements required to make the scheme viable. This work will provide valuable lessons for what Scotland will need to do in order to embed a more proactive approach to delivery.

At the local level there is also much that could be done to embed a more proactive approach to delivery. One important challenge in relation to vacant and derelict land is the issue of 'serial redevelopment sites.' These are sites that have been allocated for development in the Local Development Plan but, despite being associated with multiple development proposals, remain undeveloped. Usually the cause is problems with site viability, with plans often hitting the same barriers again and again. This can result in sites lying empty with successive proposals failing over time.

To avoid this, and the consequent harm to communities, it is imperative that planning authorities fully consider potential barriers to reuse when designating sites for development in the Local Development Plan. Plans should be in place to provide infrastructure or remediate land, and there should be a more flexible approach that allows designations to change if it becomes clear that development will not come forward.

The input and advice of statutory planning authorities, who can provide valuable information on site constraints as well as innovative ideas for helping to overcome these constraints, can be invaluable in such situations.

Recognising the value of this collaborative approach, the Key Agencies Group, a formal grouping of statutory planning agencies, wrote to planning authorities in June 2020 to outline the benefits of a more collaborative approach and offer support to help deliver a green recovery. We believe that this approach could be a game changer for serial redevelopment sites and therefore encourage:

Planning authorities to identify sites that have been the subject of repeated redevelopment proposals but that have not come to fruition and work with the Key Agencies group to develop innovative solutions that will enable activity to progress.

5.2 A Supportive Policy Environment

A supportive policy environment will also be crucial for embedding a circular approach to land reuse. Planning policy will be central to this at the local, regional and national level.

5.2.1 NPF4 and National Planning Policy

The opportunities and potential benefits from reusing vacant and derelict land are recognised in Scotland's current National Planning Framework (NPF3), but while some progress has been made, the amount of vacant and derelict land recorded on Scotland's national register has not changed appreciably since NPF3 came into force.

The Planning Scotland (2019) Act presents a major opportunity to rectify this and deliver a step-change in how Scotland approaches land reuse. Addressing Scotland's most challenging sites through NPF4, which will incorporate Scottish Planning Policy, is an opportunity to act on climate change, strengthen local economies, tackle health and wellbeing inequalities and deliver inclusive growth. We therefore call on Government to use this opportunity to adopt a more ambitious approach.

The Taskforce has already submitted our ideas about how planning policy could be strengthened to bring a greater focus on vacant and derelict land to the recent consultation on NPF4. Our full response to the consultation can be downloaded here but two key points bear repetition:

National Planning Framework 4 should prioritise brownfield sites for development in policy and recognise stuck sites as a national development priority.

The Taskforce has undertaken initial work that could provide a basis for identifying stuck sites. This work has involved developing a set of objective criteria to identify a sub-set of sites from the existing vacant and derelict land register that are most harmful to surrounding local areas and most in need of public intervention. Significantly, more than two-thirds of these sites are in Scotland's most deprived communities.

NPF4 should stipulate that all Local Development Plans and National Developments must demonstrate the contribution they will make to enhancing wellbeing.

This could be achieved by revising existing guidance on the assessment of neteconomic benefits to focus explicitly on wellbeing and enhancing the status of this guidance within the decision-making process.

The Scottish Land Commission recently published <u>guidance</u> setting out how the full benefits of bringing vacant and derelict sites back into use can be assessed that could inform this guidance (see <u>6.2.1</u>) and would welcome the opportunity to support Government in making this change.

5.2.2 Regional Land Use and Planning Policy

Many of Scotland's stuck sites have complex remediation needs. This can seriously compromise commercial viability, which can deter traditional developers with an understandable preference for less complex greenfield development.

Planning authorities play an important role in promoting the reuse of vacant and derelict land but face an unenviable challenge of balancing policies to promote the reuse of land with policies designed to attract investment. Authorities that adopt an ambitious approach to prioritising brownfield development risk losing much needed investment to neighbouring authorities with a more flexible approach.

NPF4 and future Regional Spatial Strategies could help to mitigate the adverse effects of unintended competition between local authorities by requiring the prioritisation of brownfield development at a regional level. Careful thought would be required to design policy in a way that supports rather than deters investment, but overseas experience suggests this is an achievable aspiration. Regional Land Use Partnerships aligned with Regional Spatial Strategies could provide an effective vehicle for managing this coordination at a regional scale. Therefore, we suggest:

Regional Land Use Partnerships should be used to prioritise the redevelopment of brownfield sites at a regional level.

5.2.3 Local Planning Policy

Policy changes at the national level can go a long way to supporting a more circular approach to land reuse but ultimately delivery occurs locally. There is much that could be done at a local policy level to help steer more development toward vacant and derelict land.

For example, some local authorities in England are exploring the use of site pairing policies, whereby permission to develop a greenfield site is dependent on the applicant also bringing forward proposals for the redevelopment of a brownfield site.

We believe there could be significant benefits from sharing good practice on innovative planning approaches like this between planning authorities. Organisations such as Architecture and Design Scotland, the Royal Town Planning Institute, and Partners in Planning would be well placed to help with this by promoting good practice, sharing knowledge and building confidence.

Local authorities should explore options for innovative planning policies that would support the reuse of vacant and derelict land. This should be encouraged through a programme of skills and knowledge sharing led by professional organisations.

5.2.4 Infrastructure and Capital Investment

As highlighted in 5.1, stuck sites can be seen as too difficult and expensive to redevelop. While the challenge of remediating these sites is real, adopting a longer-term, patient place investor approach can turn a challenge into an opportunity. To do this and realise economic, social, and environmental benefits requires a strategic approach to site remediation and reuse of derelict land.

Remediation of derelict and contaminated land should be recognised as an infrastructure priority within the next Infrastructure Investment Plan.

5.3 Land Ownership Barriers and Enablers

Site ownership can be both a crucial enabler and a powerful barrier to productive reuse, but there are a number of practical steps that can be taken to address these issues.

5.3.1 Unwilling Landowners

Where sites are not in public ownership this can pose a real barrier to redevelopment and make it difficult to pursue a public interest-led approach to delivery. Overcoming ownership barriers requires the public sector to take a proactive role in assembling sites for development, but during the course of our work the Taskforce has heard evidence from multiple public bodies that suggests current provisions for public land assembly are inadequate.

The main mechanism currently available to public authorities to overcome ownership barriers is compulsory purchase procedures, which allow public bodies to take direct ownership of sites under some circumstances. However, compulsory purchase procedures generally take a long time to complete. This can present difficulties because when regeneration plans are developed for an area, this can cause the value of sites to rise rapidly, before authority for compulsory purchase can be secured, which can result in regeneration projects becoming unviable.

The requirement for public bodies to demonstrate that they have the funds in place up front to secure a Compulsory Purchase Order can also cause projects to stall, particularly the regeneration of large-scale sites. This could be resolved by removing the requirement to demonstrate available funding (proposals for compulsory purchase usually lead to a negotiated purchase) or by providing multi-year funding for regeneration and land reuse. To help overcome these issues we recommend that:

A review is carried out to determine whether existing land assembly mechanisms and procedures, including rules around compensation for compulsory purchase, adequately support a more proactive role for the public sector in driving delivery of major regeneration sites. Land ownership can also be a barrier to reuse when landowners have unrealistic expectations about the current value of a site and choose to hold off development in the hope that prices will increase in the future. To help address this the Scottish Land Commission put forward proposals in 2018 for <u>Compulsory Sales Orders</u> (CSOs) that would give local authorities the ability to require the sale of sites that have been vacant for an undue period to be sold by public auction. The Taskforce is of the view that CSOs would be a valuable part of the regeneration toolkit. Therefore, we recommend that:

The Scottish Government should bring forward proposals for the introduction of Compulsory Sales Orders early in the next Parliament.

5.3.2 Community Ownership

Site ownership is important not just as a potential barrier to reuse, but also as a crucial enabler for realising the social value of vacant and derelict land.

The policy agenda around community ownership has evolved significantly over the last 20 years to a point where it is now relevant across rural and urban Scotland, and is increasingly recognised as being integral to regeneration and sustainable development in both rural and urban contexts. It is now widely recognised that in order for communities to realise their full potential, it is critical that they are able to exercise effective control over the key community assets and infrastructure that underpin community wealth.

North Ayrshire Council's commitment to <u>community wealth building</u>, which includes an explicit focus on land as a key building block of community wealth, is an exemplar in this respect and we welcome the Scottish Government's commitment to supporting the rollout of this approach in five other local authority areas¹⁶.

The ability to control such assets, whether through ownership or more collaborative models of governance, ensures that they can be managed in a way that supports the development of social capital, the fundamental building block of resilient communities. Repurposing some of the small unloved sites that currently blight communities all over Scotland as community assets could play a significant role in helping to drive forward this community wealth building agenda.

However, while community groups could play a really important role in bringing these small sites back into use, the current policy and legislative frameworks surrounding community ownership can place a disproportionately heavy burden on communities. Implementation of the recommendations set out in the 2018 **Review of Community Ownership** would help with this, but further action to scale up community led regeneration is likely to be required.

In July 2020 the Development Trusts Association Scotland and the Scottish Land Commission established a joint action research project to help identify how community led approaches to land reuse can be most effectively supported. The findings from the project are expected to be published in Autumn 2022, at which point it is recommended that the:

¹⁶Scottish Government (September 2020), 'Protecting Scotland, Renewing Scotland.'

Government consider the findings of the joint action research led by the Development Trusts Association into how community led regeneration of vacant and derelict land can be scaled up.

5.3.3 Ownerless Land

When ownership of a site is uncertain this can present a major barrier for reuse. Sometimes uncertainty over ownership is simply the result of a lack of transparency or availability of information (something that the completion of the Land Register in 2024 should help to address) but in some cases it arises because a site has no owner, perhaps because the previous owner has died or, in the case of a company, been dissolved.

In Scotland ownerless land and buildings fall to the Crown and are dealt with on the Crown's behalf by the Queen's and Lord Treasurer's Remembrancer (QLTR). Established in 1834, the QLTR is currently supported by a small department in the Crown Office and Procurator Fiscal Service.

When a site is confirmed as ownerless the QLTR may either:

- Claim and dispose of the property on the open market or to an interested party where there is value in doing so
- Disclaim the property.

If the QLTR opts to disclaim a property, it becomes legally ownerless, effectively postponing any form of productive reuse in the short to medium term, creating a lengthy and complicated route to ownership, and subsequent reuse, for future prospective owners.

As such the QLTR is, in many respects, the gatekeeper on the potential reuse of sites that have no commercial or economic value, but could have substantial community or environmental value; these functions have the potential to play a pivotal role in ensuring such sites are set on the path to productive reuse.

The powers and functions of the QLTR are unique and if they were to be reformed to align with wider regeneration and land reform objectives, could be a game-changer for overcoming ownership issues on these sites. We therefore suggest that:

The QLTR's role, powers and functions should be reviewed to see how they might allow better alignment with wider regeneration and land reform objectives.

This should include a review of the disclaimer process, and alternatives such as a statutory transfer mechanism considered for transferring Title; a review of the barriers to decision-making, such as the allocation of liability for clean-up and maintenance costs; the role of other public bodies in the decision-making process; the timescales within which decisions should be made; and the criteria, such as the Scottish Public Finance Manual, against which decisions are made.

5.3.4 Public Disposals and Accounts

More than a third of the sites on the Scottish vacant and derelict land register are owned by the public sector.¹⁷ In principle this should make it easier to bring about productive reuse but in practice things are rarely so straightforward. Part of the reason for this is that unless a site is part of an active regeneration programme, public sector owners often behave much like private owners, seeking the highest price for a site rather than considering the wider benefits of reuse.

This behaviour is perhaps explained by the requirement for public bodies to secure 'best value' – and the common interpretation that this equates to highest price.

This approach can result in organisations or parts of organisations working in silos. Surplus public assets are disposed of on the open market by one public body when they could have been used to help deliver public policy priorities being pursued by another. To overcome this:

The Government should review Guidance relating to the Scottish Public Finance Manual to ensure that it enables decision-makers to account for the wider benefits of bringing land back into use and require public agencies to update their own disposal guidance to reflect this.

We note that this recommendation is similar to one included in an <u>evaluation of asset transfer requests</u> published by the Scottish Government in 2020, and that the Government committed to establishing a group to take forward these recommendations. We believe that Scottish Futures Trust could provide valuable input and advice in this regard.

The decision to retain land or property is often driven by an expectation that the site can be sold in the future to generate funds to help finance core operations. When expectations of future prices exceed current market prices, there is no incentive to pursue a sale and sites can remain unused. Making decisions based purely on financial returns makes sense for private landowners but public bodies should take a more enlightened approach.

To do this we need to look again at how land is valued by the public sector and question whether current public accounting practices are really operating in the public interest. Historic acquisition costs and potential future value are rarely a good reflection of the current value that a site or property could be generating for society right now. Reusing land can generate significant benefits for society that are rarely quantified. Improving health outcomes and educational attainment, and reducing crime and anti-social behaviour generate significant savings in the long term that can be quantified.

When public bodies choose to retain property based on what they might be worth in the future they are, by implication, confirming that they do not require the funds locked up in the asset to fund current operations. They have decided they can afford to wait.

¹⁷Scottish Vacant and Derelict Land Survey (2019), Scottish Government.

This implies that it should be possible to transfer future cost savings arising from the reuse of an asset from the agency realising the savings to the agency releasing the asset after the asset has been brought back into use. This would require a more imaginative approach to public accounting that would make it easier to move savings between departments and across different time periods. To address this:

Government should work with relevant research and professional bodies to develop innovative public accountancy mechanisms that would enable cost savings to be moved between agencies and across different time periods.

6 Aligning Strategic Funding to Support Delivery

Transforming vacant and derelict land can help to address multiple different policy objectives, but despite this there is no major national programme for bringing vacant and derelict land back into use. The Vacant and Derelict Land Fund (VDLF) is the only dedicated source of funding for this purpose, but it is relatively small (£7.6 million in 2020-21) and only available to five local authorities. Enhancing and reforming the VDLF will be key to transforming our approach to land reuse, but it will not be sufficient.

To realise the full potential of our vacant and derelict land resource we also need to align other major sources of strategic capital funding to support delivery. But allocating more funding will not be enough. To gain the benefits to health and wellbeing that vacant and derelict land reuse unlocks, public project appraisal should consider not just the financial, but the social and environmental returns on investment.

There are also opportunities to implement innovative new funding mechanisms focused on housing-led regeneration, community led projects, and the creation of greenspace in areas disproportionately harmed by derelict land.

- 6. Dedicated funding to support local authorities' efforts to bring vacant and derelict land back into use should be increased and an evaluation of the Vacant and Derelict Land Fund should be undertaken to ensure that funding criteria are fit for purpose.
- 7. The Scottish Government should initiate a review of strategic funding streams to ensure that they are aligned around the Place Principle and incorporate criteria that will help to direct investment to parts of the country that need it most. To support this, new approaches for appraising capital investment should be adopted across the public sector that go beyond financial measures and provide a clearer focus on wellbeing.
- 8. New approaches to funding the remediation of vacant and derelict land should be developed. This should include the introduction of an innovative new compensation instrument that would enable unavoidable biodiversity loss from greenfield development to be offset by improvements to derelict sites elsewhere, a new fund to enable derelict sites to be remediated to create a publicly owned development land bank, and a community fund to tackle harmful and persistent small scale sites.

6.1 The Vacant and Derelict Land Fund

Currently the only source of funding dedicated exclusively to bringing land back into use is the Vacant and Derelict Land Fund. The fund is comparatively small relative to the costs of remediation and reuse (worth £7.6 million in 2020-21) and is available only to the five local authorities with the most vacant and derelict land.

Although the fund is extremely important for stimulating local action its size and scope limits its potential impact.

There are also issues with the effectiveness of the criteria used to allocate funding. For example, because the Fund is only available to the five local authorities with the most vacant and derelict land, the reward for successfully bringing land back into use can be a loss of future funding. This creates a perverse incentive for local authorities not to remove sites from the register.

The VDLF also operates on an annual funding cycle, which can be problematic because it tends to inhibit medium and long-term projects. As the remediation and reuse of land can take years this can be particularly problematic. A long-term approach to funding is very important.

To address these issues we recommend that:

Dedicated funding to support local authorities' efforts to bring vacant and derelict land back into use should be increased, and an evaluation of the Vacant and Derelict Land Fund should be undertaken to ensure that funding criteria are fit for purpose.

6.1.1 Awareness of Funding Sources

A common perception about vacant and derelict land is that if a site is located in a local authority that is not currently eligible for VDLF, then funding will not be available. This is not the case and this view needs to be challenged.

As part of our work the Taskforce undertook a <u>review of different funds</u> that could be used to support the reuse of vacant and derelict land. This review identified more than 40 funding sources that could be used to support derelict land remediation and reuse that deliver clear environmental and community benefits.

However, it is challenging to keep abreast of available funds in a constantly changing landscape – particularly for communities. The Taskforce's work is a good starting point but needs to be regularly revised and updated if communities are to benefit. Thus we suggest:

A comprehensive and accessible database of potential funding sources to support the reuse of vacant and derelict sites is created, maintained and promoted.

Scotland's Regeneration Forum (SURF) would be ideally placed to maintain and promote this database of funds.

6.2 Aligning Government Funding with Place

Reforming the VDLF and increasing awareness of other existing sources of funding will be necessary for transforming Scotland's approach to land reuse, but it will not be sufficient. The scale of the challenge is such that it will also require significant realignment of other major funding streams to facilitate delivery. To achieve this, we suggest that:

Major Scottish Government grants and funds are reviewed to ensure that they are fully aligned to support place based regeneration and that they prioritise the reuse of vacant and derelict sites.

To achieve this, we need to make sure that there is a clear focus on vacant and derelict sites across multiple areas of spending areas and public bodies. In particular we propose that the remediation of vacant and derelict land should be prioritised focusing within the following areas:

- · Capital investment and infrastructure
- Health
- Housing
- The environment
- Inclusive growth.

To help deliver this, we suggest that there should be a strategic focus on vacant and derelict land across Scotland's public agencies.

In seeking to align funding to help achieve place-based objectives, we recommend that the Government focus on a number of key underpinning principles (see Figure 2.)

Figure 2: Funding Principles for Circular Land Reuse

Focus on wellbeing: There's a need to embed broader thinking in the way projects are valued, assessed and funded so that decisions take full account of the full range of social, economic and environmental benefits of land reuse.

Think long term: It is important that a multi-year approach to capital funding is adopted to support the reuse of vacant and derelict land.

Allocate revenue as well as capital funding: Capital funding alone will be not be sufficient to address Scotland's legacy of vacant and derelict land. Funding to support key development phases including proof of concept and feasibility studies to give projects a chance to develop is also vital.

Adopt an investment mindset: We need to move beyond traditional funding models and develop new approaches for attracting private finance and social impact investment into land reuse projects. NESTA provides advice on how this could be achieved: 'Funding Innovation: A practice guide'.

Release the potential of communities: Fully consider the role of community groups and third sector organisations in accessing funds to support community-led regeneration that delivers for people and planet.

6.2.1 Focus on Wellbeing

At present decisions about what is funded are often based on fairly narrow costbenefit analysis. We need to change this and adopt a wider focus on wellbeing.

Scotland needs to move away from using a purely financial basis for evaluating return on public investment to one that measures the full range of social, environmental and economic benefits that a project will deliver – and (crucially) captures the opportunity cost of inaction.

To achieve this we need a new approach to appraisal in which wellbeing is prioritised over financial returns. In this we are in full agreement with the Infrastructure
Commission's recent advice to Government, which also highlighted the need for a new approach to investment appraisal that fully reflects the need to deliver an inclusive and low carbon economy. To help deliver this change we propose that public bodies across Scotland should:

Review project appraisal guidance and criteria to ensure that funding decisions give due weight to the benefits of productive land reuse.

To support this change, the Taskforce commissioned work to help develop a new approach that would capture the wider benefits of bringing vacant and derelict land back into use. The case for making this change is articulated <u>here</u> and guidance setting out how the approach can be implemented is available <u>here</u>.

6.2.2 A Long Term Approach to Funding

Bringing vacant and derelict land back into use is challenging and time-consuming with projects often spanning several years from inception to completion. In contrast, capital funding for projects often operates on single year cycles (the VDLF for example is an annual fund). This short-term approach to funding can be a major barrier to delivering projects; therefore we propose:

In reviewing potential sources of funding for land reuse the Government should aim, where possible, to allocate funding over multiple years.

6.2.3 The Importance of Revenue Funding

While capital investment funding is critical to the reuse of vacant and derelict land, successful reuse requires careful planning and project design. Scoping investigations, feasibility studies and option appraisals are all fundamental to delivering successful schemes but funding this work can be challenging. Public funding should be used to help fill this gap. To ensure vacant and derelict land projects are supported to develop an initial concept into a viable solution, we propose:

A proportion of public funding designated for vacant and derelict land should be allocated to project development, including support for initial site investigations, scoping and feasibility studies.

6.2.4 Adopt an Investment Mindset

The scale of the challenge presented by Scotland's legacy of vacant and derelict land is beyond the scope of public finance alone. Meeting this challenge will require private investment as well. To attract this investment we need to stop thinking of vacant and derelict land as a liability and start recognising the opportunities it can provide.

A strategic approach to large scale regeneration can create opportunities for long term financial gain for patient place investors, while the reuse of sites for community and environmental purposes can present attractive propositions for philanthropic and social impact investors.

The financial services sector increasingly recognises the value of environmental and social returns on investment, with products developed to deliver corporate social responsibility objectives. There may be opportunities for derelict land reuse and regeneration to benefit from this shift in focus.

Work undertaken by SEPA and the Scottish Wildlife Trust, for example, highlighted a range of innovative funding mechanisms, including proposals for a new Vacant and Derelict Land Fund.¹⁸

Awareness of these alternative sources of private finance is, however, relatively poor, and support for, and promotion of, vacant and derelict land reuse as a viable long-term investment is currently lacking. We therefore recommend:

Support is provided to better market vacant and derelict land reuse as an attractive long-term investment to private and institutional investors.

Case Study 1 (page 29) provides an illustration of how this approach can work in practice, showing how the local authority acted as a patient place investor, using public sector investment to leverage other sources of funding and creating additional value that would not otherwise have existed. This approach has helped to deliver the multi-use redevelopment of a long derelict site in an area of multiple deprivation.

¹⁸www.scottishwildlifetrust.org.uk. Available <u>here</u>.

Case Study 1: Queens Quay, Clydebank

This project is a major mixed-use regeneration of the former John Brown's shipyard site. West Dunbartonshire Council have led the development, investing significantly in infrastructure, and creating a masterplan with a long-term vision for the site.

Infrastructure works include site remediation, development of a distributor road and installation of a renewable district heating system. A business centre, a leisure centre, a care home and a college campus will be followed by mixed tenure housing in this residential led regeneration project.

Upfront investment by West Dunbartonshire Council was used to secure significant additional funding to help finance for the project, while their role as master planners allows the council to create an attractive place with low carbon heating that provides opportunities for active travel.

The council's role in initiating and shaping the development will deliver significant benefits, building a new neighbourhood close to local amenities and creating jobs.

6.2.5 Recognise the Potential of Communities

Bringing vacant and derelict land back into use could enhance wellbeing in some of Scotland's most deprived communities – but these communities also have the potential to make a huge contribution to realising these opportunities. The response to the Covid-19 pandemic has provided a powerful illustration of this potential. If Scotland is to succeed in addressing the challenge of vacant and derelict land, then we need to tap into this more effectively.

To do this it is vital that funding for land reuse is not restricted to capital investment but also includes revenue support to help develop community capacity to lead change. The Scottish Land Commission recently joined forces with DTAS to do this by appointing a dedicated Vacant and Derelict Land Project Manager to work with communities to develop project proposals for long term derelict sites. This is a model that we believe could be easily replicated.

6.3 Funding Mechanisms

Having set out the principles on which funding should operate to support reuse of vacant and derelict land and regeneration, the rest of this chapter proposes three specific funding mechanisms to increase reuse. We illustrate the potential for investment to create a public land bank for housing, propose an approach to greenfield development that would create quality greenspace on brownfield sites, and make a case for reviewing the Vacant and Derelict Land Fund to focus on social and environmental benefits to communities affected by derelict land.

6.3.1 Housing-Led Regeneration

Analysis of Scotland's Vacant and Derelict Land Register undertaken on behalf of the Taskforce suggests that housing may be the land use with the greatest potential for driving site redevelopment. It is clear, however, that the market on its own will not deliver redevelopment of vacant and derelict land for housing. The cost of remediating sites is often prohibitive. The result of this is that around 50% of Scotland's new homes are developed on greenfield sites.¹⁹

To unlock the benefits of redeveloping vacant and derelict land for housing, we need to get better at using public funding to prime sites for redevelopment.

While there is significant government investment to support housing development in Scotland, it is not targeted on reducing vacant and derelict land. The Help to Buy scheme supports the customer to buy a home and is not limited to regeneration sites, while the Vacant and Derelict Land Fund cannot be used to prepare land for housing.

There are several ways that changes to funding for housing could be reengineered to provide a greater focus on supporting the delivery of homes on brownfield sites.

The Scottish Government could provide support to encourage redevelopment of brownfield sites, particularly in areas of multiple deprivation. Where gap funding is required, public subsidies could bridge the funding gap in areas where developers are unable to make a profit due to low sales values could also be considered. The GRO Grant scheme previously performed this role in Scotland, establishing a market for housing for sale in marginal areas while providing mixed tenure housing. Expanding the Partnership Support for Regeneration Fund would help to achieve these objectives while providing a stimulus for Small and Medium-sized Enterprises (a sector that suffered after the 2008 recession). Employment and training clauses could be a condition of funding to ensure the local community benefitted from the investment, as has happened, for example, in housing developments in the Clyde Gateway.

We believe that refocusing public investment in housing provision on brownfield sites could help to rebalance our housing market by giving the public sector a greater role in driving development value. Using housing funding to make vacant and derelict land development ready could enable the public sector to create a publicly owned bank of development land that could be used to support future housing delivery.

It should be possible to recoup much of this funding when land is either sold or developed, effectively creating a recyclable fund to support future housing delivery. We envisage that the Scottish National Investment Bank could provide loan funding at a competitive rate with investment focussed on stuck sites.

A potential model for this approach is the <u>Landbank Fund</u> operated by Highland Council, which has used funding to remediate land and fund infrastructure, and to bank land for affordable housing development, with funds recycled on project completion.

¹⁹The Economic and Social Benefits of Housebuilding – Homes for Scotland (2016).

Given the importance of housing as a potential end use for vacant and derelict land, it is important that such options are fully investigated. Therefore, we suggest:

The option of creating a recyclable fund to prepare vacant and derelict sites for housing development is investigated.

6.3.2 Supporting Community Reuse

In section 5.3.3 we discussed the challenge of ownerless land and the opportunity to align the operations of the Queens Lord Treasurer and Remembrancer (QLTR) with the community empowerment agenda. Doing this could also provide a potentially transformational source of additional funding to support community reuse.

The QLTR currently contributes around £6 million annually to the Scottish Consolidated Fund as a result of disposing of ownerless property, including funds of dissolved companies.

Although variable, and comparatively modest, this funding is not currently allocated for any particular purpose, so could be used to support community reuse. We believe there is a natural justice in using funds largely acquired from dissolved companies to fund the community reuse of property that is causing harm, and which has been abandoned, largely by companies. Therefore, we suggest that:

Payments made by the QLTR into the Scottish Consolidated Fund are used to support community reuse of ownerless derelict sites.

6.3.3 Supporting Biodiversity

The legacy of dereliction in urban Scotland means communities suffering higher levels of deprivation often lack quality greenspaces. There is also growing concern about the impact greenfield development has on biodiversity.

Reducing the negative impact of development on biodiversity should be a fundamental consideration for any development, but where preserving biodiversity would compromise the viability of a development that would help meet other important social and economic needs, compromise is necessary.

In such circumstances, providing no critical biodiversity thresholds are breached, we propose that developers should be permitted to offset biodiversity loss by investing in biodiversity improvements on derelict land nearby.

This would support the objectives of NPF4 and the Scottish Government <u>Environment Strategy</u> (2020) while offering a new source of funding to support the remediation of derelict land. Adopting such a principle could help generate income that could be redistributed and spent on maximising biodiversity across local, regional, and national levels.

To achieve this objective it will be important that the geographic focus for any new mechanism is broad enough to enable a redistribution of benefits between parts of the country where there is strong market demand for development to parts of the country where viability is more marginal. Regional land use partnerships could provide a useful vehicle for doing this.

In England there are examples of the development industry adopting the biodiversity net gain principle to deliver positive environmental outcomes. We propose that Scotland should build on this experience to develop a distinctively Scottish approach to achieving biodiversity net gain that uses funding secured from offsetting biodiversity loss associated with greenfield development to remediate brownfield sites. Accordingly, we suggest that:

The Government should bring forward ambitious proposals for a new compensation instrument that would enable unavoidable biodiversity loss associated with greenfield development to be offset by improvements to derelict sites elsewhere.

To facilitate this approach and inform the allocation of future funding arising from any new biodiversity compensation mechanism, we further propose that:

Audits should be undertaken to determine the biodiversity potential of vacant and derelict sites across Scotland.

Scotland's strategic research institutes would be well placed to assist with this task.

7 Stemming the Flow of New Sites

Scotland currently has almost 11,000 hectares of vacant and derelict land. Every year this figure falls by a few hundred hectares²⁰, a testament to the hard work and dedication of local authority officers, community groups, developers and others up and down the country, but the overall stock of land remains largely unchanged. This is because those working so hard to deliver change face a huge backlog that is being added to all the time. It's like trying to empty a bath while the taps are still running!

If we want to address the problem of vacant and derelict land, then the first thing we need to do is stop the problem from getting any worse. We need to turn off the taps. To do this we need to embed a culture of responsible land ownership so that when land or buildings are no longer required for their present purpose, they are never simply abandoned and allowed to fall into dereliction. To do this, we recommend that:

²⁰Research for the Taskforce (Ryden, Phase One Report) showed that over the five years to 2017 an average of 424 ha/annum is removed from the Register. The latest survey shows that just 164 ha.

- 9. The principle that it is unacceptable for land to be allowed to become derelict or to be left vacant indefinitely (if this has an adverse impact on the surrounding community) should be embedded within corporate social responsibility objectives across the public and private sector. To support this, public funding should be contingent on recipients fulfilling their obligations as responsible landowners and the disposal of public land and property only taking place after due diligence has taken place to ensure prompt and productive reuse.
- 10. All landowners should be expected to adopt proactive estate management policies that enable assets at risk of obsolescence to be identified early and put plans in place to avoid sites falling into disuse and becoming problematic. To support this existing support for public sector asset disposal should be expanded.
- 11. The Government should move quickly to identify options for using the tax system to incentivise landowners to repurpose surplus commercial property for socially beneficial uses to prevent the emergence of a new legacy of vacant and derelict land as a result of the Covid-19 pandemic.

7.1 Responsible Land Reuse

The starting point for embedding a culture of responsible land reuse will be to establish some ground rules for what is and is not considered acceptable in relation to the management of surplus land. For too long we have been ready to accept that once a site is no longer required it is OK to simply walk away. If we are going to succeed in tackling Scotland's legacy of urban vacancy and dereliction, then this needs to change.

During its deliberations, the Taskforce adopted a common sense interpretation of what responsible land ownership looks like in relation to vacant and derelict land. This was based on the implicit assumption that it should not be acceptable for surplus land or property to be allowed to fall into dereliction or to remain unused indefinitely if this has significant detrimental impact on the surrounding community.

This does not imply that all empty land is always or necessarily problematic; it is not. Society will always require a stock of vacant land on which development can take place – but society has no requirement for land that is in such a poor physical condition that it is actively harming the wellbeing of the communities that surround it.

This common sense definition aligns closely with the principles set out in the Scottish Government's <u>Land Rights and Responsibilities Statement</u>, and the emphasis they place on good stewardship, sustainable economic development, environmental protection, and social justice. We therefore propose that the Statement should be used as a framework for driving the shift toward a more responsible approach to land reuse.

The Scottish Land Commission has been tasked with implementing the Land Rights and Responsibilities Statement on behalf of the Scottish Government so would be well placed to drive this change. We therefore propose that:

The Scottish Land Commission should work with relevant sector bodies to support implementation of the Land Rights and Responsibilities Statement and develop sector specific guidance in relation to the management of surplus property.

But there is no reason why proactive landowners should wait for new guidance. The principles of the Land Rights and Responsibilities Statement have already been established and there is much that could be done immediately to start incorporating them into corporate processes, so we call on:

Pioneering change leaders to pledge their support to responsible land ownership and take steps to ensure that the principles embodied within the Land Rights and Responsibilities Statement are reflected within their existing corporate social responsibility obligations.

It would not be appropriate for the Taskforce to propose who these change leaders should be, but this is an area where we would hope the public sector would be willing to show leadership. We therefore call on all public bodies, particularly those that own sites on the Vacant and Derelict Land Register, to consider stepping up to help lead this change.

What responsible land reuse looks like and the steps that need to be taken to achieve it will vary from sector to sector, so embedding this change will require proactive sector-specific support. In principle we envisage that the principles of a responsible approach to reuse would include commitments to:

- Regularly reviewing property portfolios with a view to identifying assets at risk of obsolescence early
- Putting in place proactive estate management practices to help avoid assets falling into disuse
- Developing plans for either disposing of unused assets or bringing them back into productive use promptly.

7.2 The Role of Land Owners

Responsibility for preventing sites becoming vacant and derelict ultimately rests with the land owner. While we acknowledge that many sites face legitimate barriers that make reuse difficult, this should never be used as justification for inaction. We need to establish the principle that, as part of land owners' obligations under the LRRS, owners of sites at risk of becoming vacant or derelict that would harm communities must put in place plans for bringing sites back into use.

We recognise that plans are not the same as action and that proposals will still need to be funded, but if the recommendations set out in section 6 are implemented then this should become much easier. We also recognise that delivering such change will not happen overnight – the scale of the challenge is great: this is a long-term project, but we need to start somewhere. To support the efforts of land owners we suggest that:

All organisations with responsibility for delivering a major capital investment project should review their project boundaries to identify opportunities to incorporate persistently problematic vacant and derelict sites into the project.

7.3 Supporting the Change

A proactive, long term, strategic approach to estate management is vital for ensuring that property assets that are coming to the end of their useful life do not fall into disuse, but designing and implementing this kind of approach requires specialist expertise in estate management. Unfortunately, estate management is not always regarded as a core operational function and can be an early casualty when resources are constrained.

With around a third of all vacant and derelict land in public ownership, the public sector has a significant role to play in bringing such sites back into productive use, and indeed preventing them from becoming vacant and derelict in the first place. However, many public sector organisations simply do not have the expertise or resources to maximise the opportunities from assets that have come to the end of their working life. Supporting these organisations to take a more proactive approach to estate management should therefore be an important priority.

The work that Scottish Futures Trust is doing to help public bodies like the NHS with property disposal programmes is a good example of what can be achieved through this kind of approach (see Case Study 2).

Case Study 2: Supporting Public Bodies to Reuse Surplus Assets

Scotland's NHS Boards, the Scottish Funding Council and Police Scotland have all been working with the Scottish Futures Trust on a programme approach to identification and sale of their surplus assets resulting from the provision of new facilities or organisational change. Over the last eight years this has included the disposal of over 125 assets with the combined benefits of financial receipts (reinvested in service provision), savings in maintenance and holding costs, economic investment and place-making, together with delivery of housing, commercial and community uses. The approach recognises the close link between organisational Estates Strategies and the pipeline of surplus assets and the need for appropriate resourcing and governance, stakeholder engagement (including Key Agencies, Local Authorities and HES where appropriate), enabling funding and sufficient lead in periods to prepare sites for sale and alternative use.

Former hospitals are notoriously difficult to deal with, and there are examples of derelict former hospitals around the country that have been left to decay – but this is not inevitable. Previously derelict hospitals such as Bangour in West Lothian (215 acres) and Sunnyside in Montrose (64 acres) with substantial Listed Buildings have been sold for housing development as a result of disposal strategies that have clarified planning and other technical constraints and enabled commercial structures that are acceptable to the market. Other NHS, former College, and Police Scotland sites have also benefitted from early consideration and extensive technical work to minimise the time between them being vacated and repurposed.

We believe that there is significant potential to extend this model to other public (and potentially private) sector landowners with significant property portfolios. We therefore suggest that:

The Scottish Futures Trust should explore options for expanding provision of estate management support to other large land owners in the public sector and whether a similar model could be developed to support strategically important land owners in the private sector.

Learning from the experience of others can be much more efficient than developing solutions from scratch, so simply sharing case studies of good practice and examples of innovative reuse can be an effective way of driving change. To support this, we suggest that:

Relevant sector and membership bodies should work with their client groups to share good practice and promote innovative approaches to site reuse.

There will be those who doubt the effectiveness of this approach and point instead to the need for legislative tools and/or substantial public investment to drive behaviour change. While such tools will undoubtedly be required for some sites this will not always be the case.

The experience of the Taskforce suggests that some sites remain unused not because of any particular resistance on the part of the land owner or any specific physical or regulatory constraint, but simply because they are not regarded as a priority. This is particularly likely if there is no market demand for a site and therefore no potential profit to be made. Some sites are ignored simply because owners have nothing to gain from bringing them back into use and are unaware that they are causing problems.

In such scenarios simply raising awareness and creating clear expectations about what constitutes socially responsible land ownership may be enough to prompt action.

7.4 Conditionality of Support

However, simply raising awareness will not be sufficient. Embedding the concept of responsible land reuse within corporate culture will require proactive effort. One way of driving this change would be by linking it directly to the conditions for public support. For example, it would be possible to introduce clauses on enterprise support grants and funding that would create an obligation for recipients to maintain any land or property they own in a reasonable state of repair throughout their tenure as a condition for receiving public support.

To be effective such clauses would need to include suitable clawback arrangements to enable funding to be reclaimed where appropriate. For this reason, we suggest that:

Enterprise support agencies should ensure that recipients of public support are obliged to maintain good standards of land stewardship as a condition of receiving support.

Another important area in which conditionality could usefully be applied is in relation to the disposal of public assets.

Although most of the land on the Vacant and Derelict Land Register is owned by the private sector, analysis of the Vacant and Derelict Land Register undertaken on behalf of the Taskforce suggests that this was not always the case. A significant proportion of the land that is now on the register was once owned by public sector bodies. Such sites, which include former gas works and hospitals, serve as a reminder of the failure of historic public disposals policies. To change this, we suggest that:

All public bodies should be obliged to carry out due diligence on disposal of property to ensure its productive reuse, and if necessary to attach appropriate conditions that would tie future owners into maintaining the asset in an acceptable state of repair throughout their tenure.

While this approach would admittedly be of little benefit in situations where recipient businesses failed and were unable to meet their obligations, it could play an important role in driving long-term behaviour change by helping to embed clear cultural norms about what it means to be a responsible corporate landowner.

7.5 Preventing a New Legacy from Emerging

Much of Scotland's current stock of vacant and derelict land is a legacy of previous structural changes in the economy. It is not yet clear what the long-term economic effects of the Covid-19 pandemic will be, but early indications suggest that there could be profound effects on patterns of demand within the commercial property sector.

New working patterns have reduced demand for commercial office space, shifts in shopping habits have moved more consumer spending online, while changes in international travel have affected demand for tourism and student accommodation. Nobody knows how long-lasting these changes will be but it is unlikely that things will completely revert to the way they were before: it is vital we act now to avoid the creation of a whole new legacy of redundant property.

The nature of modern businesses means that today's surplus commercial property will not present the same scale of contamination problems as the heavy industry of the past so solutions should be more tractable – but the need for action is no less urgent.

Reform of land and property taxation provides one potential mechanism for preventing this from happening. Options for reform could include the introduction of reliefs from business rates following redevelopment, the removal of reliefs for vacant properties, reductions in corporation tax for developers who bring problematic sites back into use or extending VAT exemptions that already apply to new build homes to retrofitting existing buildings. We suggest that all of these options merit further consideration and that:

The Scottish Government should investigate options for using the tax system to incentivise landowners to repurpose surplus commercial property for socially beneficial uses, particularly in parts of the country already disproportionately affected by urban dereliction.

The Scottish Land Commission would be well placed to advise the Government on these options.

Since lockdown restrictions began to ease there have already been several encouraging examples of surplus property assets being converted to alternative uses. Sharing this experience and helping others to follow suit is incredibly important. The private sector is well placed to play a leading role in this, so for this reason we suggest:

Support and guidance should be developed to support imaginative approaches to repurposing surplus commercial property, working with owners and local authorities to identify sustainable uses and maintain the viability of town centres.

We believe that the commercial property sector, Scottish Futures Trust, and Scotland's Towns Partnership could all play a helpful role in developing this guidance and sharing ideas and good practice.

7.6 Monitoring Progress and Options for Enforcement

Stemming the flow of new urban dereliction will be vital if we are to succeed in tackling Scotland's legacy of vacant and derelict land, and achieving this will require responsible land reuse to be firmly embedded as a standard component of corporate social responsibility obligations. Responsible land reuse needs to become a normal expectation for all land owners. The Taskforce believes that much can be achieved by working proactively with corporate land owners to support behaviour change in the ways outlined above – but this approach is primarily a voluntary one and there are no guarantees that this will be enough. That is why we suggest:

The Government should commit to reviewing the effectiveness of the voluntary approach to responsible land reuse set out above and to considering what additional enforcement measures may be required as part of the planned review of the Land Rights and Responsibilities Statement in 2022.

The Scottish Land Commission would be well placed to assist with this.

Part 3: Tackling the Legacy

8 Demonstration and Delivery

The scale of Scotland's legacy of vacant and derelict land means that a piecemeal approach will be inadequate. There are simply too many sites. Instead we need a thematic approach that allows us to tackle groups of sites collectively. There is no single right way of doing this – but our approach must be collaborative, drawing on the collective strength the public, private and third sectors; it must be inclusive, taking full account of the needs and aspirations of the communities concerned; and it must be empowering, supporting communities to drive delivery where appropriate. Ambitious, collective public sector leadership will be key to success and has to be demonstrated through multi-year commitment to delivery. To do this we recommend that:

- 12. Scotland should establish a major national green infrastructure investment programme to bring our legacy of stuck sites back into use in ways that will contribute to a fair and green recovery, support job creation and skills development, and help rebuild community resilience. The Programme should be built around four pillars of action: urban green spaces, community-led regeneration, low carbon housing and renewable energy, and supported by a multi-year funding package to stimulate investment.
- 13. Government should make a clear commitment to work toward the complete eradication of urban dereliction, put in place arrangements for monitoring progress toward this objective, and appoint a national coordinator to drive delivery.

8.1 Tackling the Legacy

Tackling Scotland's legacy of vacant and derelict land will require commitment to a long-term dedicated programme of investment and support. To this end we propose that:

A major national green infrastructure investment programme is established to bring our legacy of stuck sites back into use in ways that will contribute to a fair and green recovery, support job creation and skills development, and help rebuild community resilience.

8.1.1 Where to Start?

To help provide a focus for this Programme the Taskforce commissioned preliminary analysis to help identify Scotland's most problematic sites (<u>see section 3</u>). This analysis identified a group of derelict sites, the DUSTEs, which have been persistently vacant for at least 20 years and are extremely unlikely to be brought back into productive use without public intervention.

These sites are not the only problematic sites in Scotland. The process of reforming the vacant and derelict land register described in section 4 is likely to identify other equally problematic sites that will also require public intervention – but until then the DUSTEs provide a good place to start.

This group of sites have been drawn from the existing vacant and derelict land register: because the Register currently only includes sites of >0.1 ha, it excludes an important (and potentially large) group of very small sites that are likely to be of concern to communities. This is an important omission.

The research we have undertaken during the life of the Taskforce clearly shows that it is often these smaller sites that cause the most harm to communities. We also know that, with a little imagination, such sites can often come back into use in ways that can deliver transformational benefits for communities. While the geographic footprint of these sites may be small, the collective benefits of bringing them back into use could be huge. Because the cost of returning these sites to productive use is also often relatively small, the marginal returns on investment can be significant.

To ensure that these benefits are not overlooked we therefore propose that small sites that are identified by communities as priorities for action and meet the criteria of the DUSTE sites in all ways other than size (e.g. derelict, urban and unused since 2000 or earlier) should also be a focus for action.

To this we propose to add a small group of large countryside sites that we believe may have the potential for reuse for renewable energy generation.

Many, perhaps most, of these sites will not be suitable for commercial development – or at least not in the near future – but collectively they represent a massive opportunity to invest in the nation's natural and social capital.

We propose that this programme should be built around four action pillars: urban green spaces; community-led regeneration; low carbon housing and renewable energy. These should be supported by a fifth overarching pillar relating to skills and employment. As part of this we suggest that a new modern apprenticeship position should be established to support each of the four action pillars.

An outline of each pillar is provided below in sections 8.1.2 - 8.1.5:

8.1.2 Urban Green Spaces

Analysis undertaken by the Green Action Trust on behalf of the Taskforce suggests that around 200 DUSTE sites already show indications of being wholly or partially naturalised. With a modest amount of investment these sites could be restored to functional urban green space; important for community health and wellbeing, biodiversity, and climate change mitigation.

The Green Action Trust, working in partnership with relevant local authorities, would be ideally placed to lead this work. In some instances, acceptable temporary green infrastructure and meanwhile uses could offer a transitional solution and could build on ongoing work being undertaken by the Green Action Trust.

8.1.3 Community Led Regeneration

Some of the sites identified through our preliminary analysis are likely to be too small to be considered strategic priorities by local or national delivery bodies but could be ideal for community-led initiatives. Transforming these sites into green infrastructure assets – like urban market gardens, allotments, playgrounds or skate parks – could significantly enhance community wellbeing and play an important role in addressing health inequalities.

Work to restore these sites could be led by a coalition of community intermediary groups coordinated by Development Trust Association Scotland. A steering group and Project Manager are already in place to help deliver this activity.

8.1.4 Low Carbon Housing

Many of the sites identified through our analysis have short to medium term development potential. Some of these sites may be suitable for housing-led regeneration but the fact that they have remained on the register for so long indicates that public support would be required to realise this potential. This could be an ideal opportunity to test and develop innovative new approaches to housing delivery that showcase low carbon development technologies – helping to put Scotland at the forefront of green construction.

Work to bring these sites forward for development could be led by the Construction Scotland Innovation Centre in collaboration with local authorities and Scottish Enterprise.

8.1.5 Renewable Energy

Preliminary analysis has identified more than 700 hectares of publicly-owned land in the countryside, some of which may be suitable for renewable energy generation. Developing even a small proportion of this land could make an important contribution to reducing carbon emissions but also has the potential to create a long-term income stream that could be used to support the remediation of other sites in the future. There are also likely to be smaller urban sites with potential for community-scale renewables.

Work to investigate these sites could be led by Scottish Renewables, with support and involvement of other partners such as Greenspace Scotland.

8.1.6 Skills and Job Creation

Each of the four pillars of activity described above has the potential to bring significant long-term social and environmental benefits, but the activity delivered under each pillar could also provide an immediate economic stimulus within some of Scotland's most disadvantaged communities through the creation of new jobs and training opportunities. This could cover a wide range of opportunities ranging from entry-level roles in site clearance and ground works through to advanced professional roles in project management and civil engineering.

Building such opportunities into the Programme at the outset would help Scotland to mitigate the immediate damage the pandemic has done to the labour market, and it would also help build the skills base we will need to transition to a greener economy in the longer term.

We see this as an overarching component of the Programme that should be embedded within the four action pillars described above.

8.2 Leading the Change

Public sector leadership will be critical to tackling the legacy of vacant and derelict land, but although many agencies have important roles to play, it is not the responsibility of any single public body to lead. A piecemeal approach to delivery will not work; local and national government as well as public agencies all have a collective responsibility to help drive delivery, and therefore must work collaboratively from the strategic to site-specific level.

Public sector collaboration through aligning funding, thorough planning, and comprehensive engagement are the building blocks, but allowing the necessary time for delivery of these elements by embracing a multi-year approach will be the real measure of successful leadership.

Many of the most problematic sites that have been vacant and derelict for decades will take years to bring back into productive use, and the public sector needs to demonstrate leadership by committing to long-term solutions.

Case Study 3: Action Coeur de Ville

Launched in December 2017, Action Coeur de Ville is a five-year, €5 billion investment partnership between the French Government and 222 towns to encourage stakeholders in housing, commerce, and town planning to reinvest in town centres, develop innovative urban projects and programs, adapted to local markets and needs, promoting ecological transition and social inclusion, enhancing architectural, landscape, and urban heritage, and improving living standards in medium-sized towns.

While emphasising local public sector leadership, the programme is designed to draw in a range of public and private partners to address five key aspects of regeneration:

- Reviving housing in town centres
- Supporting economic and commercial development
- Increasing accessibility, mobility, and connections
- Enhancing public space and heritage
- Improving access to public facilities and services.

Although plans are developed locally, funding is coordinated nationally, with the government and national investment bank able to mobilise over €2 billion, leveraging the remainder from private finance and institutional investors.

Taking a multi-year approach has also allowed time for ample consultation, and for comprehensive plans to develop – many through design competitions – with the first round of proposals only approved for funding two years after the programme commenced, in December 2019.

8.2.1 The Role of Local Government

Local authorities have always played a major role in driving the regeneration of vacant and derelict land and this must continue, but local authorities simply do not have the capacity to lead delivery across Scotland's entire portfolio of derelict sites. Delivering the scale of ambition set out in this report will require a more strategic approach.

Addressing Scotland's legacy of derelict sites will require concerted effort across the public sector, private and third sectors, but this effort will need to be coordinated and local authorities are well placed to provide this coordination role.

As a starting point for this we recommend that:

All local authorities should undertake a vacant and derelict land audit and set out clear priorities for reuse that incorporate community needs and aspirations identified through local place plans.

We suggest that site prioritisation should be driven by the harm that sites cause to communities and point to research undertaken on behalf of the Taskforce that identifies factors that should be taken into account as part of this process. We suggest that these audits should be used to guide the activity of the four action pillars described above and provide democratic accountability for decisions on end use.

The Planning (Scotland) Act 2019 has a provision for all local authorities to have a Chief Planning Officer. These would be well placed to coordinate and lead on vacant and derelict land at a local authority level in order to deliver against wider social, economic and environmental outcomes.

We suggest that Chief Planning Officers should take on responsibility for coordinating and leading on vacant and derelict land at a local level and resourced to do so.

8.2.2 The Role of National Government

Our work has revealed a strong appetite for a more collaborative approach to tackling vacant and derelict land that is widely shared across the public, private and third sectors. This commitment is welcome; indeed, the scale of the challenge makes it a necessity – but aligning the institutional priorities of all these actors will require a clear steer from Government. To provide this, we suggest:

The Government should make a clear commitment to the eradication of persistent urban dereliction and embed this within Scotland's National Performance Framework.

Establishing this vision would be consistent with the ambitious approach that the Government has taken in relation to climate change but setting targets won't be enough. The changes set out in this document will require coordination and oversight to deliver. To provide this we recommend that:

The Government should appoint a national vacant and derelict land coordinator to oversee the delivery of the recommendations described in this document.

We see the role of the national coordinator as threefold:

- To oversee delivery of the changes to policy and practice described in the report
- To make links between delivery agencies
- To report back to Government about lessons learned and implications for future policy change.

Ensuring that this coordination drives real change will require active ministerial support, but eradicating persistent urban dereliction is a cross-cutting agenda that does not fit neatly inside any existing portfolio. To address this, we propose that the Government should provide a focus for strategic leadership at cabinet level to provide an overarching focus on Place and help drive coordination across policy agendas.

8.2.3 The Role of Public Agencies

Scotland already has an ambitious national target to recycle 70% of waste but there are no similar targets for the reuse of land. Last year we only managed to bring around 6% of the land on the national register land back into use.

Developing viable development propositions for sites depends on a good understanding of both potential barriers to reuse and productive potential. But assessing these constraints and opportunities requires specialist expertise that is not always present within local authorities. Public bodies such as SEPA have a key role to play in helping to provide this understanding. We therefore propose that:

Resource should made available within relevant public bodies to help local authorities assess constraints to the reuse of prioritised sites and provide specialist advice on how to overcome them.

The sites we have identified are, by design, amongst the most challenging in Scotland, so bringing them back into productive use will require imaginative and innovative solutions that may never have been tried before. Many of these solutions will originate in the private sector so it will be important to provide a route to market for these businesses by linking them into opportunities arising from the investment programme. We therefore propose that:

A targeted programme of enterprise support should be established to support the development of innovative green technologies and naturebased services that could help bring challenging sites back into use.

Scottish Enterprise could play an important role in delivering this support with advice from environmental agencies such as NatureScot and Zero Waste Scotland, and skills and expertise from the Construction Scotland Innovation Centre.

9 Appendix 1 – Table of Suggested Actions and Delivery Bodies

Section	Suggested Action	Delivery Bodies	
Making Better Us	Making Better Use of Data to Drive Decisions		
The Register 4.1	The Vacant and Derelict Land Register should be reformed to provide a clearer focus on problematic sites and repositioned to play a more direct role in guiding planning outcomes.	Scottish Government, local authorities and the Improvement Service	
Micro-sites 4.2	The Vacant and Derelict Land Register should be extended to incorporate sites smaller than 0.1 ha where these have been identified as local priorities through a Local Place Plan and can be shown to have significant barriers to reuse.	Planning Aid for Scotland, local authorities	
Understanding site constraints 4.3	Relevant public agencies should be required to update the Register regularly with site-level information covering current planning and development status, flood risk, contamination, and ownership.	Local authorities, planning agencies (SEPA, Historic Environment Scotland, NatureScot, etc.), Registers of Scotland	
Making sites visible 4.4	A publicly-accessible, map-based portal should be created to provide easy access to the information in the Register and promote viable investment opportunities.	Scottish Government (Digital Planning Taskforce), local authorities and Scottish Enterprise	
	Local authorities should aim to invest in in-house GIS expertise and resource should be made available at a national level to support this.	Local authorities, Scottish Government and Improvement Service	
Aligning Policy to	Support Delivery		
A Circular Approach <u>5.1</u>	Scottish Government reviews and updates the 2011 Regeneration Strategy with a view to enhancing its status and aligning it more closely with planning, land reform and the community empowerment agenda.	Scottish Government	
Public Interest Led Delivery 5.1.1	The Government should consider how a public interest-led approach to delivery can be embedded across the public sector and take steps to support this through public policy.	Scottish Government	
	Planning authorities to identify sites that have been the subject of repeated redevelopment proposals but that have not come to fruition and work with the Key Agencies group to develop innovative solutions that will enable activity to progress.	Local authorities and statutory planning agencies	

Section	Suggested Action	Delivery Bodies	
Aligning Policy to	Aligning Policy to Support Delivery		
Planning policy – national 5.2.1	National Planning Framework 4 should prioritise brownfield sites for development in policy and recognise stuck sites as a national development priority.	Scottish Government	
	NPF4 should stipulate that all Local Development Plans and National Developments must demonstrate the contribution they will make to enhancing wellbeing.		
Planning policy – regional 5.2.1	Regional Land Use Partnerships should be used to prioritise the redevelopment of brownfield sites at a regional level.	Scottish Government and regional land use planning partnerships	
Planning policy – local 5.2.2	Local authorities should explore options for innovative planning policies that would support the reuse of vacant and derelict land. This should be encouraged through a programme of skills and knowledge sharing led by professional organisations.	Architecture and Design Scotland, Partners in Planning, Royal Town Planning Institute	
Infrastructure and Capital Investment 5.2.3	Remediation of derelict and contaminated land should be recognised as an infrastructure priority within the next Infrastructure Investment Plan.	Scottish Government	
Overcoming ownership as a barrier 5.3.1	A review is carried out to determine whether existing land assembly mechanisms and procedures, including rules around compensation for compulsory purchase, adequately support a more proactive role for the public sector in driving delivery of major regeneration sites.	Scottish Government	
	Scottish Government should bring forward proposals for the introduction of Compulsory Sales Orders early in the next Parliament.		
Community Ownership 5.3.2	Government should consider the findings of the joint action research led by the Development Trusts Association into how community led regeneration of vacant and derelict land can be scaled up.	Scottish Government, Scottish Land Commission and Development Trusts Association Scotland	
Ownerless Land 5.3.3	The QLTR's role, powers and functions should be reviewed to see how they might allow better alignment with wider regeneration and land reform objectives.	Scottish Government	

Section	Suggested Action	Delivery Bodies
Aligning Policy to Support Delivery		
Public Disposals and Accounts 5.3.4	Scottish Government should review Guidance relating to the Scottish Public Finance Manual to ensure that it enables decision-makers to account for the wider benefits of bringing land back into use and require public agencies to update their own disposal guidance to reflect this.	Scottish Government and Scottish Futures Trust
	Scottish Government should work with relevant research and professional bodies to develop innovative public accountancy mechanisms that would enable cost savings to be moved between agencies and across different time periods.	Scottish Government, research community and professional bodies
Aligning Strategio	Funding to Support Delivery	
VDLF <u>6.1</u>	Dedicated funding to support local authorities' efforts to bring vacant and derelict land back into use should be increased, and an evaluation of the Vacant and Derelict Land Fund should be undertaken to ensure that funding criteria are fit for purpose.	Scottish Government
Funding sources 6.1.1	A comprehensive and accessible database of potential funding sources is created and maintained.	SURF
Funding Principles 6.2	Major Scottish Government grants and funds are reviewed to ensure that they are fully aligned to support place-based regeneration and that prioritise the reuse of vacant and derelict sites.	Scottish Government and all public bodies responsible for allocating funding
	Review project appraisal guidance and criteria to ensure that funding decisions give due weight to the benefits of productive land reuse.	
	In reviewing potential sources of funding for land reuse, the Government should aim where possible to allocate funding over multiple years.	Scottish Government
	A proportion of public funding designated for vacant and derelict land should be allocated to project development, including support for initial site investigations, scoping and feasibility studies.	
	Support is provided to better market vacant and derelict land reuse as an attractive long-term investment to private and institutional investors.	

Section	Suggested Action	Delivery Bodies
Aligning Strategic Funding to Support Delivery		
Funding mechanisms 6.3	Scottish Government to investigate option for the creation of a recyclable fund to prepare vacant and derelict sites for housing development.	Scottish Government
	Payments made by the QLTR into the Scottish Consolidated Fund are used to support community reuse of ownerless derelict sites.	
	Scottish Government should bring forward ambitious proposals for a new compensation instrument that would enable any unavoidable biodiversity loss associated with greenfield development to be offset by improvements to derelict sites elsewhere.	
Enhancing biodiversity 6.3.3	Audits should be undertaken to determine the biodiversity potential of vacant and derelict sites across Scotland.	National Research Institutes, local authorities and Scottish Government
Stemming the flo	w of new sites	
Responsible Land Reuse 7.1	The Scottish Land Commission should work with relevant sector bodies to support implementation of the Land Rights and Responsibilities Statement in relation to the management of surplus property.	Scottish Land Commission and sector leadership bodies
	Pioneering change leaders to pledge their support to responsible land ownership and take steps to ensure that the principles embodied within the Land Rights and Responsibilities Statement are reflected within existing corporate social responsibility obligations.	All public bodies
Role of land owners 7.2	All organisations with responsibility for delivering a major capital investment project should review their project boundaries to identify opportunities to incorporate persistently problematic vacant and derelict sites into the project.	All land owners
Supporting the Change 7.3	The Scottish Futures Trust should explore options for expanding provision of estate management support to other large landowners in the public sector and whether a similar model could be developed to support strategically important landowners in the private sector.	Scottish Futures Trust
	Relevant sector and membership bodies should work with their client groups to share good practice and promote innovative approaches to site reuse.	Property sector and property professional membership organisations

Section	Suggested Action	Delivery Bodies	
Stemming the flo	Stemming the flow of new sites		
Conditionality of support 7.4	Enterprise support agencies should ensure that recipients of public support are obliged to maintain good standards of land stewardship as a condition of receiving support.	Highlands and Islands Enterprise, Scottish Enterprise, South of Scotland Enterprise Partnership	
	All public bodies should be obliged to carry out due diligence on disposal of property to ensure its productive reuse, and if necessary to attach appropriate conditions that would tie future owners into maintaining the asset in an acceptable state of repair throughout their tenure.	All public bodies	
Preventing a new legacy 7.5	Scottish Government should investigate options for using the tax system to incentivise landowners to repurpose surplus commercial property for socially beneficial uses, particularly in parts of the country already disproportionately affected by urban dereliction.	Scottish Government and Scottish Land Commission	
	Support and guidance should be developed to support imaginative approaches to repurposing surplus commercial property, working with owners and local authorities to identify sustainable uses and maintain the viability of town centres.	Scotland's Towns Partnership, Scottish Futures Trust and commercial property sector	
Monitoring progress and options for enforcement 7.6	Scottish Government should commit to reviewing the effectiveness of the voluntary approach to responsible land reuse set out above and to considering what additional enforcement measures may be required as part of the planned review of the Land Rights and Responsibilities Statement in 2022.	Scottish Government and Scottish Land Commission	
Demonstration and delivery			
Green infrastructure investment programme 8.1	A major national green infrastructure investment programme is established to bring our legacy of stuck sites back into use in ways that will contribute to a fair and green recovery, support job creation and skills development, and help rebuild community resilience.	Scottish Government, Green Action Trust, local authorities, DTAS, Construction Scotland Innovation Centre, Scottish Enterprise, Scottish Renewables, and Greenspace Scotland	

Section	Suggested Action	Delivery Bodies
Demonstration and delivery		
Leading the change – local government 8.2.1	Chief Planning Officers should take on responsibility for coordinating and leading on vacant and derelict land at a local level and resourced to do so.	Local authorities
	All local authorities should undertake a vacant and derelict land audit and set out clear priorities for reuse that incorporate community needs and aspirations identified through local place plans.	Local authorities and communities
Leading the change – national government 8.2.2	Scottish Government should make a clear commitment to the eradication of persistent urban dereliction and embed this within Scotland's National Performance Framework.	Scottish Government
	Scottish Government should appoint a national vacant and derelict land coordinator to oversee the delivery of the recommendations described in this document.	
Public Agencies 8.2.3	Resource should made available to help local authorities assess constraints to the reuse of prioritised sites and provide specialist advice on how to overcome them.	SEPA, Scottish Futures Trust, Key Agencies
	A targeted programme of enterprise support should be established to support the development of innovative green technologies and nature-based services that could help bring challenging sites back into use.	Scottish Enterprise, Key Agencies, Zero Waste Scotland, and Construction Scotland Innovation Centre





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