

Scottish Land Fund

Ionmhas Fearainn na h-Alba

Delivered by

THE NATIONAL LOTTERY
COMMUNITY FUND



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Funded by



Scottish Government
Riaghaltas na h-Alba
gov.scot



Guidance Notes

Welcome to the Scottish Land Fund



Community land ownership has the potential to transform local places and our country as a whole. It can help build independent, fairer, and more resilient communities and create a sense of confidence and community empowerment. It can help deliver equality, opportunity, and community, the three missions of this government. Scotland's land is truly one of our greatest natural resources and this Government sees community ownership as a vital tool in unlocking the potential.

We can empower communities, reclaim underused and neglected areas, and support land use change that contributes to our climate and biodiversity goals in line with the recommendations of the Just Transition Commission.

I want to encourage more communities to acquire land and buildings in their local areas and in doing so, meet a range of community needs. That's why this government has committed to doubling the Scottish Land Fund to £20 million per year by 2026.

The Scottish Land Fund is a key lever in delivering this vision. It can help communities own land, whether through negotiated sales, asset transfer or the various community right to buy processes, in both urban and rural Scotland. The Scottish Land Fund helps to make community ownership achievable by giving groups access to the funds to purchase plots, land, and buildings, and by supporting them with advice and guidance to help fully realise their visions.

As well as doubling the Fund, we also remain committed to working with our partners, The National Lottery Community Fund Scotland and Highlands and Islands Enterprise, to ensure we make best use of resources and expertise in support of ambitious communities. These are exciting times for communities in Scotland and this Fund will help more of them to take control of their destinies and build the successful, fair, and flourishing communities of tomorrow.

Mairi Gougeon

Cabinet Secretary for Rural Affairs, Land Reform and Islands

Contents

About The Scottish Land Fund	4
Application Process	7
How to Apply	9
Application Process Flowchart	11
Who can Apply?	12
Other Help and Support	15

Front Cover:

Inchinnan Development Trust were awarded a Scottish Land Fund grant in 2021 to acquire Teucheen Wood. This 5.85 hectare community woodland is widely used by the local community and is used as a venue for woodland crafts and nature identification sessions.

About The Scottish Land Fund

Aim of the Scottish Land Fund

The Scottish Land Fund supports communities to become more resilient and sustainable through the ownership and management of land and buildings.

It will fund projects that empower communities through asset ownership and strengthen their voices in the decisions that matter to them.

What changes will the Scottish Land Fund support?

We call the changes we want a grant programme to make “outcomes”. Successful applicants will demonstrate that their project will contribute to the Scottish Land Fund outcomes:

1. Our communities will achieve more sustainable economic, environmental and/or social development through ownership of land and buildings.
2. Our communities will have a stronger role in and control over their own development.
3. Our communities own well-managed, financially sustainable land and buildings.

The best projects will deliver strongly against all three outcomes.

We will prioritise applications that can demonstrate a significant positive impact for the community as a whole.



Dollar Community Development Trust were awarded a Scottish Land Fund grant in 2021 to purchase The Hive.

What types of projects will we fund?

We will fund the purchase of land, land assets and buildings which can contribute to the overall sustainability of a community or enable the retention or provision of key local services. Land assets are resources that are associated with the land such as standing timber, mineral or riparian rights and energy opportunities.

The Fund can support acquisition of many types of land, land assets and buildings ranging from large estates and forestry to community shops and hubs where a route to ownership can be identified. Any land or building acquired must be capable of delivering a level of income which ensures it does not become a liability for the community in the long term. It is also important that other organisations or businesses are not adversely impacted by projects supported by the Fund.

We will consider whether the asset to be acquired is an asset or liability when assessing applications.

If projects require substantial investment following the purchase to meet the project outcomes, we will expect information on how this will be funded. An application to the Scottish Land Fund is unlikely to be supported unless it can be shown that the investment or funding required to deliver the long-term project outcomes is likely to be secured.

We strongly encourage you to speak to funders and investors likely to be involved in these projects at the earliest opportunity. This is especially relevant for historic and complex buildings and sites for new builds where early discussions with funders and planners will be crucial to the outcome of your Scottish Land Fund application.

The Scottish Land Fund can consider the purchase of land or buildings to provide affordable housing for rent in certain circumstances. There are other sources of Scottish Government support to meet affordable housing needs and grants made by the Scottish Land Fund should not duplicate these. Therefore, it is important to discuss your housing aspirations with your Scottish Land Fund adviser at an early stage.

Applecross Community Company were awarded a Scottish Land Fund grant in 2022 to purchase a building which will be developed into the Applecross Community Hub.



We want to fund projects that:

- Deliver value for money for the Fund and are sustainable in the longer-term.
- Enable communities to manage local land, land assets and buildings well and deliver benefit for the whole community.
- Empower communities to realise the opportunities they see in local land, land assets and buildings to meet local needs.
- Deliver real community involvement and participation in land and building ownership and management.
- Help communities realise the opportunities created by the Land Reform (Scotland) Act 2003, the Land Reform (Scotland) Act 2016 and the Community Empowerment (Scotland) Act 2015.
- Help people live in communities that are inclusive, empowered, resilient and safe

What do we mean by community?

When we talk about community, we mean a geographic community, not a community of interest. Organisations which apply to the Scottish Land Fund need to be representative of the community and have a defined boundary. The land or buildings being acquired should be within, or close to, the defined community with a clear link between the opportunities provided by the asset and the identified needs of the community.

How much money is available?

The Scottish Government has committed £10 million per year to the Fund at present, and has pledged to double this to £20 million per year by the end of this parliament. You can apply for up to £1 million per application. In exceptional circumstances, larger grants may be available.

The average grant size is around £150,000; typically grants range from £15,000 to £650,000. We expect to see this diversity of grant awards in this Fund.

How much can we apply for?

At stage 1 you can apply for technical assistance funding, normally between £2,500 and £30,000. If your application progresses to stage 2 you can apply for funding for asset acquisition. The indicative minimum grant is £5,000, and the maximum grant is £1,000,000. We anticipate that over the life of the Fund, the average contribution to eligible project costs will be 80%. While we can fund up to 95% of eligible project costs we need to be sure that the Scottish Land Fund achieves maximum value for money so that we are able to assist the largest number of communities possible. We will carefully consider the levels of assistance required to enable you to successfully complete your project.

Levels of locally-generated investment are an important indicator of local support and capacity and we will take this into account in our assessment and decision making.

As a minimum, 5% of your funding should come from other sources including your own fundraising efforts, community shares, negotiated discounts on the valuation, or other funders.

Application Process

We use a two-stage application process.

At stage 1, we will ask you to complete a short form to gather basic information about your project, your organisation, and your community.

You can also apply for a technical assistance grant, to help you develop your project, at this stage. If you are invited to proceed beyond stage 1 you will continue to work with your Scottish Land Fund adviser to develop your project and meet the eligibility requirements for stage 2. This typically takes around six months. At stage 2 you will be asked to complete a full application form for funding towards the acquisition.

When you are referred to the Scottish Land Fund, your adviser will discuss your timescales with you. As a guide, in most circumstances the minimum time between application and decision for an applicant that does not need technical assistance funding will be a minimum of 4 months. If your application is time sensitive we recommend that you contact us as early as possible to get advice.

Stage 1: Technical assistance funding

Technical assistance funding is available to help you prepare to purchase an asset. These grants are normally between £2,500 and £30,000. The average grant size at stage 1 is around £10,000. Although we can fund up to 100% of your technical assistance costs, a stronger application will include funding from your own reserves or other sources.

Grants can fund specialist advice and/or professional fees including the preparation of feasibility studies and business plans, valuations and surveys as well as some costs towards community engagement. We will not fund salary costs, asset or land purchase with a technical assistance grant.

As part of your stage 1 application, we expect you to demonstrate local awareness and some community support for your proposals to investigate the acquisition of this asset; clearly explain the community need your project aims to address; obtain competitive quotes; and provide details of the asset you wish to buy.

If you are successful at stage 1 and did not request technical assistance funding, we expect you to submit your stage 2 application within 3 months of the date of your stage 1 confirmation letter.

If you are awarded a technical assistance grant you need to complete all work and have spent the grant before sending us your stage 2 application. We expect you to submit your stage 2 application within 6 months of the date of your stage 1 confirmation letter.

The technical assistance grant will be counted as part of your eligible project costs and will affect how much revenue funding you can ask for when you move on to the next stage.

Stage 2 : Acquisition funding

We can fund capital and some revenue costs associated with the acquisition of assets. The indicative minimum amount for stage 2 acquisition grants is £5,000, and the maximum grant is £1,000,000. When we assess your application we will discuss your costs in detail. Your Scottish Land Fund adviser will be able to advise you on eligible costs.

Your Scottish Land Fund adviser will be able to signpost you to other potential sources of funding for this stage of your project.

Capital costs

By capital costs we mean a grant towards the value of the land, land assets and buildings as determined by an independent open market valuation, which must be current (less than 6 months old). The purchase price may be higher than this. We can only contribute up to 95% of the market value. We will also fund reasonable professional, title mapping and legal fees associated with the purchase.

Langholm Initiative was awarded SLF funding in 2020 and 2022 to purchase 5,200 acres of land which is being developed into the Tarras Valley Nature Reserve.

Revenue costs

The Scottish Land Fund will principally fund acquisition costs but you can request a small amount of initial revenue for your project after acquisition. This funding is competitive so your Scottish Land Fund adviser will be able to help advise you on eligible costs.

Ineligible costs

There are some costs we can't fund. These include:

- Revenue only grants.
- Costs to develop, restore or refurbish the land or buildings once you own them, other than the initial Health and Safety work.
- Costs or expenditure incurred before you accept our grant offer.
- Any costs which someone else is paying for.
- Items that only benefit an individual and are not needed to deliver the project outcomes.
- Funds to build up a reserve or surplus.
- Loan repayments.
- Contributions to a general appeal.

In general, we don't fund speculative acquisitions that do not achieve immediate Scottish Land Fund outcomes or assets that are acquired purely to generate income for the organisation and not to be used by the community.



How to Apply

We need to make sure that this investment will deliver real benefits and that you have effective plans in place to ensure your project is successful.

You will need to submit a business plan along with your application which sets out your initial plans for the management and development of the land, land asset or building you propose to acquire for at least the first two years of ownership and provides an outline of your longer term plans too.

Your Scottish Land Fund adviser will support you to create a business plan which is proportionate and appropriate to your project.

How to start your application

If you want to apply for funding from the Scottish Land Fund please contact us to discuss your idea. If you are eligible to apply we will give you an application form. You must engage with a Scottish Land Fund adviser who will support you through both stages of the application process.

To discuss your idea and to be referred to a Scottish Land Fund adviser, please contact our advice team on:

T: 0300 123 7110

E: advicescotland@tnlcommunityfund.org.uk

For those with a hearing or speech impairment:

Text relay 18001 plus 0300 123 7110

BSL users can contact us in Scotland using [contactSCOTLAND-BSL](#)

How to submit your application

To make a stage 1 or stage 2 application, please send your completed application form to:

scottishlandfund@tnlcommunityfund.org.uk

We prefer to receive applications by email. If you are unable to email your application, please send a hard copy to:

Scottish Land Fund
The National Lottery Community Fund,
70 Wellington Street, Glasgow, G2 6AU

How we will assess your project

We will use your business plan along with your application to assess how effective and well thought through your plans are.

We will assess the quality and/or value of:

- The opportunities that the land, land asset or building represents for your community.
- The quality of your plans to realise those opportunities.
- The extent to which your community is engaged in and supportive of your project.
- The economic, social and environmental benefits your project can deliver for your community.
- Your organisation's skills and capacity to deliver your project.
- Your understanding of the liabilities and responsibilities you will be taking on.
- Your understanding of the initial cash flow you will need in place to ensure that you can generate enough income to deliver a well-managed, financially sustainable community asset.

We will also consider whether your project represents good value for money for the cost of the land, land asset or building you plan to buy and the benefits you expect to deliver.

Fair Work First

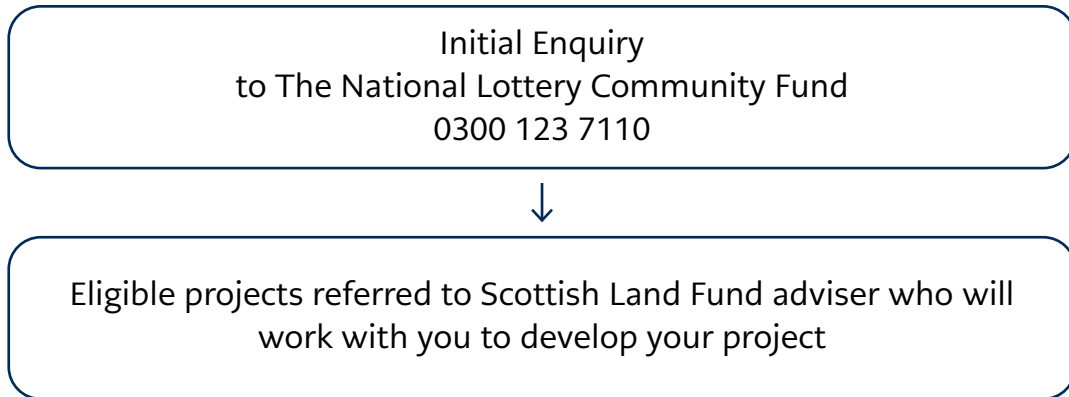
The Fair Work First Framework Criteria is part of Scottish Government's commitment for Scotland to be a fair and equal society. Scottish Land Fund applicants will be asked to comply with Fair Work First requirements, including paying all staff employed by your organisation at least the Real Living Wage and providing channels for effective employee voice. Please see the Scottish Government's Fair Work First guidance (available on the Scottish Government website).

Heart of Newhaven Community SCIO were awarded Scottish Land Fund funding in 2021 to purchase a former primary school in Edinburgh which is now a vibrant community hub.

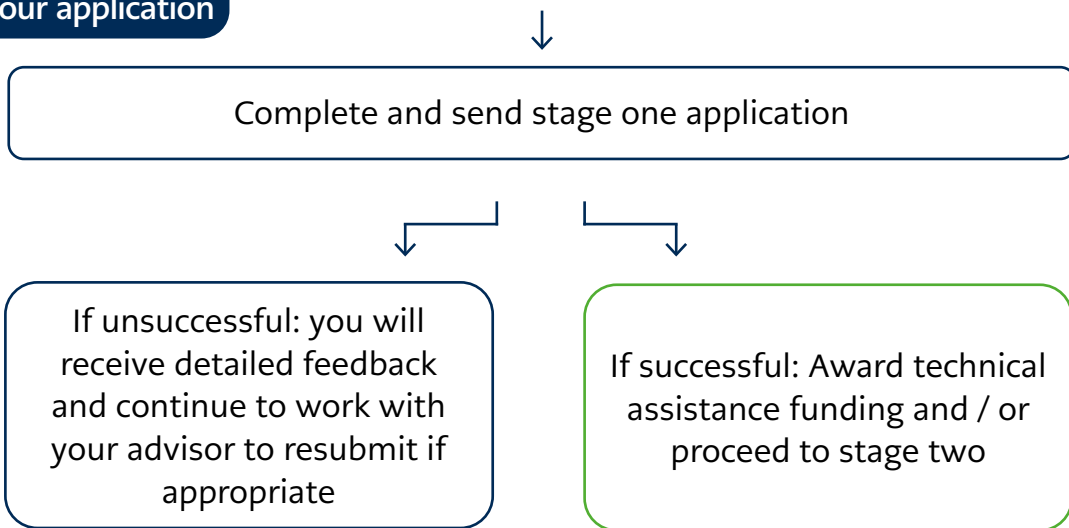


Application Process Flowchart

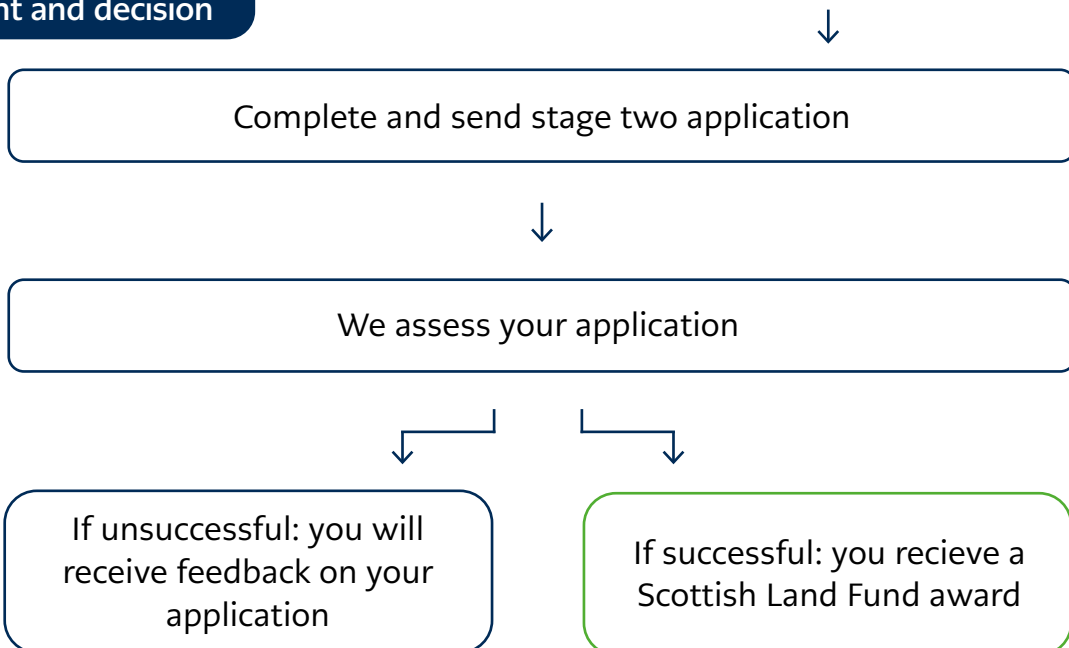
Enquiry



Develop your application



Assessment and decision



Who can Apply?

Stage 1 : Applicant eligibility

We will work with a wide range of representative community organisations such as voluntary organisations, social enterprises or community councils to test out and develop initial ideas about community ownership and investigate the feasibility of taking a project forward.

We can work with you and award a technical assistance grant if your organisation meets the following criteria:

- Your organisation is a voluntary or community organisation, community council or social enterprise.
- Your organisation has a written governing document (for example, a constitution, or set of rules).
- There are at least three unrelated people in your management committee or governing body.
- You have a UK-based bank or building society account in the name of your organisation that requires at least two people (who are not related and do not live at the same address) to sign cheques or make a withdrawal.

Stage 2 : Applicant eligibility

There are some additional eligibility requirements at stage 2. These are to ensure your organisation has a structure appropriate to the responsibilities and obligations of asset ownership. Furthermore, as we want to fund projects that put communities in control of local assets to meet local needs, we want to ensure your organisation is community-led and controlled and that there is a clear link between the asset and the local community.

To be eligible to receive a grant for the purchase of land, land asset or a building, an organisation must be a corporate body. This means it has a separate legal identity from its members and can enter into contracts and hold property in its own name.

Examples of appropriate corporate body structures include: a Company Limited by Guarantee; a Scottish Charitable Incorporated Organisation (SCIO); a Community Interest Company (CIC); and a Community Benefit Society (BenCom).

In addition, all organisations irrespective of structure type must have the following clearly set out in their governing document:

1. Definition of community

This is to be a geographic community as opposed to a community of interest. The boundary of the community to which the organisation relates must be clearly defined. For example, it could take the form of a community council area, parish boundary, local authority ward or could be defined using postcodes. We expect the boundary to be inclusive and to reflect commonly understood definitions of places and not cut across commonly recognised community boundaries.

2. Social purpose

The organisation's main purpose must be consistent with furthering the interests of the defined geographic community. As we wish to support projects that will benefit the community as a whole, the Scottish Land Fund is best suited to organisations with a broad community benefit purpose and a good uptake of membership from within the defined community. Organisations that have a more narrow purpose can only be considered if they meet our eligibility requirements and the applicant can demonstrate the project will deliver wider benefits.

3. Open membership

Ordinary (or voting) membership should be open to everyone over 16 years (over 18 years is also acceptable) living within the defined geographic community. By 'open membership' we mean that membership eligibility requirements have to be inclusive and not discriminatory in terms of individual characteristics or circumstances such as race, religion, or gender.

In addition, individuals who meet the eligibility requirements are to be admitted as members. Governing documents which enable discretion or a veto on membership eligibility do not meet the Fund's requirements and will not be considered eligible.

4. Community control

Community control must be demonstrated at both membership and board level. The majority of the organisation's voting members must be individual ordinary members and resident within the defined community. More than half of the voting seats on the board must comprise community directors resident within the defined community and elected by the membership.

5. Non-profit distributing

Surplus funds or assets should be reinvested into the work of the organisation to further its objects and not be distributed to members or others. In the event of the organisation being wound up, assets at dissolution must be passed to a non-profit distributing body with similar objectives.

Your Scottish Land Fund Adviser will work with you during the development of your project to ensure you have an eligible organisational structure in place.



Conditions on asset sales

We advise you to find out any conditions that the seller proposes to attach to the sale of the asset you are looking to purchase as soon as you start a conversation with the seller. This could include clawback, pre-emption, burdens or other requirements. Conditions imposed by a seller could hold back your community's ability to invest in the asset and develop it in the way you want to. This could reduce the financial viability of the project and affect its longer-term development. Some community acquisitions stall or are unsuccessful - despite of all the time and work that has been invested - simply because of conditions imposed by the seller which the community and funder cannot accept.

Having the details of any conditions at an early stage could influence your planning, the valuation on the asset, and negotiations over price. Funders often have a requirement or a preference for an 'uninhibited title' (where you have taken on the asset without any conditions) before they provide funding for an asset project. So, if your asset purchase is subject to conditions you could be at a disadvantage. Conditions might also limit your ability to deliver the outcomes you set out in your Scottish Land Fund application.

If your acquisition project involves an asset transfer request, when you submit a stage two application, we will need a decision notice from the Relevant Authority with any discount and the conditions clearly identified. We will take these conditions into account when making a decision about your application. We are unlikely to accept any conditions or burdens placed on a sale after we have awarded funding, in particular when these have not been included in any asset transfer decision notice issued by a Relevant Authority.

Scottish Land Fund grants are discretionary and we reserve the right not to fund projects where there are conditions on the sale or transfer that do not fit with the following guidance:

- Time limits for imposing conditions should be limited to five years.
- Clawbacks should be limited to the monetary value of the discount offered by the seller.
- Where there is a strong rationale for a right of pre-emption in favour of the seller, this can be considered by the fund. The buy-back should be at the market value of the asset at the time.

Legal Requirements

The National Lottery Community Fund has specific legal requirements we need to put in place if we award you a capital grant. This is to ensure the asset will be used for the purpose for which we award the grant. If you are awarded Scottish Land Fund funding you may be asked to provide evidence of ownership (a certificate of title) and a standard security. For housing projects, we may require you to apply a Rural Housing Burden over the property, designed to maintain the affordability of the property in perpetuity.

As a public funder, we must comply with the UK's international subsidy control commitments effective from 4 January 2023. You may be asked to provide information on previous grants received by your organisation and for other information to allow us to comply with the required processes and rules.



The Old Forge Community Benefit Society was awarded a Scottish Land Fund grant in 2021 to purchase the Old Forge in Knoydart, the most remote pub in mainland Britain.

Other Help and Support

Organisation	Support available
The National Lottery Community Fund	Funding for a wide range of community-led activities, and for some minor associated capital costs.
Architectural Heritage Fund	Funding to help communities to revitalise historic buildings or assets.
The National Lottery Heritage Fund	For acquisition and development of historic buildings or assets.
Scottish Government: The Rural and Islands Housing Funds	Funding and loan finance for housing projects in rural communities.
Highlands and Islands Enterprise	Advice and financial assistance to support community asset ownership.
South of Scotland Enterprise	Provide support and funding for organisations in the South of Scotland.
Community Land Scotland	Membership organisation supporting community groups taking ownership of land and buildings in both rural and urban Scotland.
Community Shares Scotland	Advice and support to raise funds and involve your community through issuing community shares.
Plunkett Foundation	Advice, support and training for community owned businesses.

The Community Woodlands Association	Membership organisation providing support for community groups taking control of woodlands.
The Scottish Government Community Land Team	Information and advice on legislation to support community ownership through the Community Right to Buy and Community Asset Transfer.
Development Trusts Association Scotland (DTAS)	Membership organisation which promotes, supports and represents development trusts in Scotland.
DTAS: Community Ownership Support Service	Advice for communities on asset transfer and development.

The Scottish Land Fund is funded by the Scottish Government and made available through The National Lottery Community Fund. The Scottish Land Fund is being delivered on behalf of the Scottish Government by a partnership between the National Lottery Community Fund and Highlands and Islands Enterprise. There are no National Lottery funds used in the Scottish Land Fund.

Scottish Land Fund Guidance Notes

Further copies available from:

Email: advicescotland@tnlcommunityfund.org.uk

Phone: 0300 123 7110

Our website: www.tnlcommunityfund.org.uk/SLF

The National Lottery Community Fund Strategy 2023 - 2030

It starts with community.

Social connections and community activities are at the heart of creating healthier, happier lives and a flourishing society. That's why The National Lottery Community Fund supports amazing community-led projects.

www.tnlcommunityfund.org.uk

© The National Lottery Community Fund, August 2023

Accessibility

Please contact us to discuss any specific communication needs you may have.

Our equality principles

Promoting accessibility; valuing cultural diversity; promoting participation; promoting equality of opportunity; promoting inclusive communities; reducing disadvantage and exclusion.

Please visit our website for more information.

We care about the environment

The National Lottery Community Fund is working towards sustainable development and the use of sustainable resources.

Highlands and Islands Enterprise (HIE)

The economic and community development agency for the north and west of Scotland. It helps build a prosperous, inclusive and sustainable economy across the Highlands and Islands, attracting more people to, live, work, study, invest and visit.