

**CROSS-PARTY GROUP on CROFTING**  
**Meeting 22 of Parliamentary Session 4**  
**Scottish Parliament, room Q.1.04**  
**Wednesday 18 June 2014 at 17.30**

**MINUTES**

**Present:**

Jamie McGrigor MSP<sup>1</sup> (Chair)  
Patrick Krause SCF (Sec)  
Derek Flyn SCF  
Uisdean Robertson CnES  
Neil Ross HIE  
Fiona Mackenzie UHI  
Jean Balfour SLE  
Rhoda Grant MSP  
Maria Scholten SCF  
Susan Walker CC  
Sandy Murray NFUS  
Lucy Sumsion NFUS  
Clare Slipper NFUS  
Paul Wheelhouse MSP  
Richard Frew SG  
Billy McKenzie SG  
John Brownlee SG  
Tom Edwards SPICe  
Angus MacDonald MSP  
Robin Haig observer  
Karen MacRae SCF  
Douglas Pattullo office of Jamie McGrigor MSP  
Dave Thompson MSP  
Colin Kennedy CC

**1. Welcome and Apologies.**

Jamie McGrigor welcomed everyone and invited introductions. Apologies were received from:

Jean Urquhart MSP; Russell Smith SCF; Catriona MacLean CC; Murdo MacKay CnES; Ross McLaren SCRG; Pam Rodway SAS; Norman Leask SCF; Nigel Miller NFUS; William Neilson NFUS; Rob Gibson MSP; Brian Inkster CLG; Tavish Scott MSP; Gordon Jackson SG; George Farlow HC.

**2. Minutes of the previous meeting**

Minutes of 23 April 2014 agreed subject to 'Western' (p.6) being replaced with 'Northern'.

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<sup>1</sup> **Acronyms:** CAB Citizens Advice Bureau; CC Crofting Commission; CLG Crofting Law Group; CnES Comhairle nan Eilean Siar; EFNCP European Forum for Nature Conservation & Pastoralism; HC Highland Council; HIE Highlands & Islands Enterprise; HSCHT Highland Small Communities Housing Trust; HWU Herriot-Watt University; JHI James Hutton Institute; LANTRA Land-based & Environmental Industries; MSP Member of the Scottish Parliament; NFUS National Farmers Union Scotland; RoS Register of Scotland; SAS Soil Association Scotland (Crofting Connections); SCF Scottish Crofting Federation; SCRG Scottish Churches Rural Group; SG Scottish Government; SLE Scottish Land & Estates; SNH Scottish Natural Heritage; SPICe Scottish Parliament Information Centre; RSPB Royal Society for the Protection of Birds; UHI University of Highlands and Islands; WCP Woodland Crofts Partnership.

### **3. Matters arising**

There was a letter from the Minister for transport regarding level crossings; this has been circulated.

Brian Pack turned down the latest invitation to attend this meeting; his final report will be coming out soon and he feels it would make sense to attend after that. The Crofting Commission met with Brian Pack to contribute to the report.

*As the Minister was slightly delayed chair decided to start with item 7 crofting law.*

### **7. Progress regarding crofting law**

including the Sump and consolidation of Acts

Derek Flyn gave a summary of progress on the sump.

The sump is now close having been extended several times. The Department (Scottish Government) and Registers of Scotland have not contributed. This would seem to be a deficit. The Crofting Commission have participated fully and constructively. This is very welcome.

The CLG held a workshop on the sump on 31 May at which there were 40 participants. There were group discussions on many aspects of the sump resulting in recommendations; the amended document will be distributed to all stakeholders. This may well include a questionnaire. This should happen at the beginning of August and will need responses by the end of August. In September CLG will be drafting the final report in preparation for the CLG conference on 31 October at which the final draft will be launched. This will then be lodged with Scottish Government in November.

*Minister arrived so this item held and meeting moved to item 4.*

### **4. Land Reform Review Group – Final Report**

Comments by Minister for Environment, Paul Wheelhouse

Scottish Government welcome the final report from the land reform review group and generally support the direction it is taking. There are 62 recommendations including some on crofting. The report is cross-portfolio in nature. The government intends to scrutinise the outcomes and suggested solutions constructively and will endeavour to find the best options. The Scottish Government plans to have a land reform bill in this Parliament. They are taking initial reactions from stakeholders and will be interested to know the reaction of the SCF and the CLG.

*Discussion:*

SLE felt that the report is not bringing people together; rather it is pushing them apart. The term "public interest" is used loosely.

PW: not all will embrace the recommendations, but many do - for example the Crown Estate are willing to take recommendations forward. We wish to build consensus but we won't please everyone and will have to make bold choices. Public interest is key and we need to find sensible, practical solutions. We will make it clear what this means in due course. There will be a budget, limited of course, when the land reform bill comes forward. There will be an appropriate impact assessment and financial assessment.

This is not about vilifying anybody. Many estates work well with the community and of course not all community estates are perfect. However we can move to a point where we can facilitate community ownership if this is desired. It's about appropriate checks and balances. We are building on the land reform (2003) act and I'm happy to put on record that there are good and bad landowners.

The CC felt the report seemed a bit reactive rather than proactive in regards to crofting. Crofting regulation is something we should be proud of, it is in the public interest.

PW: the Scottish Government supports crofting, the people, food & drink, the environment, and we look at the strengths of the crofting model and, if possible will improve this. It is within the public interest to resolve absenteeism, there is support from those who are working crofts; it is a job worth doing.

Chair: is it correct that the Scottish Government are going to establish three new agencies? What will be the cost to the public?

PW: it has not been agreed yet to go with the recommendation of the land reform review group to form three agencies. However we will form a working group to look at all of the issues, including the suggested agencies. The working group will look at cost and at public good and will come back with proposals.

There was an observation from the group that it is important to not over-regulate.

PW: we are trying to simplify regulations in land reform; easy to say, but difficult to do in practice. This is including trying to simplify crofting law.

*It was decided at this point that as the Minister could stay for a while it would be appropriate to resume item 7 crofting law.*

## **7. Progress regarding crofting law (cont)**

Over 100 problems have been identified, admittedly some overlap, but it is unwieldy. A question that is asked often is should we start with a new sheet?

Everyone wants it simpler, but a blank sheet would cause endless debate. The sump is trying to catch the problems and simplify as much as possible; writing new legislation won't do it.

PW: we need to identify the difference between an administrative fix or a legislative fix; identifying the problem is our first concern. At this stage we haven't made any hasty decisions as there are the implications of costs and public good.

Many are asking for consolidated legislation and we are mindful of this. Consolidation is under consideration. But we cannot consolidate until we have sorted out the problems and rectified them in the most pragmatic manner.

The Crofting Commission pointed out that a lot of public resources of the Commission are spent on trying to wade through the guddle of legislation. The more we try to fix it the worse it gets. In the long run would it not be better to just start again?

PW: creating completely fresh new legislation that doesn't have any of the pitfalls of current legislation would be a massive undertaking; do we have the resources? We will listen to the recommendations of the CLG.

DF: it is not surprising the Commission have found it difficult to work with this legislation and we are very pleased that they have contributed in depth to the sump; we will be coming back to talk to the Commission.

PW: we welcome the input from Derek Flynn, the CLG and the people here around this table on how to make regulation of crofting easier.

DF: it is important that the Department (Scottish Government) and registers of Scotland participate now - this is the opportunity. There are many obvious problems that can be solved quite easily and there are some that will need to be worked on in depth.

*The Minister had to leave; the chair thanked the Minister for attending.*

HIE asked how much are we spending to keep the current legislation going; would it not be more cost effective in the long run to spend on new, simpler legislation and crofting development?

SG: has been in conversation with the SC on the formation of a crofting stakeholder group to look at crofting development and a vision for crofting 2020 (SG has also spoken to NFUS about this). The Minister said that he will look at all alternatives. What we do for crofting now needs to take into account what crofting will need for the future.

The question was asked how long does new legislation take to form?

SG: it depends on many things; it is impossible to predict.

DF: if you start from first principles, this opens up a long debate. Then there is the protracted journey through the Scottish Parliament, including cross-party arguing, clouding the whole issue. Bear in mind that the last reform of crofting legislation started in 1998 and culminated in what we have now. Starting again is really not a viable option. However, we cannot simply consolidate as that would incorporate all the things that don't work. We need to amend the legislation and then consolidate.

## **5. CAP and Crofting**

Scottish Government officials report on the Cabinet Secretary's announcement

### *Pillar 1*

There will be three payment regions: Regent one arable and temporary grass; region two better quality rough grazing; region three poor quality (category A) rough grazing.

There will be a five-year transition period.

Eligibility will be determined on years 2015 or 2013 whichever the smaller claim.

Sporting estates will be on the negative list.

The Scottish clause concerning activity will be based on stocking density or an alternative measure; we are working on this.

New entrants farming in 2013 will be eligible for claims if they can provide proof.

There will be a National Reserve set up.

There will be degressive capping over €150,000 basic payment, progressing to a 100% capping at €500,000 (£400,000).

There is agreement in principle from the UK government to go over 8% Voluntary Coupled Support. This will be used to give extra support to islands, to form a sheep scheme, and to provide coupled support for region 3 to encourage activity on this land and to therefore top up the €10 per hectare. In reality a producer in region three could get €25 per ewe equivalent.

### *Discussion:*

If there is coupled support how we stop overstocking?

SG: inspections

Will the payments be on ewe hogs?

SG: we are working on it, in discussion with Cardiff, Belfast and Westminster.

NFUS: we are against payment on ewes, it should be paid on a percentage of the flock. If paid on all ewes EID would kick in. Payment may just be on hogs, 25% of the flock. It would mean cross-compliance would be easier.

An MSP asked why the press statement from SCF was negative.

SCF: Members of the SCF were asked for their first reaction. There is fear of the unknown and much of what has been announced is as yet unknown. The press statement was a very considered reaction to the announcement that extensive grazing will receive only €10 per hectare basic payment.

SG: statistics in the RESAS report show that crofters will do well from the reform.

SCF: The statistics are very general; they cover large diverse areas and reflect potentially very small increases of already small basic payments. They do not reflect the reality for many crofters that they can't continue. €10 per hectare is a very low backstop; crofters will depend on a sheep top-up. This worries crofters, understandably.

Chair: €10 per hectare is rock bottom and is lumbered onto half the land of Scotland. Who pushed for this? NFUS? Why should people be forced to keep sheep? This is a bad day for crofting.

SG: there will also be support for beef production. There is still a lot of work to do on the detail of how this will work.

There was concern expressed about differences in payment for regions 2 and 3 because they both often exist even on the same holding or on adjacent holdings. Some holdings may receive much higher payments than the one next to it.

How will the transition from historic payments area payments work?

SG: it is very complicated. Taking off the various funds, transition will work on a proportion of the basic payment; 2015 will get the usual payment and 2016 onwards will get adjustments to reach the average by 2019. It's not possible to work out now in advance as it depends on how much land is claimed and the proportions are very complicated. It will be worked out year-on-year.

Is Machair going to be in permanent grassland?

SG: the regions will be fixed in 2015.

What if land is improved?

SG: there may be appeals.

Can common grazings be a New Entrant?

SG: there is no reason why not.

What about young crofters?

SG: they can apply to the New Entrant Scheme.

What if a young crofter takes on a rough croft and improves it?

SG: it stays in the category it was given in 2015.

Will new entrants only be accepted if they started in 2013?

SG: no there may be many others, but if they can prove activity in 2013 it will be straightforward. The payments may be low but can be topped up with the National Reserve.

#### *Pillar 2*

There will be £14 million for a crofting capital grant scheme and 6 million for an equivalent scheme for small farms.

LFASS will continue; European Commission will decide if it can in its present form and for how long.

Forestry Commission Scotland is looking to make forestry schemes more accessible to small producers.

Agri-environment schemes will be more targeted and there will be some indicative allocation to stop big farms drawing all the funds down. There will be support for co-operative action in the schemes which can include crofters. Where they have worked they worked very well. This needs promotion.

There will be a beef package in the SRDP; there is an additional £45 million of new money to improve genetic potential and to get productivity up. Some will go into Knowledge Transfer and Advisory, for beef. This is because the beef sector has taken a big hit in the reforms.

There will be start-up grants for young farmers (including young crofters) and capital investments open to all new entrants (not age specific).

There will be a new food and drink scheme.

Some of the new budget is already being used in 2014 therefore the scheme will be six years or seven years; so some totals will be divided by six and some by seven.

The small rural business scheme can include crofting diversification.

There will be additional resources made available for an advisory service.

#### *Discussion:*

Will there be support to peatland restoration?

SG: this will be in the agri-environment schemes.

Will there be support to establishment and maintenance of foot paths?

SG: this will be in the agri-environment schemes.

Will there be support to vernacular buildings?

SG: no this has gone.

Will there still be support to slurry stores?

SG: yes but it will be targeted.

Why is leader separate, why doesn't everything just come under grant schemes?

SG: because rural businesses and business diversification are not considered agri-business.

When will we see the detail?

SG: the full programme will be published this week; it is 450 pages and is written in technical language. So in a few weeks an easy-read guide will be produced.

## **6. Crofting Development Update:**

This item will be deferred until after the inaugural meeting of the stakeholder group; the stakeholder group could possibly report back to the CPGoC on crofting development as a regular item.

## **7. AOB**

HIE are producing a fact sheet which will be sent to the Sec of the group.

## **8. DONM**

Parliament will take summer recess but will be back for three weeks in August.

20 August 17.30