

CROSS-PARTY GROUP on CROFTING

Meeting 2 of Parliamentary Session 5

Scottish Parliament, room Q.1.03

Wednesday 21 September 2016 at 17.30

MINUTES

Present:

Rhoda Grant MSP ⁱ (Convener)	Jamie Mackie MSP staff
Patrick Krause SCF (Secretary)	Laura Thomas MSP staff (Tavish Scott)
Kate Forbes MSP	Helen MacInnes Observer
Maree Todd MSP	Donald Lamont BBC
Sandy Murray NFUS	George Farlow Highland Councillor
Lucy Sumsion NFUS	Brendan O'Hanrahan SCF
Ian Davidson SG	Katy Dickson SLE
Fiona Mandeville SCF	Andrew McCornick NFUS
Trudi Sharp SG	Lynsey Muir LANTRA
Mark Shucksmith NISR	Uilleam Smith Observer
Donna Smith CC	Geoff Mandeville Observer
Murdo MacLennan CC	Ross McLaren SCRG
Murdo MacKay CnES	John Brownlee SG
Uisdean Robertson CnES	Emma Harper MSP (PLO to Fergus Ewing)
John Finnie MSP	
Edward Mountain MSP	

1. Welcome and Apologies

The convener welcomed everyone and asked for introductions. Apologies were received from:

Derek Flynn SCF; Russell Smith SCF; Brian Inkster CLG; Pam Rodway CCx; Eleanor Garty WTS; Rea Cris RSPB; Lorne MacLeod CLS; Jim McPherson SCF; Maria Scholten SCF*; Donald MacKinnon SCFYC; Robin Haig SCFYC*; Clare Slipper NFUS; Catriona MacLean CC; Gail Ross MSP (RECC); Donald Cameron MSP; Neil Ross HIE*; Siobhan MacDonald SRUC*; Tavish Scott MSP; Craig Smith SG; Gordon Jackson SG; Lucy Carmichael SG; Fiona MacKenzie UHI; Janette Sutherland SAC; Angus MacDonald MSP; Tom Edwards SPICe; Wendy Kenyan SPICe.

*teleconference facilities failed

2. Election of Co-convener(s)

As Michael Russell MSP is taking up a position in the Cabinet he can no longer serve as a Co-convener of the group. Kate Forbes MSP and Tavish Scott MSP have been nominated. vote: **Agreed** (to both).

Congratulations to Michael in his new role as Minister for UK Negotiations on Scotland's Place in Europe.

Action: Secretary to notify CPG Standards

3. Minutes and Matters Arising

Subject to some amendments requested by Murdo MacLennan, the minutes were approved.

All actions were carried out. No matters arising that are not due to be covered in the agenda.

4. The Future of Crofting: Reflections on the Committee of Inquiry

Professor Mark Shucksmith, Newcastle Institute of Social Reform, gave a presentation on the Committee of Inquiry on Crofting (CoIoC) that he chaired in 2007 / 8.

Sec. Note: the presentation slides have been circulated.

Professor Shucksmith showed some of the statistics gathered from the CoIoC and pointed out that there are many statistics and information to be found on the CoIoC [website](#) including all the flipcharts from the public meetings. This was a great exercise in community empowerment. 1000 people were surveyed. The Final Report, released in 2008, gained interest from afar – Norway, Ireland, USA, and it has been translated into Japanese.

The number one issue raised in the inquiry was the need for young people and new entrants to crofting.

There is unfinished business:

Crofting development;
Croft housing;
Support for crofting agriculture and rural development;
Simplification of crofting law.

Key to recommendations was that regulation and development should be separated. The crofting counties are vast and different areas have different needs and potentially could have different policies to reflect circumstances. A federation of 7-10 crofting boards would replace the Crofting Commission; 'Local' Crofting Boards operating within a national framework.

Crofting development would come under HIE, with the involvement of Township Development Committees.

There was confusion over this model, with it being 'rumoured' that regulation would come under Township Committees. Crofters rejected it. There is a great difference in scale of the regulatory boards (7 to 10 of them) and Township Development Committees.

NFUS suggested the group may like to see a model put forward by Sleat General Grazings.

Sec. Note: a link to the proposals has been circulated.

Question: How would development work in very sparsely populated areas? Who would pay?

Answer: There are many bodies already there such as the Local Authority, Leader, HIE etc. Something had to happen and the motive force was important. We envisaged local crofting development plans being guided by a unit within HIE, based on the Community Land Unit. Development works best at a local level working with what's there.

Question: If you were to run the CoIoC again now, what would you do differently?

Answer: The model worked and is not yet played out – it is unfinished business. Decisions are yet to be made. Not much would change in a second inquiry; we would have a meeting in

Assynt! We would have more promotion after the release of the Final Report. We were not funded to do this and it would have been effective.

Question: Housing was identified as an issue. Banks still won't lend on housing on land used for agriculture. How do we get loans?

Answer: There was the proposal for standard security using the croft. Some banks were for it but then crofters rejected it. Lloyd TSB had been conducive to lending on croft housing, but now, since the banking crisis ...?

Comment: One of your findings was that agricultural support needed to be better targeted. The CAP reform has not been good for crofting.

Question: The five actions for crofting put forward by the SCF are the same as the points you have as 'unfinished business', not surprisingly. One of these concerns crofting development. How did 'crofting development' get translated to 'crofting community development' with HIE and lose its focus?

Answer: It was obvious that there needed to be someone leading crofting development. It was only a very small part of the Commission's remit – it accounted for less than 1% of the budget – so there needed to be another lead body, either new or existing. It fitted with HIE's remit so we recommended HIE take the lead, working through a 'crofting development unit'. That this hasn't happened is for the Scottish Government.

George Farlow, Highland Councillor: I will invite you to Assynt.

Professor Shucksmith was thanked for his thought-provoking talk.

5. Crofting Law and Administration (*Standing item*)

5.1. Regulation – Common grazings: the position taken by the CC on dispersal of funds and audited accounts.

Murdo MacLennan, a Crofting Commissioner from Lewis, attended on behalf of the Crofting Commission in the absence of the Convener.

Following the last meeting of the CPGoC participants asked the secretary to send the Crofting Commission some questions that time had not permitted being asked in the meeting. This was done, but no response was received. Murdo MacLennan will answer them in writing before the next meeting.

Action: Sec to send the questions to M MacLennan for response.

Mr MacLennan reiterated the Crofting Commission position:

Resumption funds held by grazings committees must be disbursed to shareholders and cannot be used as a savings fund.

Three levels of audit could be required on grazing committee accounts, depending on the amount of money being dealt with – this is a personal suggestion. An audit is about it being 'top-down' it is about cover for the grazings clerk. The scenario has changed from when grazings clerks were just dealing with small amounts.

The Commission has met with stakeholder to discuss grazings regulations. A successful meeting but all issues are not resolved, so there will be a follow-up meeting with a business consultant present.

Question: If the money held by a grazings committee belongs to the shareholders, how does this relate to tax?

Answer: I don't know the answer – the CC does not advise on tax issues. Some committees have registered for VAT.

Comment: It would be horrific if HMRC suddenly start to chase grazings over tax. The Commission needs to get advice on this so that they can advise crofters.

Answer: That is not the place of the Commission. If people register for VAT they have a responsibility with HMRC.

Question: The Commission has indicated that all money should be disbursed. If there is grant money in the bank for specific work on the grazings it cannot be disbursed to individuals, can it? You say that some have little money and some have lots. Do you know how much each grazings holds? Do you really know that detail about grazings? Do you consult grazings?

Answer: The Commission cannot get that level of detail from all grazings – we do not have the resources to do so. We do consult with grazings – for example the stakeholder group looking at the regulations has grazings clerks in it.

Comment: In the light of what has happened the Crofting Commission needs to go out to advise and reassure grazings committees.

Question: There is a fundamental issue of how the Commission has dealt with this, for example the Convener involving himself personally. The board should be for governance, not administration. The Convener was expected this evening. We would have asked why he is still in place. What happened at the meeting with the Cabinet Secretary this afternoon?

Answer: It was a private meeting with the Cabinet Secretary so I cannot comment. The board has to make decisions and on many issues cannot delegate. The Mangersta case is finished and Upper Coll is being dealt with.

Question: So why is Mr Kennedy still in place?

Answer: You need to ask him.

Question: Is the constable in Upper Coll illegal? Why is he still there when the shareholders want to elect a new committee?

Answer: there will be a SLC decision today.

Question: You said there are things that cannot be delegated? Not delegated to staff?

Answer: yes, there are things too important to delegate to staff; Commissioners have to deal with them. These meeting – which were not hearings – were too important to leave to staff to deal with.

Comment: this is not consistent with the fact that there have been many local issues that staff have dealt with successfully.

5.2. Legislation

Trudi Sharp announced that Michael O'Neil will leading the SG team on crofting legislation.

Action: Sec to meet with Mr O'Neil regarding the next meeting of the CPGoC.

6. Crofting Development *(Standing item)*

6.1. Report back on the SG Crofting Stakeholder Forum

Donna Smith, CC, gave an update:

Catriona MacLean has resigned from the CC to take up the position as Head of Food & Drink in Scottish Government, to be based in Edinburgh. She is particularly sorry to not make this meeting, her last, but has had an accident and broken her elbow. Her new role will still be in the Rural Directorate so will still have contact with crofting.

The group **agreed** to write to Catriona to congratulate her on her new post.

Action: Sec to write to Catriona.

The five priorities for crofting developed in the SGCSF have been extended to include a sixth Action concerning the rejuvenation of common grazings.

The six priorities of action for crofting that have been agreed by the SG Crofting Stakeholder Forum are:

Area of action	Recommendation
1. Simplify Crofting Legislation	Give this group the task of developing the bones of a new Act
2. New Entrants	Make crofts available
3. Increase Affordable Housing	Through a meaningful grant and loan system, do more to help new entrants / crofters get access to affordable housing in rural and island communities
4. Development of Crofting	Funded lead body on crofting development
5. Financial Incentives	Ensure current and future P1 and P2 policies have a positive impact on crofting
6. Common Grazings	Amend regulations and promote use and registration of grazings.

The SGCSF has delegated the tasks of putting more 'meat' on the Actions to smaller working groups. It was intended to hold a Parliamentary reception later in the year to highlight these priorities but it is anticipated this will now have to be in 2017.

6.2. Other updates from SG, agencies and NGOs.

None.

7. CAP and Crofting (*Standing item*)

Ian Davidson gave an update on CAP payments and SRDP schemes:

The majority of payments have been made. It is complex cases that are still outstanding. There are 18,346 estimated total number of eligible BPS claims. They are still being finalised and therefore this figure is expected to change over time, but not by much.

Basic Payment Scheme, Greening and Young Farmers payments: total amount by value processed for payment to end of business today is £331m which equates to 17,945 businesses. Number of businesses that now have received their full payment is 17,736. All other farmers were offered a nationally-funded loan to the approximate value of their first instalment. This was paid automatically unless the farmer opted-out.

National BPS Support Payments, valued at almost £91 million, have been initiated to over 5,250 farm businesses in Scotland.

The Scottish Suckler Beef Support Scheme has made 7,214 payments to a total of £30m and the Scottish Upland Sheep Support Scheme 907 payments to a total of £4.3m. There are about 100 payments for beef and 200 payments for sheep outstanding, to be made by end of September.

Technical issues are holding up the final 10% of LFASS payments, but this will be resolved soon.

Rural Priorities should be finished with by end of October and Land Managers Options will start payments in October and will take several months.

There will be a Cabinet Secretary announcement and letters out next week about the national loan scheme. This time it will be opt-in not opt-out. Can membership organisations help spread the word.

Question: Many will wait until January for the payment; what if it doesn't come? Can they still then opt into the loan?

Answer: No, there needs to be a cut-off for applications. This will be made clear in the letter.

Question: Can opt-in only be made by post?

Answer: yes, it needs a signature.

Question: is it likely many will have to wait until the end of June for payment?

Answer: the payment period goes up to June but, until this year, we have had a very good record of getting payments out well before the end of the payment period. We will get back to that.

Comment: The Cabinet Secretary said the computer may not be fully functional until March.

Answer: The Cabinet Secretary wants money out into the rural economy as soon as possible.

Comment: An interest free loan is better than a bank loan.

Question: Why isn't the sheep scheme working? Why is the scheme still related to stocking levels of 10 years ago? We didn't get the payment even though we followed procedures.

Answer: I can't comment on your individual case.

Question: Penalties for the sheep scheme seem to be much higher than for the beef scheme. If you mess up with the beef scheme you lose the year's claim but someone who's wintering sheep had been moved to an adjacent field without notification was fined three years' claim. That seems way over the top.

Answer: I am happy to look at the case.

Question: when will the ANC come out for consultation?

Answer: I don't know yet.

8. AOB

1. It would be useful to have speakers on Implications for Brexit next but one meeting;

Agreed

2. It would be useful to discuss the wild geese situation at the next meeting; **Agreed.**

3. Trudi will give an update on the ministerial appointments to CC at next meeting.

Action: Uisdean to email Trudi on goose problem.

9. DONM.

02 November 2016

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Acronyms: AC Animate Consulting; AF Assynt Foundation; ASC Assist Social Capital; CAB Citizens Advice Bureau; CC Crofting Commission; CAGS Crofting Agricultural Grant Scheme; CCx Crofting Connections; CFS Care Farming Scotland; CGF Common Goof Food; CHGS Croft House Grant Scheme; CLG Crofting Law Group; CnES Comhairle nan Eilean Siar; CRSF Crofting Register Stakeholder Forum; DEFRA UK Gov Dept for Environment, Food and Rural Affairs; EC European Commission; EFNCP European Forum for Nature Conservation & Pastoralism; FCS Forestry Commission Scotland; HC Highland Council; HIE Highlands & Islands Enterprise; HSCHT Highland Small Communities Housing Trust; HWU Herriot-Watt University; JHI James Hutton Institute; JMT John Muir Trust; LANTRA Land-based & Environmental Industries Training; MSP Member of the Scottish Parliament; NISR Newcastle Institute for Social Renewal; NFUS National Farmers Union Scotland; NS Nourish Scotland; NTS National Trust for Scotland; RACCE Scottish Parliamentary Committee on Rural Affairs Climate Change and Environment; RoS Register of Scotland; RSABI Royal Scottish Agricultural Benevolent Institution; RSPBS Royal Society for the Protection of Birds Scotland; SAC consulting arm of SRUC; SAS Soil Association Scotland; SCF Scottish Crofting Federation; SCFYC SCF Young Crofters; SCRG Scottish Churches Rural Group; SCVO Scottish Council for Voluntary Organisations; SG Scottish Government; SGCLSG Scottish Government Crofting Legislation Stakeholders Group; SGCSF Scottish Government Crofting Stakeholder Forum; SGRPID (RPID) Scottish Government Rural Payments and Inspections Directorate; SLE Scottish Land & Estates; SNH Scottish Natural Heritage; SPICe Scottish Parliament Information Centre; SRA Scottish Rural Action; SRN Scottish Rural Network; SRP Scottish Rural Parliament; SRUC Scottish Rural (University) College; RSPB Royal Society for the Protection of Birds; UHI University of Highlands and Islands; WCP Woodland Crofts Partnership; WTS Woodland Trust Scotland.