

CROSS-PARTY GROUP on CROFTING

Meeting 5 of Parliamentary Session 5

Scottish Parliament, room Q.1.03

Wednesday 25 January 2017 at 17.30

MINUTES

Present:

Rhoda Grant MSP (Co-convener)
Kate Forbes MSPⁱ (Co-convener)
Patrick Krause SCF (Secretary)
Michael O'Neil SG
Gordon Jackson SG
Uisdean Robertson CnES
Katy Dickson SLE
David Campbell CC
Russell Smith SCF
Brian Inkster CLG
Ian Davidson SG
Donald MacKinnon SCFYC
Lucy Sumsion NFUS
Sandy Murray NFUS
Bill Barron CC
Billy Neilson Crofter

Linsey Muir LANTRA
Gwyn Jones EFNCP
Padruig Morisson SCFYC
Ross McLaren SCRG
Eleanor Garty WTS
John Brownlee SG
Donna Smith CC
Craig Smith SG
Pam Rodway CCx
Neil Ross HIE
Tavish Scott MSP
Fiona Mandeville^v
Maria Scholten^v

^v By video link

1. Welcome and Apologies

The convener welcomed everyone. Apologies were received from:

Derek Flynn SCF; Fiona MacKenzie UHI; Donald Cameron MSP; David Stuart MSP; Trudi Sharp SG; Murray McCheyne SLE; George Farlow HC; Pete Ritchie NS; Siobhan MacDonald SAC; Janette Sutherland SAC; Michael O'Neill SG; Brendan O'Hanrahan SCF; Emma Harper MSP; Rea Cris RSPB; Mark Shucksmith NISR; Jean Urquhart Observer; Colin Kennedy CC; Lorne MacLeod CLS; David Atkinson SCRG; Jim McPherson SCF; Robin Haig SCFYC; Maree Todd MSP; Gail Ross MSP; Jamie McGrigor Observer; Murdo MacKay CnES; John Finnie MSP; Angus MacDonald MSP; Edward Mountain MSP; Wendy Kenyan SPICe; Donald Meek Crofter.

2. Minutes of previous meeting

The minutes of the previous meeting on 14 December were agreed subject to an amendment that had been sent earlier.

3. Matters Arising

i. Wild geese. Uisdean Robertson had not been able to join the meeting in December at which Eileen Stuart gave a presentation on control of wild geese, but he has read the minutes and annotated them with his comments. Uisdean went through his comments and the group agreed that they should be sent to Eileen Stuart and to Keith Connal, chair of the NGMRG.

Action: Sec to send Uisdean's annotated minute to Eileen Stuart and Keith Connal.

ii. Video link. Kate Forbes MSP has been in touch with the CE Paul Grace. He is aware of the issue and of this group's request for a video link. The Group Head of Digital Services will be in touch. The intention is to equip more rooms.

4. The Next Generation

An update was given by Donald MacKinnon on the SCF Young Crofters. The group is thriving, if a bit quiet at this point in time. Members attend various stakeholder meetings when possible, for example this group and the Scottish Government Crofting Stakeholder Forum. The SCFYC still have as their core concerns access to land, homes and jobs. A key message is that people need to stop holding onto Crofts that they are not working. Following a short introduction Donald put on a showing of the film 'Crofting's New Voices' by Robin Haig, also a young crofter.

Discussion

It is impossible for young folk to get crofts in some areas as the price is too high. For example in Taynuilt a croft assignation was sold recently for £140,000. Landlords are selling assignations for market value - is this legal? Small crofts which may be affordable are too small to get any agricultural subsidy - units have to be in excess of 3 ha. People are buying crofts for housing; would it not make more sense that we provide the housing and crofts are left for crofting?

Action: Brian will get back on the legality of landlords selling assignations.

It is almost impossible to get planning consent to build the houses needed to satisfy the demand; we need to reform the planning system. Restricted building in rural areas forces people to buy crofts for building. Housing is an overall rural issue not just a crofting issue.

The Croft House Grant and Loan Scheme was by far the cheapest way to build houses. It would make sense to move money from support to social housing to a revised CBGLS.

Question: Do you need loans? (To Donald MacKinnon).

Answer: Yes, this would help a lot.

The grant is a big help and is good value to the public purse but a loan costs nothing.

There needs to be a way to encourage out goers to pass on crofts to the young, we need a scheme, like the Croft New Entrants Scheme but with a stronger incentive.

Banks are not keen to lend to crofters. Scottish Government spoke to many banks about providing loans to crofters and nearly got agreement. It would need to be a government loan.

The crofting commission have done a lot of work on assignation and short-term lease in order to try to free up crofts.

It seems Scottish Government are looking at provision of loans for houses but not for crofts.

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

5.1. Legislation

Michael O'Neill gave an update on progress with crofting legislation reform.

There have been two workshop sessions run asking the three questions that Michael raised in relation to crofting at the CPGoC on 2 November 2016 and more are planned – in Shetland and

Western Isles and with SLE and NFUS. There is also one being organised with the SCF Young Crofters.

Action: Michael agreed to report back to the CPGoC with findings from these at a future CPGoC meeting, date to be agreed.

5.2. Administration

With regards the convener of the CC there is nothing new to report.

Nominations for candidates for commissioners close tomorrow. The nominations will then be sorted and in the meantime in the CC it is business as usual. The elections will take place in March and a new board will be in place in April.

With regards 18 questions by this group a letter has been sent to the secretary from the CEO of the CC explaining that nothing will be gained by spending considerable time in answering these questions. This may be the right time to draw a line under the issues.

Discussion

Question: Can you be clear about who is the convener please?

Answer: Colin Kennedy is the convener.

Question: So even though the board have no confidence in the chair he remains chair?

Answer: Yes, difficult but yes.

Question: How is the review getting on?

Answer: It will be finished shortly, and will then be published.

6. Crofting Development (Standing item)

Gordon Jackson, SG, and Neil Ross, HIE, gave an update:

The Scottish Government Crofting Stakeholder Forum will have a meeting next week at which the preparation of the 6 priorities for crofting development will continue to be formulated. CC will collate and integrate the papers into one which will be presented to the Minister for guidance on the NDPC.

Question: Are the minutes of these meetings available on the SG website?

Answer: The minutes are not at present but, if the stakeholders participating are ok with it they can be posted there. However, the papers for each priority will be posted on the website when they are finished.

HIE is coordinating the preparation of the crofting development paper – this is cross cutting and will complement all the other papers, crofting development being at the heart of all of them.

8. Crofting Support (Standing item)

Ian Davidson, SG, gave an update on CAP payments and SRDP schemes.

All numbers correct as of 20 January.

2015 Payments – Pillar 1

£379 million paid out across Pillar 1 schemes

- 99.7% of those eligible under the Basic Payments, Greening and Young Farmer schemes have received payment (£343 million). 33 payments are still outstanding (£0.2 million)
- 99% of those eligible under the Beef and Sheep schemes have received payment (£36 million). 68 payments are still outstanding (£0.5 million)
- RPID is working to complete outstanding beef and sheep payments by 31 January.

2015 Payments – Pillar 2

£76 million paid out across Pillar 2 schemes

- 90% of those eligible under the Rural Priorities Scheme have received payment (£19.7 million)
- 77% of those eligible under the Land Managers Option scheme have received payment (£2.1 million)
- 79% of those eligible under the Less Favoured Area Support Scheme (7,532) have received payment (gross value £46.7 million). There are 3,848 outstanding claims. Of these:
 - 1,440 have received loans equalling their total payment and will receive no additional payment (gross value £1.4 million)
 - 2,408 payments are still outstanding (gross value £17.4 million)
- The aim is to complete these payments by the end of March 2017.

2016 National Basic Payment Support Scheme (Loans)

As of 20/01/2017 we had made loan payments to 13,172 farmers, crofters and businesses of £271 million. Following the successful delivery of the majority of 2016 loan payments, the loan scheme was closed to general applications on 20 January 2017.

A small number of top-up loans are still being processed for businesses who have recently had a transfer of entitlements confirmed. These businesses are being contacted directly by the loans team. Every effort has been expended to ensure the maximum number of businesses benefit from a loan payment under the 2016 Scheme.

2016 payments

We have already learned from the first year of the new CAP regime and that will help the 2016 process. We expect that 2016 payments will be made by the end of the payment period, that is by the end of June 2017.

Discussion:

Comment: Some people may have been put off taking the loan as when it was first advertised there was an interest rate to it. There needs to be better communication regarding payments – money arrives but there is no indication of what it is for.

Answer: Payment letters are on-line and have been posted to paper clients. Local offices will have the information too.

Comment: I support [the first speaker] on this – bits of money come in with no indication what for. There is no information on-line and my local office could give me no information either.

Answer: We acknowledge that there have been communication issues; a letter will go out in March detailing all payments so far.

Question: The beef and sheep schemes still have outstanding applicants – if they are in (or out) will this affect the payment rates?

Answer: It is not an exact science but those outstanding amount to a very small percentage so payment rates will not be significantly affected either way.

Question: There have been an alarming number of refusals for the CHGS – is the criteria too harsh? Is the budget getting used up? Will there be a review of the scheme, especially the refusals?

Answer: Since the revamped scheme's introduction in April 2016, 84 applications have been received and of those 42 have been approved (35 new houses and 7 house improvements). Refusals consist of 27 ineligible applications and 15 applications scoring below the points threshold. The emphasis of the new scheme is to target the limited resources – as asked for by respondents to the consultation.

Ineligible applications include, for example, the house size being too big. SG looked extensively at standard house sizes and set very generous floor areas. Other reasons for refusal included wanting to build two houses; not living on or near the croft; not being a crofter; insufficient information – these can come back.

Some fell below the scoring threshold for things like the applicants income being high (it is set at £44k net, the top 30% in Scotland); not crofting as such; having disposable assets such another house. There is an appeal route.

Media reports have been inaccurate or incomplete.

It is not clear at this stage whether the budget for the year will be used up but the scheme is under constant review. If there is an overspend there is the possibility of asking for the budget to be increased. The underspend of the last phase of the scheme cannot be rolled forward.

Question: Surely if someone lives further than 32Km away from their croft it is a good reason to build the house on the croft?

Answer: That application was for a house to be built further than 32Km from the croft.

Question: Is a loan scheme being considered?

Answer: Yes, SG are looking at this possibility.

Question: Will standard costs be reintroduced to CAGS?

Answer: No, this was considered thoroughly but the cons outweigh the pros; e.g. costs change constantly and vary geographically. It was felt SCs would be more a burden than a benefit.

Question: Could it be done on standard costs plus transport?

Answer: That would be too complicated.

Question: When is ANC coming in – ANC is more beneficial to crofting than LFASS?

Answer: 2018 for 2019. Stakeholder groups will be consulted. The discussion is on-going.

Question: Will the review of ANC be made public?

Answer: Yes it will be.

9. AOB

i. **Derek Flyn.** Derek has contributed an enormous amount to crofting and to this group, but is retiring. A vote of thanks was proposed. This was enthusiastically agreed by all.

Action: Sec to write to Derek Flyn with thanks from the group.

ii. **Avian Flu.** There has been another outbreak of Avian Flu but SG have not contacted producers.

Answer: Producers are contacted individually if on the Poultry Register (minimum 50 birds). Many are less than 50. It goes out via the media – it is well publicised. Membership organisation could put messages out too?

iii. **Mapping of the common grazings.** This has ceased because SG are not providing the funding for the CC to do it. Is there any progress on this?

Action: Gordon Jackson to report back next meeting.

9. DONM.

15 March 2017

i **Acronyms:** AC Animate Consulting; AECS Agri-Environment Climate Scheme; AF Assynt Foundation; ASC Assist Social Capital; CAB Citizens Advice Bureau; CBS Community Broadband Scotland; 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; CLS Community Land Scotland; CnES Comhairle nan Eilean Siar; CRSF Crofting Register Stakeholder Forum; DEFRA UK Gov Dept for Environment, Food and Rural Affairs; EC European Commission; ECCLR Scottish Parliamentary Committee on Environment, Climate Change and Land Reform; 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; NDPC National Development Plan for Crofting; NGMRG National Goose Management Review Group; NISR Newcastle Institute for Social Renewal; NFUS National Farmers Union Scotland; NS Nourish Scotland; NTS National Trust for Scotland; REC Scottish Parliamentary Committee on Rural Economy and Connectivity; RoS Registers 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.