

CROSS-PARTY GROUP on CROFTING

Meeting 22 of Parliamentary Session 5

Scottish Parliament room Q1.04

Wednesday 13th November 2019 5.30pm

MINUTES

Present:

Alasdair Allan MSPⁱ (Convener)
Patrick Krause SCF (Secretary)
Liz Barron-Majerik LS
Anne Campbell CALLP
Christina Noble JHI
Leanne Townsend JHI
Edward Mountain MSP
Yvonne White SCF
David Findlay CC
James McPherson SCF
Bill Barron CC
Richard Frew RoS
John Kerr SG

Gordon Jackson SG
Michael Nugent SG
Sandy Murray NFUS
Gail Ross MSP
Neil O'Gallagher BBC
Neil Ross HIE^{TC}
Siobhan MacDonald SAC^{TC}

1. Welcome and Apologies

The convener welcomed everyone. Apologies were received from:

Rhoda Grant MSP; Russell Smith SCF; Fiona Mandeville SCF; Donald MacKinnon SCF; Robin Haig SCF; Emma Harper MSP; John Scott MSP; Janette Sutherland SAC; Donald Crichton CnES; Murdo MacKay CnES; John Finnie MSP; Angus MacDonald MSP; Graeme Dey MSP; Donald Cameron MSP; Rosemary Champion SHS; Stephen Leask SIC; Donald Cameron MSP; Donald Meek, Malcolm Mathieson CC; Jamie McIntyre WCP; Maria de la Torre SNH; Megan Rowland SLE; Lucy Sumsion NFUS; Andrew McCornick NFUS; David Campbell CC; Murray McCheyne SLE; Eleanor Garty WTS; Rhona Elrick RoS; Rod Mackenzie CC; Billy Neilson CC; Brian Inkster CLG; Ross McLaren SCRG.

2. Cabinet Secretary Fergus Ewing spoke about the convergence rebate.

Main points:

Scottish Government and Scottish Parliament take crofting very seriously. £46 million is spent on crofting per year.

External Convergence had the aim of closing the gap in support between member states by one third with a target of all reaching 90% of the EU average. UK qualified for £190 million, this being only because of Scotland's low payments. The system was not designed for internal convergence, therefore Scottish farmers and crofters lost out.

Scotland ran a relentless campaign with everyone speaking for Scotland's rural voice as one, all stakeholder organisations, all parties, Jim Walker etc. The leadership election proved favourable to our campaign with Boris Johnson promising to return the money to Scotland. It is a great win. But we have to decide how to disperse the money.

Scottish Government lobbied for the first tranche to be paid in this financial year (it was originally supposed to be in next financial year). There are principles to be followed in the dispersal of the funds:

- Targeting those who need it.
- Everyone lost out therefore everyone deserves some.
- Adhering to convergence principles.
- Any method has to be doable, quickly.

Scottish government worked very hard to ensure as much information as possible was available before purdah.

NFUS set out their proposals, but Scottish government didn't feel them to be fair in the suggested balance of payments between Regions 1, 2 and 3. The regions are categorised by quality of land and it was felt that NFUS was proposing too high a proportion to Region 1, the best quality land. So Scottish Government adjusted the proportions with more money going to Regions 2 and 3. There is not a specific geographical relationship to land quality, the regions being found all over Scotland. Very nearly all holdings have at least some Region 1 land. However, it was felt an LFASS enhancement was logical as it addresses the less favoured areas, those in most need. Fergus Ewing had made a commitment to keep up the levels of LFASS payments and had made it clear that some convergence funding would be used for LFASS in order to achieve this.

The funding would also be only available to active producers; it would not be possible to backtrack over the relevant years, this would be extremely time-consuming. SCF and NFUS supported the decision that money should only go to active producers.

It was also decided that £15 million should be used for the voluntary coupled schemes, with £11 million supporting mainland beef, £2 million island beef and £2 million for the sheep scheme. It was felt that beef was in particular need of support.

Fergus Ewing then made the announcement, which received a very strong negative reaction led by SCF; it was clear SG didn't get it quite right. So following a discussion with Yvonne White and her colleagues it was decided that an extra £10 million would be made available for those on the most challenging land.

Scottish government did not go with the ANC in 2016 as Brexit was looming just around the corner. But we will go with an ANC type scheme with increased support to hill farming and crofting, something like a 'Fragile Area Resilience Scheme'. The designation of LFA is probably too broad - 85% of Scotland, including land that really cannot be seen as less favoured.

There have been many suggestions on where extra money is needed that would benefit fragile areas such as CHGS, CHGS, transport, ferry concessions, SUSSS, specific island support, common grazings support and so on. We will consider them all. We understand the need.

Roundtable discussion:

Question: where does the money for the extra £10 million come from and will be used exclusively for less favoured areas?

Answer: the £10 million comes from the Pillar 2 pot, i.e. the 9.5% top-slice, which was put aside and is within the convergence fund. It will go out probably as direct support to those in the most challenging areas. Scottish government will talk to the SCF, and others, about this. An objective is to get the money out as soon as possible so using existing systems is the most pragmatic. This is not the time to create or amend existing schemes.

Question: what years will be used for the sheep and beef schemes?

Answer: the most accurate information from recent previous years. It needs to be complete data so needs to be previous years rather than current.

Comment: discussions on a new agricultural policy are very encouraging, we can have fit-for-purpose schemes. The current CAP does not work very well for Scotland let alone for crofting. The three regions do not work. Retention of population is very important, we want to see working, thriving communities. A new Scottish agricultural support policy can help this.

Comment: the BPS is supposed to be area-based but it is still clearly attached to production.

Answer: too much going to Region 3 could put too much public money to large land holdings, estates, who are not contributing to food production. Some estates are extremely large and we would see vast amounts of public money going to a few recipients.

Question: could this not be controlled simply by capping payments?

Answer: we already have a cap on payments, but it is very high, set at £350,000. The Gove paper 'Health and Harmony' also recommends capping. There is a good case for capping.

Comment: regions need to be re-designated.

Answer: currently we have 22 schemes all of which have their own rules. There are something in the order of 1 billion bits of data on the payments IT system. Making changes therefore is very difficult. Reasons for change are often valid but if undergone during the current phase it would interrupt and delay payments. Producers need certainty, need to know when money is coming in. We have LFASS to balance the equation, the only part of the UK to still have LFASS.

Comment: congratulations to Scottish Government on getting payments out promptly. It is also recognised that the Cabinet Secretary listened and acted.

Question: does the Cabinet Secretary have observations on future support?

Answer: there are some basic principles:

1. Support must be matched by the UK government at EU levels, thus allowing the UK nations to continue support levels.
 2. Agricultural support must also sustain the social side.
 3. The support system needs to be simplified as much as possible; this is something the Farming and Food Production advisory group will be looking at. It is important that all feed in to the group as it is feeding into Scottish Government.
 4. Maintaining animal welfare, provenance, environmental benefits are all paramount. We must not lose the good regulations.
- Of course imports and exports are a major worry.

The Cabinet secretary was given thanks for his time with the group, it is much appreciated.

3. Minutes of previous meeting

The minutes of the previous meeting held on 20 September were approved.

4. Matters Arising

The group is awaiting a reply from Cab Sec Rosanna Cunningham re plastic bale-wrap disposal. *[Sec: this has since come and has been disseminated].*

5. The Work of the Crofting Commission

Bill Barron, CEO, gave a presentation on the current work and aspirations of the CC. *[Sec: the presentation slides are attached].*

Some points included:

The role of the Commission includes reorganising, which is at a township level, and does not happen often.

The Commission can advise Scottish government on crofting issues at any time whether asked or not.

CC operates under a Corporate Plan which has been signed off by the current board.

Regulation takes much more resource than promotion; the act is very prescriptive.

The current composition of the board of Commissioners is not gender balanced. The next elections for commissioners take place in March 2022; all can promote for candidates or stand themselves.

The Corporate Plan has five outcomes; Bill went through the outcomes in detail. Some additional comments included:

the annual census is showing around 400 crofters self-reporting that they are not using their croft. We write to them to try to find a way forward, usually very receptive. We are trying to reduce sublets. Non-respondents are more of a problem as it can take a great deal of resource to even find them.

Some of the past troubles with common grazings were exacerbated by confusion on how they work, hence a regulations template and guidance have been developed.

Registration of crofts was set up to be adversarial, i.e. the crofter maps the croft area, it is registered and then it is open for challenge by neighbours. Where possible, there are advantages to a more collegiate approach through community mapping initiatives, getting all to agree before registration.

As part of the efficiency drive commission staff get in touch with unlikely applications early on to stop wasting time with continuation of process.

Support the future of crofting - commissioners and assessors are very keen on this. The survey shows there is a lot going on out there.

Roundtable discussion:

Question: there are people holding common grazings shares that have no croft and do not participate in the grazings; why are they entitled to income from the common grazings?

Answer: this is a piece of the system that was not logically constructed. There is not an easy solution. A lot of grazings shares got split from crofts by mistake, some deliberately. Splitting shares from crofts should not have been allowed to happen and will be difficult to rectify, a first step is to stop it happening more.

Comment: Legislation could give the commission powers to take shares back. The question is will it be compulsory and how would it be enforced?

Question: when will the guidance for grazings committees be available?

Answer: it is available now.

Question: what has happened to the mapping/registration of common grazings, especially those that are half done and have been left in limbo?

Answer: Scottish Government provide the money for the commission and the commission board decide on the priorities, what to use the finite budget on. If we can improve efficiency of regulation administration we can free up money to use for things like the mapping. However, accurate maps are only good if accompanied by an accurate list of stakeholders, which is hard to maintain.

Bill was thanked for his presentation and facilitating the discussion.

6. Crofting Support

Michael Nugent, SG Crofting Team, gave an update on crofting support measures.

Croft House Grant Scheme

From January 2007, the Scottish Government has approved grant payments of over £20.3 million, helping to build and improve over 970 croft homes. Of this £20.3m, over £9.9m worth has been allocated to 486 crofters and their families in the Western Isles.

It has been suggested that the budget for CHGS has diminished and, as a result, has seen a decline in investment in the Western Isles. This is not the case. The budget has not diminished and the last two years of investment is greater than it has been in the last 8 years. No CHGS application has ever been refused due to there being insufficient budget.

In addition to the 18 new homes built in the WI in 18/19, there were an additional 6 grants awarded for home improvements.

It has also been suggested that the success rate for CHG is 50% when looking at the number of applications received against those approved. This too is incorrect.

Below is a table covering the last three tranches. The main reason for eligible applications not scoring sufficient points is the net asset value of the applicant's current property (other financial assets are not considered). Over the last three tranches 9 eligible applications have been refused, 7 of which have had a property with a net asset value ranging between £150,000 to over £340,000.

The average cost of a croft house is £163,000.

Tranche	Applications	Eligible	Approved
March	15	11	10
June	21	19	13
September	18	13	11

March – 4 ineligible – exceeded Maximum Floor Area (MFA), not a crofter, not on the ROC, form incomplete.

June – 2 ineligible – lack of supporting document, adequately housed.

September – 5 ineligible – 2 exceeded MFA, 2 missing documents, 1 withdrew.

Crofting Agriculture Grant Scheme

There remains a misconception that CAGS is undersubscribed. This is not the case – CAGS is oversubscribed.

Below is the data for the last 4 financial years.

FY	App Received	App Approved	% Approved	Value Approved
2016-17	778	665	85%	£3.285m
2017-18	765	654	85%	£3.038m
2018-19	736	618	84%	£2.93m
2019-20	328 (as at 02/09)	278 (as at 02/09)	85%	£2.107m (as at 31/10)

There are two in-house targets for processing CAGS applications. 90 days for agricultural buildings and associated works, and 42 days for all other applications. The average processing time for all applications is currently at 41 days.

There is a 90 day in-house target for processing CAGS claims. 88% of cases are currently meeting this. In August this was at 73% and September 83%. There are improvements and the position is being monitored closely.

Below is a break-down for October 2019 covering all area offices.

Area	Paid	<90	%	>91	%
Benbecula	10	9	90	1	10
Golspie	9	8	89	1	11
Inverness	7	4	57	3	43
Kirkwall	2	2	100		
Lerwick	7	7	100		
Oban	0				
Portree	11	8	73	3	27
Stornoway	21	19	91	2	9

Thurso	16	16	100		
Total	83	73	88%	10	12%

There can be a number of reasons why payments take longer than 90 days.

- Administrative - staffing
- Claimant not submitting all the relevant paperwork
- No building warrant
- Inspections

Roundtable discussion:

Question: the letter from Western Isles Council suggested the merger of the Affordable Housing budget with CHGS. Does this make sense?

Answer: CHG is a scheme for crofters, it is tied to the crofter's residency duty and other legal duties. CHG does not provide affordable homes but makes homes more affordable. Due to the nature of crofting as a form of land tenure, and the predominance of self-build as a means to provide housing, it can be challenging for crofters to access conventional forms of housing finance.

Comment: the 42 day target for CHGS is very long bearing in mind this is working days. Quotes go out of date. This stops people applying.

7. Crofting legislation

Gordon Jackson, SG Agriculture and crofting, gave a summary of the position regarding crofting legislation reform.

There is not going to be a crofting bill in this Parliamentary session due to pressure on Scottish Government and Scottish Parliament responding to Brexit. The Cabinet Secretary has met with stakeholders (the bill group) to confirm this and to open the discussion on how this will be taken forward in the next parliamentary session.

Roundtable discussion:

Comment: this is very disappointing. The RECC reviewed this very early on in this parliamentary session and it seems to have taken an inordinate amount of time to prepare the bill only to now see it drop. It makes it look as though the Cabinet Secretary had no intention of proceeding with this legislation. Brexit is just an excuse.

Answer: Brexit related work is taking up a lot of resource in both SG and SP.

Comment: a huge amount of time and effort has been put into crofting legislation reform both by Scottish government officials and stakeholders.

Question: surely much could be done to improve the regulation of crofting without primary legislation?

Answer: let's carry forward the topic 'what can be achieved without a bill?' to the next meeting. **Agreed.**

8. Crofting Development

Michael Nugent, SG, will give an update on the National Development Plan for Crofting at the next meeting.

9. AOB

1. The Agriculture bill is before the Scottish Parliament now so any questions on this are welcome.

2 Concessions on ferries: not for silage or lime; Alistair Allen will take this up and SG officials will look at this inconsistency.

10. DONM.

Tuesday 14 January 2020, Scottish Parliament

i **Acronyms:** AECS Agri-Environment Climate Scheme; AF Assynt Foundation; CAB Citizens Advice Bureau; CALLP Coigach & Assynt Living Landscape Partnership; CBS Community Broadband Scotland; CC Crofting Commission; CAGS Crofting Agricultural Grant Scheme; CCx Crofting Connections; CFS Care Farming Scotland; CHGS Croft House Grant Scheme; CLG Crofting Law Group; CLS Community Land Scotland; CnES Comhairle nan Eilean Siar; CRSF Crofting Register Stakeholder Forum; CWA Community Woodlands Association; DEFRA UK Gov Dept. for Environment, Food and Rural Affairs; EC European Commission; ECCLRC Scottish Parliament Environment, Climate Change and Land Reform Committee; EFNCP European Forum for Nature Conservation & Pastoralism; FLS Forest and Land Scotland; FFRWG Freight Fares Review Working Group; GFN Good Food Nation; HIE Highlands & Islands Enterprise; HSCHT Highland Small Communities Housing Trust; JHI James Hutton Institute; LS Lantra Scotland; MSP Member of the Scottish Parliament; NDPC National Development Plan for Crofting; NFUS National Farmers Union Scotland; NGMRG National Goose Management Review Group; NISR Newcastle Institute for Social Renewal; NRMHF National Rural Mental Health Forum; NS Nourish Scotland; NTS National Trust for Scotland; RECC Scottish Parliament Rural Economy and Connectivity Committee; RoS Registers of Scotland; RSABI Royal Scottish Agricultural Benevolent Institution; RSPBS Royal Society for the Protection of Birds Scotland; SAA Scottish Assessors Association; 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; SFT Sustainable Food Trust; 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; SHS Small-Holder Scotland; 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; THC The Highland Council; UHI University of Highlands and Islands; WCP Woodland Crofts Partnership; WTS Woodland Trust Scotland; ZWS Zero Waste Scotland.