

# **CROFTING AND SCOTTISH LAND COURT BILL**

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## **FINANCIAL MEMORANDUM**

### **INTRODUCTION**

1. As required under Rule 9.3.2 of the Parliament's Standing Orders, this Financial Memorandum is published to accompany the Crofting and Scottish Land Court Bill, introduced in the Scottish Parliament on 2 June 2025.
2. The following other accompanying documents are published separately:
  - Explanatory Notes (SP Bill 71–EN);
  - a Policy Memorandum (SP Bill 71–PM);
  - a Delegated Powers Memorandum (SP Bill 71–DPM);
  - a Report by the Auditor General for Scotland (SP Bill 71–AGR);
  - statements on legislative competence made by the Presiding Officer and the Scottish Government (SP Bill 71–LC).
3. This Financial Memorandum has been prepared by the Scottish Government to set out the costs associated with the measures introduced by the Bill. It does not form part of the Bill and has not been endorsed by the Parliament.
4. The Policy Memorandum, which is published separately, explains in detail the background to the Bill and the policy intention behind the Bill. The purpose of this Financial Memorandum is to set out the costs associated with the measures introduced by the Bill, and as such it should be read in conjunction with the Bill and the other accompanying documents.
5. The estimates of costs contained in this Memorandum are compiled from information provided by those bodies affected by the Bill. The figures and projections provided are the best estimates available for the costs and savings that will be generated as a result of the provisions of this Bill.

### **Background – Crofting**

6. In 2021, the Scottish Government published its National Development Plan for Crofting<sup>1</sup>, setting out the importance of crofting across the Highlands and Islands and the need for the development of crofting, its communities, its economic strength and its contribution to the

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<sup>1</sup> [Crofting: national development plan - gov.scot](https://www.gov.scot/publications/national-development-plan-for-crofting/pages/2/)

environment. The National Development Plan was accompanied by Scottish Government investment in a renewed development role for the Crofting Commission, and it also set out plans for reforming crofting legislation.

7. The principal legislation for crofting is the Crofters (Scotland) Act 1993, as amended. The last time the Scottish Parliament made significant reforms to crofting law was in 2010 through the Crofting Reform (Scotland) Act 2010.

8. In early 2022, the Scottish Government confirmed its intention to take forward crofting law reform, and in May 2022, officials reinstated the Crofting Bill Group, which is composed of a wide range of stakeholders:

- Crofting Commission
- Highlands & Islands Enterprise
- Scottish Crofting Federation
- National Farmers Union Scotland
- NatureScot
- Law Society of Scotland
- Scottish Land Court
- Scottish Land & Estates
- Registers of Scotland
- Highlands and Islands Agricultural Support Group – Shetland Islands Council
- Crofting Solicitors

9. Since June 2022, the Crofting Bill Group has held 19 meetings and discussed a range of proposals for crofting law reform, ranging from technical adjustments to significant improvements to the system. This work culminated in the publication of the ‘Crofting Consultation 2024 – Proposals for Crofting Law Reform’<sup>2</sup>, which ran from June to September 2024.

10. During the consultation period, officials from the Crofting Bill and Policy Team hosted 15 in-person events throughout the crofting counties, which were attended by 257 people, the majority of whom were crofters. The consultation itself received 163 responses, of which 136 (83%) were from individuals and 27 (17%) were organisational responses.

11. An independent impartial analysis<sup>3</sup> of the responses, including the points made at the 15 consultation events, was commissioned by the Scottish Government and was published on 15 November 2024. The findings were presented to the Crofting Bill Group, Crofting Stakeholder Forum, Crofting Commission Board, and at the Cross-Party Group on Crofting in December 2024.

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<sup>2</sup> [Crofting law reform proposals 2024: consultation - gov.scot](https://gov.scot/crofting-law-reform-proposals-2024-consultation)

<sup>3</sup> [Crofting law reform proposals: consultation analysis - gov.scot](https://gov.scot/crofting-law-reform-proposals-consultation-analysis)

## **Background – Scottish Land Court and the Lands Tribunal for Scotland merger**

12. The idea of amalgamating the Scottish Land Court and the Lands Tribunal for Scotland (LTS) is not new; there were discussions in the 1970s about absorbing the Land Court into the Lands Tribunal given that both bodies have a firm focus on land. There was however little support at the time for abolishing the Land Court and this was not progressed. Coming out of those discussions and since 1978 the Chair of the Land Court has also been appointed as President of the Lands Tribunal; whilst this is not a statutory requirement, by convention since that time the two bodies have shared the same head. They also currently share premises and are both administered by the Scottish Courts and Tribunals Service, albeit each has its own administrative staff. The amalgamation of the Lands Tribunal and the Land Court also provides an opportunity to widen the judicial membership of the Upper Tribunal for Scotland to include the suitably qualified members of the merged body. This will assist in ensuring that sufficient numbers of judicial members are available to assist with managing fluctuations in volumes of appeal cases and improving resilience in the Upper Tribunal.

13. The Scottish Government consulted on ‘The future of the Land Court and the Lands Tribunal’ in 2020 and after considering the responses decided that the two bodies should be amalgamated to form an expanded Land Court.

## **The Bill – Crofting**

14. The Crofting aspect of this Bill is intended to simplify legislation; streamline administrative processes; facilitate active crofting on the inbye and common grazing land; make crofting regulation less onerous for active crofters; and to make legislative changes for which there is consistent support across crofting communities. It will introduce some immediate positive outcomes for crofters and their communities, and allow the Crofting Commission to better regulate crofting. For a full breakdown of the Bill provisions, please see the Policy Memorandum – a brief description is provided below.

15. The Bill aims to strengthen crofting in seven key respects:

16. **Crofting Communities** (*cross-cutting theme, including sections 3 and 19 of the Bill*): The Bill will clarify the definition of a crofting community as the crofters holding crofts and/or grazings rights in a particular township, with the townships being those recorded in the Register of Crofts. The Bill will give subtenants and landlords, along with the crofters themselves, the right to report suspected breaches of duty to the Crofting Commission (‘the Commission’), while removing the grazings committee’s duty to do this wholesale.

17. **Enforcement of crofters’ duties** (*sections 1-7*): All crofters have a legal duty to reside within 32km of their croft and to ensure their croft land is cultivated or put to another purposeful use. Crofters’ adherence to these duties are vital for the strength of crofting communities, and for population retention and land use in remote areas. The legislation gives the Commission powers to enforce adherence to the duties, and the Bill aims to streamline and improve this legislation to give the Commission more power to act.

18. **Crofting Commission powers** (*sections 8-14*): The Commission is the key public body charged with regulating and promoting the interests of crofting. The Bill will make changes to give it stronger autonomy, in particular relating to its decisions on applications to decroft land. The Bill will also give the Commission additional powers with which to resolve issues for individual crofters or crofting communities, in particular the power to award owner-occupier status when it is merited, and to adjust the boundaries of crofts with consent from all interested parties.

19. **Common grazings** (*sections 15-18*): The Bill aims to bolster and strengthen the role of grazing committees, giving them and individual shareholders more options for proposing environmental initiatives on common grazings. It also aims to protect the connection between inbye croft and grazings shares, by preventing the unintended separations of grazings rights.

20. **The Crofting Register** (*sections 22-27*): A number of provisions in the Bill refine the processes for registration of crofts in the Crofting Register, including the interaction between the Commission and Registers of Scotland (RoS) in handling first registrations, and more flexibility for both RoS and the Commission to correct errors in the Crofting Register.

21. **Electronic communications** (*sections 28-30*): The Bill includes provisions to modernise and broaden the methods available to crofters and the Crofting Commission for serving notices, giving public notifications, and holding meetings.

22. **Simplifications and clarifications** (*sections 19-21 and 31-33, and schedule 2, part 1*): The Bill makes a range of simplifications and improvements to the way crofting is administered, and makes corrections and clarifications to the legislation as recommended at various times by the Scottish Land Court, or suggested by the Crofting Law Group.

### **The Bill – Scottish Land Court and the Lands Tribunal for Scotland merger**

23. In addition to the Crofting Reforms, the Bill looks to address, in a practical way, the longstanding commitment to merge the existing Scottish Land Court and Lands Tribunal for Scotland. The merger is primarily administrative in nature however, the resultant expanded court will offer structural coherence, efficiency, and the delivery of a better service to litigants in meeting the challenges of future developments.

24. The Bill will transfer the sheriff's role in the "right to buy" provisions of the Land Reform (Scotland) Act 2003 and the Land Reform (Scotland) Act 2016 to the Land Court, and the right of responsible access (also known as "right to roam") cases under section 28 of the Land Reform (Scotland) Act 2003 from the Sheriff Court to the Land Court.

25. In addition, a few minor jurisdictions presently exercised by the Sheriff Court will be transferred to the expanded Land Court, such as the March Dykes Act 1661, the March Dykes Act 1669, the Runrig Lands Act 1695 and the Division of Commonties Act 1695. The Bill allows for the jurisdiction of the Land Court be expanded in the future. Before any further expansion is taken forward, consultation would be undertaken, and full consideration would be given to affordability.

26. The opportunity is also taken in the Bill to improve the flexibility of judicial resources and ensure there is a means to alleviate the current disparities in members' remuneration. The Bill also provides for suitably qualified members of the merged Scottish Land Court to act as judicial members in the Upper Tribunal for Scotland. To ensure suitably qualified members are available to the Upper Tribunal quickly, transitory provision is made for suitably qualified members of the Lands Tribunal to act as judicial members of the Upper Tribunal in the interim period prior to the planned merger.

27. Where sections of the Bill relating to the merger are not covered in this Memorandum these are, in the main, concerned with restating existing legislation in a modern Act and as such do not have any financial implications.

## **COSTS ON THE SCOTTISH ADMINISTRATION**

### **Crofting**

#### **Crofting Commission – Resourcing costs**

28. The constitution, powers and duties of the Crofting Commission are set out in the Crofters (Scotland) Act 1993 as amended by the Crofting Reform etc. Act 2007, the Crofting Reform (Scotland) Act 2010 and the Crofting (Amendment) (Scotland) Act 2013.

29. The Crofting Reform (Scotland) Act 2010 created the Crofting Commission ('the Commission'), which came into being on 1 April 2012, taking over from the Crofters Commission. The Commission is a Non-Departmental Public Body that operates on a day-to-day basis independently of the Government, but for which the Scottish Ministers are ultimately responsible. The Commission's general functions, as set out in legislation<sup>4</sup>, are to regulate and reorganise crofting; promote the interests of crofting; and to keep under review matters relating to crofting.

30. The Commission Board normally consists of six elected Commissioners and three Commissioners appointed by the Scottish Government, led by a Chair. The Board of Commissioners are supported by a staff of 72<sup>5</sup> led by a Chief Executive. All permanent and fixed-term Commission staff are Scottish Government employees and are part of the Scottish Government main collective bargaining unit for the determination of salary.

31. The Commission is funded by the Scottish Government. For 2025/26 financial year, the Commission received a budget of £4.87m. Of that, approximately £4.2m is spent on wages and salaries, with the remainder spent on operating costs. The Commission processes approximately 2,000 regulatory applications and notifications each year, the most common being decroftings, assignations, and sublets – all areas in which the new provisions will impact.

32. Although the Commission are fully staffed for administering their legislative functions, their complement of staff will need to be augmented to implement and deliver the new Bill provisions. Almost all of the new provisions will impact the Commission in one way or another – some will lead to either a staff saving or staff cost, and some are cost neutral.

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<sup>4</sup> [Crofters \(Scotland\) Act 1993](#)

<sup>5</sup> [Crofting Commission Annual Report and Accounts](#)

33. At the close of the consultation in September 2024, the Commission provided a ‘Resource Implications Discussion Paper’ based on the premise that all the proposals in the consultation would form part of the final Bill. Since then, crofting officials have discussed this matter with the Commission’s CEO, Chair and senior staff, and have agreed the following resource implications, based on the provisions in the Bill, as shown in table 1 below. These staff will be required from when the Bill is passed.

**Table 1 – Resource implications for the Crofting Commission**

Provision	Impact on Commission Staff/Grade Numbers – staff increase (+) and staff saving (-)		
	A4	B1	B2
Rectification of the Crofting Register ( <i>section 26</i> )	+0.5 (FTE)		
First registration of crofts purchased by tenant crofter ( <i>section 22</i> )	+0.5		
Crofting Commission’s power to adjust boundaries ( <i>section 14</i> )		+1.0	
Power to grant owner-occupier status ( <i>section 9</i> )	+0.5	+1.0	
Crofting Commission power to impose administrative sanctions ( <i>sections 4 and 6</i> )	+0.5	+2.0	
Crofting census notices ( <i>section 30</i> )	-1.0	-1.0	
Enforcement of duties ( <i>section 4</i> )		-0.2	
Reporting on breaches of duties ( <i>section 3</i> )		+1.0	+0.2
Assignations to family members ( <i>section 8</i> )		-1.0	
Payment of fees for applications for registration ( <i>section 23</i> ). Notification of first registration ( <i>section 25</i> )	-0.5		
Totals	<b>+0.5</b>	<b>+2.8</b>	<b>+0.2</b>

34. Many of the new provisions are extensions to existing and similar processes, which has allowed the Commission to make an informed determination as to the impact these changes will have on resources. Where we have required to make some assumptions is in those provisions that introduce a new policy and where the demand on staff, and timing of that demand, is less known.

35. All permanent and fixed-term Commission staff are Scottish Government employees. The total cost of the above staffing estimates, including non-salary costs, on the Scottish Administration, is detailed at Table 2. These costs have been calculated using the average staffing costs following the January 2025 pay award, as published by the Scottish Government, and in addition to basic salaries, include employer costs in respect of both pension and national insurance contributions.

36. In addition to the above, in calculating non-salary costs, we have considered, in partnership with the Commission, essential software licenses and miscellaneous costs such as travel and subsistence, stationery etc. We have estimated this at £1,500 per person per year, irrespective of grade. This is based on existing standard costing.

37. The Commission has confirmed that although it costs around £1,000 in physical IT equipment for a new employee, it already has the necessary equipment to service the number of new staff required. It has also confirmed that any resources required to produce new applications forms, digital applications and workflows, will be covered by existing resources and budget.

**Table 2 – Costs on the Scottish Administration (as at February 2025<sup>6</sup>)**

Grade and Non-Salary	Gross Cost per annum
A4 x 0.5	£20,270
B1 x 2.8	£127,268
B2 x 0.2	£10,833
Non-salary x 3.5	£5,250
Total	<b>£163,621</b>

38. The rationale for the resourcing assumptions in Table 1 is as follows:

### ***Rectification of the Crofting Register (section 26)***

39. The Bill will introduce new powers for the Keeper of the Registers of Scotland and the Crofting Commission to correct mistakes in the Crofting Register, without needing to wait for a rectification to be requested by the original applicant. The Commission will have the power to direct the Keeper to make a change to the Crofting Register, to correct a material error, where the means of correcting it is manifest. Before exercising this power, the Commission must give 28 days' notice to all interested parties, and must consider any representations they make.

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<sup>6</sup> Average gross staff costs for the relevant grades, including accruing superannuation liability charge (ASLC) and earnings-related National Insurance contributions (ERNIC), following the January 2025 pay award, are as follows: A4 - £40,540; B1 - £45,453; B2 - £54,165.

40. The Commission estimates that it will require 0.5 FTE A4 member of staff to carry out this work.

***First registration of crofts purchased by tenant crofter (section 22)***

41. Registration of a croft on the Crofting Register confirms the crofter's rights to the land and informs others of those rights too. The Bill will provide that a tenant crofter's purchase of the croft land from the landlord, or an application to the Land Court to compel the landlord to sell the croft land, will be a trigger event for the first registration of the croft. A crofter taking such a step, whose croft is not already registered, will be required to apply for a first registration of the croft.

42. In 2024/25, the Crofting Commission received 140 purchase-by-tenant notifications. Based on the fact that half the Crofting Register is complete, that is approximately 70 registration applications a year that the Commission will have to process. This includes, checking that the application is compatible with the information held in the Register of Crofts; ensuring that the application is competent; and that the information required for the notification process is provided.

43. The Commission estimates that it will require 0.5 FTE A4 member of staff to carry out this work.

***Crofting Commission's power to adjust boundaries (section 14)***

44. The Bill will introduce two new application types to the Crofting Commission: "boundaries adjustment" where no land is taken into or removed from crofting tenure; and "boundary remapping" where some land does become, or ceases to be, croft land. In both cases a consensus is required by all the interested parties, but the provisions require greater checks in the case of a boundary remapping. The Commission will take the decision on each such application in the usual way and can turn down an application, even if supported by all parties, if it is not in the public interest; for example, if it might create future access problems to one of the crofts.

45. The Commission estimates that it will require 1 B1 member of staff to carry out this work.

***Power to grant owner-occupier status (section 9)***

46. This provision will allow the Crofting Commission to award, by application, owner-occupier status to owners of vacant crofts who meet certain criteria. There are estimated to be approximately 700 individuals that find themselves in this position. There are many advantages to obtaining owner-occupier crofter status, a point well illustrated by a Land Court decision<sup>7</sup> in 2021, where it was highlighted that anyone who finds themselves in this position is neither a tenant crofter nor an owner-occupier crofter and could not take advantage of the "consent for absence" provisions, nor the sub-letting provisions, nor grant a short-lease. There are also financial benefits to being awarded the status, which are covered later in this document.

47. In taking these decisions, the Commission will take all the relevant information into account, including the history of the croft and the circumstances that led to its current status.

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<sup>7</sup> [Decision: Roderick Iain Macdonald v Flora Kennedy and Another](#)

48. The Commission estimates that it will require 1 B1 and 0.5 FTE A4 members of staff to carry out this work.

***Crofting Commission power to impose administrative sanctions (sections 4 and 6)***

49. This provision will allow the Commission to take certain administrative sanctions at its own hand, when crofters are not meeting the requirements placed on them, including their duties. We know from the Commission's Annual Report 2023/24<sup>8</sup> that nearly 900 crofters notified the Commission, via the 2023 crofting census, that they were in breach of one or more of their duties. There were a further 6,238 census forms not returned. Over and above the existing powers available to the Commission, this new provision will allow them to refuse or put on hold any applications submitted by, or involving, someone who is suspected of being in breach of their duties or withholding requested information.

50. This will have a resource impact on the Commission as it considers and processes around 1,500 regulatory applications a year. When the Commission imposes an administrative sanction it is likely to lead to further or accelerated correspondence with the crofter to resolve the issue and then progress the application.

51. The Commission estimates that it will require 2 B1s and 0.5 FTE A4 members of staff to carry out this work.

***Crofting census notices (section 30)***

52. Currently, the Crofting Commission has a duty to give notice to each crofter to make an annual declaration regarding their croft through the Annual Notice, otherwise known as the Crofting Census. Crofters are asked every year to give any updates to their croft information and also to provide information on whether they are complying with their duties. This process helps to keep the Commission's information accurate and up to date, and also forms the basis for a key element of its action to ensure breaches of crofting duties are remedied.

53. Many crofters have made it clear that there is a frustration at having to repeatedly send the same information every year. In addition, the Commission has noted that gathering and processing annual census information is a burden on their resources. Although there is a strong connection between the Annual Notice and the work on enforcing compliance with crofting duties, there is a case for reducing the frequency with which the Commission is required to conduct the census.

54. This provision will require the Commission to conduct the census at least once every three years, rather than annually.

55. The estimated resource saving for this provision is difficult to calculate. If the Commission does not run the census every year, it will save them the resource on the years that they don't run it. However, on the years that they do run it, the number of changes that will be required to their register will increase.

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<sup>8</sup> [Crofting Commission Annual Report and Accounts](#)

56. The Commission estimates that on average, across years, this provision will save them 1 A4 and 1 B1 member of staff.

***Enforcement of duties (section 4)***

57. A cornerstone of the crofting system is the requirement for each crofter to be resident on or near their croft, not to neglect or misuse their land, and to put the land to cultivation or another purposeful use. Enforcement of these duties is a key responsibility of the Crofting Commission. The processes are designed to give any crofter, whom the Commission consider may be in breach, ample opportunity to rectify the position by complying with the duties themselves, or by transferring the croft, temporarily or permanently, to another crofter.

58. However, the process is lengthy, and capable of being streamlined without unfairness to the crofter concerned. If the process runs to its full timetable, it can take up to 6 months, which is not conducive to efficient resolution of breaches. This new provision will restructure the initial stages of the enforcement of duties process.

59. The Commission estimates that this provision will save them 0.2 FTE B1 member of staff.

***Reporting on breaches of duties (section 3)***

60. Current legislation gives members of a crofting community, as well as grazings committees, and a grazing constable, the right to report a suspected breach by a crofter of their crofting duties, which triggers a requirement for the Crofting Commission to investigate any breach that does not appear to them to be frivolous or vexatious.

61. This new provision will entitle a wider range of people to report suspected breaches of duty. While these rights will be kept local, the right to report will be extended to subtenants and short-leaseholders of crofts, and also to the landlord of the croft, in addition to local crofters.

62. The Commission estimates that it will require 1 B1 and 0.2 FTE B2 members of staff to carry out the work generated by this change.

***Assignations to family members (section 8)***

63. Currently, all proposed assignations, even from a crofter to a close family member, have to be assessed and approved by the Crofting Commission. Assignations are the most common application-type to the Commission, and legislative change to simplify and accelerate decision-making on assignations will benefit the Commission, the applicants, and the crofting system in general.

64. The Bill will introduce a within-family fast-track assignation process, with an automatic consent from the Commission where key criteria are satisfied. Although we do not have the data for the number of within-family assignations each year, we know that historically it has been common practice for crofts to be assigned to family members.

65. The Commission estimates that this provision will save them 1 B1 member of staff.

***Payment of fees for applications for registration (section 23), Notification of first registration (section 25)***

66. Currently, the Crofting Commission is responsible for the collection of fees for first registration, which it then forwards on to the Registers of Scotland (RoS). This results in double handling of all the payments, with both bodies having to check the completeness of the payments received. Also, the Commission is currently responsible for notifying a list of interested parties when any croft is first registered – such as the owner, landlord, and crofter of an adjacent croft.

67. The Bill will replace the current payment process with a system used by RoS in its other registers, thus freeing the Commission from having to process the applicant's cheque. And, the Bill will provide that RoS will issue the necessary notification letters once it has registered the croft.

68. The Commission estimates that this provision will save them 0.5 FTE A4 member of staff.

**Scottish Land Court and the Lands Tribunal for Scotland merger**

69. The financial implications of the merger will primarily affect the Scottish Courts and Tribunals Service (SCTS) as the body responsible for the administration of the courts.

70. There will also be an effect on the Scottish Government in respect of judicial salaries and related expenses (e.g. pensions).

71. There will also be some resource implications for the Scottish Civil Justice Council (SCJC). as the body responsible for developing civil court rules.

72. A phased approach to merging the two bodies will mitigate a substantial proportion of the set-up cost pressures associated with the merger. The most substantial cost is the development of the new case management system. It is anticipated that this cost can be phased over 2 years.

73. Careful consideration will be given to the pace of implementation to spread any resultant resource pressures for SCTS and the Scottish Civil Justice Council. This will include close collaboration and engagement with both bodies and other key stakeholders including the Chair of the Land Court, the President of the Scottish Tribunals and the Lord President.

74. It is not anticipated that new court buildings or additional judicial resource is needed to establish and operate the Court. However, it is the Scottish Government's intention that all court members, who are currently not in the Judicial Pension Scheme (JPS) will have the opportunity to transfer from their existing scheme onto the Judicial Pension Scheme from the date of the merger. Currently members of the Scottish Land Court (apart from the Chair) are able to join the Civil Service Pension Scheme (CSPS), whilst Scottish Lands Tribunal members are already entitled to join the JPS.

## **Scottish Government**

### ***Judicial salaries***

75. The provisions do not create any new court business in themselves. The current caseload of the Lands Tribunal for Scotland will transfer to the Land Court. In addition, the current caseload of the Land Court will only increase marginally due to the transfer of some minor jurisdictions from the sheriff court.

76. With respect to the transfer of jurisdiction from the sheriff court, it is difficult to estimate how many cases per annum will be moved into the Land Court as the SCTS case management system is not designed for statistical purposes and does not breakdown the case type in this way. The Runrig and Division of Commonities Acts are virtually, if not entirely, moribund and SCTS have advised that the number of cases under the March Dykes Acts are very rare. SCTS have estimated that the number of cases under the “right to buy” and “right to roam” is marginally higher but still only amount to a few cases per year.

77. As such it is anticipated that the marginal increase in caseload can be accommodated without increasing judicial resource.

78. There will therefore be no increase in the judicial salary costs.

79. Should the jurisdiction for the Land Court be expanded in future, a detailed evaluation of the overall financial impact on SCTS and the Scottish Government would be undertaken before any further expansion is implemented. Any increase in jurisdiction would require regulations to be passed by the Scottish Parliament with any financial impact detailed in the accompanying impact assessments.

80. The Scottish Government acknowledges that the current fee structure of the two bodies will need to be adjusted once the merger takes place. This will be subject to public consultation. The Bill does not change the current position. The responsibility for setting court fees is a matter that lies with the Scottish Ministers and is put into effect by statutory instruments laid before the Scottish Parliament.

### ***Judicial pensions***

81. There are a number of costs that require to be met to support Scotland’s salaried judiciary which are not treated as charges on the Scottish Consolidated Fund. These include payments for judicial pensions. It has been agreed that their administration and payment would be most effectively discharged by the Judicial Office for Scotland – the staff of whom are staff of the SCTS.

82. As set out in the SCTS Framework document, funds required by the SCTS to defray these costs will be agreed as part of the overall annual budget setting process. It is recognised that these costs do not fall within the statutory responsibilities of the SCTS. In setting the annual budget required by the SCTS, the Scottish Government must have regard to the agreed net annual cost of running the SCTS. This will include the amount required to meet the aforementioned judicial costs.

83. JPS is administered by the UK Government, and it is accepted that the decision to allow Scottish Land Court members to join the JPS will be for the UK Government. Discussions are currently ongoing, however it is anticipated that agreement will be reached.

84. The current employer pension contribution rate for CSPS is 28.97%. The employer pension contribution rate for JPS is 62.55%.

85. The office of the Chairman of the Land Court and the President of Lands Tribunal is currently held by one member of the judiciary, Lord Duthie. The proposed change to judicial pension arrangements is confined to members of the Land Court as all other judicial office holders (including members of the Lands Tribunal and the Chair of the Land Court are already entitled to join the JPS scheme). For financial year 2024-25, the cost of annual employer pension contributions for the Land Court is estimated at £51,124.

86. Assuming all current Land Court members transfer to the JPS, the resultant total JPS annual employer contributions is estimated at £110,383. This equates to an additional £59,259 per annum in employer contribution costs. This is less than 0.27% increase to the total employer pension contribution cost for the judiciary in Scotland. These figures will be subject to annual salary uplifts.

87. This additional pension cost will only apply once the merger takes place. Subject to other factors including the completion of the case management system and court rules this is anticipated to be mid-2027.

**Table 3 – Summary of Scottish Government costs**

Type of Cost	Recurring (estimated)
Increased employer pension contributions	£60,000 per annum
Judicial salary increases	None
<b>Total</b>	<b>£60,000 per annum</b>

### **Scottish Courts and Tribunals Service – One off costs**

#### ***Premises***

88. The Scottish Land Court and Lands Tribunal for Scotland currently share the same offices in Parliament House Edinburgh, having moved from George House on 13 January 2025. There are no plans to relocate the new court and as such no costs are required for new premises.

89. Once the merger takes place new signage and associated items for buildings would be required. This is estimated in the region of £1k-£5k.

#### ***IT costs***

90. SCTS is currently undertaking an “understand” phase to scope out what IT changes would be required for the merger of the two bodies. At present, the estimated cost of IT changes is estimated at £555k Capital and £30k Revenue. This is caveated that the understand phase will

determine the final solution chosen for the IT system, which may differ from the case management system that is currently being used elsewhere is SCTS.

91. These estimates are calculated on adaptations to the current civil case management platform (ICMS). The capital costs are likely to be phased over 2 financial years.

92. Should a new IT solution be found these costs may change substantially. The cost split between revenue and capital may also change with the likelihood that the bulk of costs would be revenue in nature.

### **Scottish Courts and Tribunals Service – Recurring costs**

93. Following discussions with SCTS there will be no changes in the current staffing levels due to the merger as there will be the same levels of business to process overall. There may be small resource savings due to automation of processes, but this cannot be assessed at this time.

### ***Upper Tribunal membership***

94. In respect of the proposal to enable suitably qualified members of the merged Land Court (and in the interim, members of the Lands Tribunal) to act in the Upper Tribunal, there will not be any direct or indirect costs to the Scottish Administration. The proposal enables members of the merged body to act in the Upper Tribunal by virtue of the position(s) they hold in in the merged body.

95. The existing legislative provisions in section 17 of the Tribunals (Scotland) 2014 Act do not make arrangements for the remuneration of the salaried judiciary when acting in the Upper Tribunal. Salaried judiciary (Senators, the Chair of Scottish Land Court, and sheriffs) do not receive any payment beyond their existing salary for acting in the Upper Tribunal by virtue of the office they hold. The proposal in respect of enabling suitably qualified members of the merged body (and Lands Tribunal members through the transitory provision) to act in the Upper Tribunal will follow these arrangements. SCTS have confirmed that there will therefore be no direct or indirect running costs as a result of this provision.

**Table 4 – Summary of SCTS costs (one-off and recurring)**

<b>Type of Cost</b>	<b>One off</b>	<b>Recurring</b>
New case management system	£585,000	
Premises	£5,000	
Staffing		No additional costs
<b>Total</b>	<b>£590,000</b>	

## **COSTS ON LOCAL AUTHORITIES**

### **Crofting**

96. No costs are expected to arise that will impact upon local authorities.

## **Scottish Land Court and the Lands Tribunal for Scotland merger**

97. It is not anticipated that there will be any new costs for local authorities as a result of these provisions.

## **COSTS ON OTHER BODIES, INDIVIDUALS AND BUSINESSES**

### **Crofting**

#### **Financial implications for Registers of Scotland, individual crofters and other service users**

##### ***Registers of Scotland***

98. Crofting officials have discussed with representatives of the Registers of Scotland (RoS) the potential impact that the Bill will have on their organisation. RoS has confirmed that the Bill places a number of additional requirements on the Keeper to receive payment of registration fees and issue corresponding notifications. It is envisaged that these requirements will be met using online payment/notification services already employed by the Keeper across other registers under her management and control, and as such, IT development costs associated with the new Bill are expected to be minimal.

##### ***Individuals and businesses***

99. For the individual crofter or other person who engages with crofting regulation, the Bill will have a beneficial financial effect, both by simplifying existing administrative processes and by opening up new opportunities for commercial activities.

100. The main administrative changes that will save costs for service users are the following:

**Table 5 – Benefits**

<b>Bill provision</b>	<b>Who benefits?</b>
Service of notices and public notification ( <i>sections 28 and 29</i> )	Any tenant or owner-occupier crofter applying for a regulatory process which requires to be advertised in newspapers; any crofter required to serve a notice on their landlord.
Preventing accidental separation of grazings shares ( <i>section 15</i> )	In the past, some crofters exercising the right to buy and finding the share becoming a deemed croft, have faced significant legal costs to remedy the situation.
Stronger rights for crofters to use common grazings for innovative purposes ( <i>section 18</i> )	Any crofter or grazings committee planning to take forward an initiative on the common grazing, will find the process simpler and less costly to navigate.
Crofter doesn't need consent for environmental purposes ( <i>section 1</i> )	Any tenant crofter wishing to use the croft land for an environmental purpose will no longer require to obtain consent.
Commission's power to adjust boundaries ( <i>section 14</i> )	Crofters whose boundaries need adjustment will find this is possible much more quickly and with fewer legal costs.

Granting owner occupier crofter status ( <i>section 9</i> )	Owner-occupiers of vacant crofts will be able to secure owner-occupier status through a direct application rather than a complex route with many risks and legal costs.
Assignations to family members ( <i>section 8</i> )	Any tenant crofter wishing to assign to a family member who meets the criteria, will benefit from a faster and cheaper process, without the requirement to advertise the application.
Rectifications to the crofting register ( <i>section 26</i> )	Any crofter whose land, or whose neighbour's land, has been incorrectly mapped, will have the chance to have it corrected swiftly and cheaply, provided that there is clear evidence of the correct position.
Simplification of s17/18 decroftings ( <i>section 12</i> )	Any crofter who wishes to decroft a s17/18 feu croft will save on the time and costs of applying for the registration, including the £90 registration fee.

## **Further information on potential savings to individuals**

### ***Decrofting (section 12)***

101. Decrofting is a legal term for the process that removes land from crofting tenure by a direction of the Crofting Commission.

102. Currently, an unregistered croft must be registered before it can be decrofted. This includes those crofts that were granted to absentee crofters who obtained title to the croft house site following action taken by the Commission to terminate their croft tenancy – known commonly as s17 feus, named after the relevant section in the Crofters (Scotland) Act 1955<sup>9</sup>. It also includes those crofts that were granted to elderly crofters who gave up their croft tenancy on condition they obtained title to the croft house site – s18 feus. Both of these types of transactions were stopped when the Crofting Reform Act 1976 came into effect.

103. However, the land to which they related continues to be subject to the Crofting Acts until a decrofting direction has been granted by the Commission – 15 applications were received in 2023/24. These feu crofts amount to no more than the croft house site and garden ground (average 0.2 ha), and there is an automatic right to decroft. This new provision will disapply the registration requirement for these crofts, which costs £90, prior to decrofting.

### ***Registration (sections 22, 24 and 26)***

104. The Crofting Register is a public list of crofts, common grazings and land held runrig, and is maintained by the Keeper of the Registers of Scotland. It is the legally-authoritative, map-based register and provides a definitive record of the extent of, and interests in, land within crofting tenure. In addition to showing the boundaries of land, the Crofting Register also contains information on the tenant and owner-occupier crofter and the landlord of the croft. It currently holds details for about half of all crofts and a third of all common grazings. The remaining crofts and common grazings will require at some point to have a “first registration”.

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<sup>9</sup> [Crofters \(Scotland\) Act 1955](#)

105. In its 2023/24 Annual Report, the Crofting Commission reported 773 first registrations and 1,134 subsequent events affecting a registered croft. Currently, 10,505 of the 21,673 crofts are entered in the Crofting Register. On average, there are approximately 760 crofts registered each year.

106. The Bill provisions will extend the powers of the Keeper of the Registers of Scotland to rectify the Crofting Register when she becomes aware of an inaccuracy without being first requested to do so by either a third party or the Commission, and to correct typographical errors in the Crofting Register out with the formal rectification provisions of the Act. This provision was made at the request of the Registers of Scotland and received 93% support in the consultation.

107. Around 80% of rectification applications relate to the size and boundaries of the area of the croft or common grazings. The majority of these errors result from applicant error and there is a financial cost associated with their correction. In 2023/24, the Commission processed 163 rectifications – there were 201 the previous financial year.

108. This provision will provide a simpler and more cost-effective approach to Crofting Register rectification for clear and straightforward inaccuracies. This will allow greater accuracy to be achieved and will minimise the number of Scottish Land Court challenges, thereby providing a more cost-effective approach to maintaining the Crofting Register for all involved, including crofters. As this provision will reduce recourse to the Land Court for rectification, it will help alleviate the operational burden of the Court and result in a more efficient use of public resources.

109. The cost of an application to the Land Court to remove or modify the entry in the Crofting Register in respect of a croft is £28 for the principal application, and where there is more than one applicant each additional applicant costs £18; it is £4 for each respondent. If the case goes to a hearing and/or inspection the fee payable by the applicant is £60 for each day or part thereof the Court sits or inspects. If parties choose to be represented by a solicitor, the cost can vary from £100 to £600 per hour depending on the firm, the solicitor, and the complexity of the case.

110. A further provision, which received 89% support in the consultation, will introduce a trigger for mandatory first registration in the Crofting Register when a crofter exercises their right to buy their croft. Many changes involving a croft are ‘triggers’ that require the croft to be registered if it is not already in the Register. However, an exception has been when a tenant crofter exercises the right to buy and becomes an owner-occupier crofter. As this process involves a conveyance of a defined piece of land, the additional administration required for entry in the Crofting Register will normally be straightforward.

111. Although this will incur a cost of £90, the registration gives the crofter security over their rights to the land and informs others of those rights. This is a cost that the crofter would, if they chose at a later date to submit a regulatory application to the Commission for a number of reasons, such as a sale, division, decrofting etc, have to pay then, as these changes trigger a first registration.

112. This Bill will also require a tenant crofter to serve notice of a first registration application to their landlord before submitting the application to the Commission. This will allow the landlord an opportunity to advise the crofter of any errors that they see in the application. It will be up to the crofter as to whether they act on any advice provided. Although this may incur a nominal postal

charge, by allowing the landlord to see the first registration application before it is submitted, will help achieve a more accurate Crofting Register and see fewer rectifications, avoiding costs to the crofter and the public sector for any correction that is no longer needed after the first registration. This provision was supported by 70% in the consultation.

### ***Owner-Occupiers (section 9)***

113. An owner-occupier crofter is a crofter who owns the title to their croft, which remains in crofting tenure. The owner is subject to crofting duties with the benefit of the corresponding rights.

114. The two most common ways to become an owner-occupier are - a tenant crofter purchases their croft from the landlord, or someone purchases an owner-occupied croft from an existing owner-occupier crofter. The current definition of an owner-occupier crofter is set out in section 19B of the Crofters (Scotland) Act 1993.

115. It is clear that a number of individuals have unintentionally, though in good faith, fallen into the circumstances of being a landlord of a vacant croft rather than an owner-occupier crofter. In some circumstances, the individual may be unaware of the situation. These are individuals who own and physically occupy a croft but, perhaps because of events in the distant history of the croft, do not meet the required conditions for an owner-occupier crofter as set out in the said section. The Crofting Commission estimates that such circumstances apply in respect of possibly around 700 crofts.

116. Theoretically, the Commission could ask these individuals to put a tenant in place, but in many cases the Commission has no wish to do so. It has been left for the Commission to deal with this by “letters of comfort”, indicating circumstances in which they would not seek letting proposals for these crofts.

117. This provision of the Bill, supported by 83% in the consultation, will allow the Commission to award, by application, owner-occupier status to owners of vacant crofts who meet certain criteria. This makes sense in both policy and regulatory terms, as it will assist in encouraging active use of croft land.

118. It will allow some individuals access to crofting specific grant schemes, such as the Croft House Grant (CHG), which allows tenant and owner-occupier crofters to apply for up to £38,000 to build or improve their croft house, and the Crofting Agricultural Grant Scheme (CAGS) which provides grants of up to £25,000 in a rolling two-year period, to tenant and owner-occupier crofters towards the costs of a range of agricultural operations, in order to encourage and develop production.

119. For 2025/26, the CHG has a budget of £2.1m. In 2024/25, the scheme spent just over £808k with 27 successful applicants. In 2023/24, the scheme spent just over £904k with 31 successful applicants. The average grant per successful applicant is just over £29,500. According to the Commission’s 2023/24 Annual Report, there were 14,890 crofters. This equates to 0.2% of all crofters receiving CHG funding in each of the last two years.

120. For 2025/26, the CAGS has a budget of £3.5m. In 2024, the Scottish Government committed, under this scheme, over £2.93m, helping 519 crofters with their croft businesses. In 2023, over £3.68m was committed, helping 526 crofters with their business. The average grant per successful applicant is just over £6,320. Approximately 3.5% of all crofters receive CAGS funding in a calendar year.

121. Although we estimate that many people will use this new provision, we expect this to happen over a number of years. As we can see from the data, only a small percentage of crofters use the CHG and CAGS each year, and we don't expect that to change as a result of this new provision. Based on the above averages, and the anticipated expansion in the number of eligible crofters, we estimate that the increased demand on the CHG and CAGS schemes would be of the order of £200k per annum. However, if these schemes continue to be funded at the current rate, existing budgets and current staff resource will be able to meet any increase in demand as a result of the granting of owner-occupier status.

### ***Appeal Commission Decision (section 17)***

122. This provision will allow the appeal of a decision taken by the Crofting Commission to remove any or all of the members of a grazings committee, or a clerk of a committee, to be heard in the Scottish Land Court. The only recourse currently open to anyone affected by such a decision is to proceed with an appeal to the Court of Session. Although such a decision is rare, on any occasions when it were needed, the current appeal process is considered to be disproportionate and expensive. The Land Court already has the power to deal with appeals against any decision, determination or direction of the Commission on an application made to them under the Act, but as this is neither an application nor anything to do with duties enforcement, it does not yet fall under their remit. The Land Court welcomes this new provision.

### ***Assignations to Family members (section 8)***

123. Assignation is the term used to describe the permanent transfer, with Crofting Commission consent, of a croft tenancy from the crofter to another person. This new provision will simplify and make cheaper the method of an assignation of a tenanted croft to a family member, removing the need for advert and the right of the crofting community to raise objections, but retaining the right for the landlord to object.

124. Assignations are the most numerous application types received by the Commission and account for nearly a quarter of all applications received. In 2023/24, the Commission received 321 assignation applications. Currently, all assignation applications have to be advertised by the assigning crofter by placing a notice in a local newspaper. (The costs of this are covered in the section immediately below.)

125. This new provision will remove the advertising requirement for most within-family assignations – those family members listed at section 61(2) of the Crofters (Scotland) Act 1993<sup>10</sup>. Although we do not have the data for the number of within-family assignations each year, we know that historically that it is common practice for crofts to be assigned to family members. So, not only will this new provision save the Commission on resources, as shown in Table 1, it will

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<sup>10</sup> [Crofters \(Scotland\) Act 1993](#)

save many crofters the advertising fee. Conversely, the local publications approved by the Commission will lose out on advertising revenue. However, given that the overall revenue loss will be shared by the 32 approved newspapers/publications listed on the Commission’s website, we do not believe the impact on them will be significant.

***Public Notification and Serving of Notices (sections 28 and 29)***

126. There are a number of existing provisions in the crofting Acts where public notification is required to be made by either an applicant or the Crofting Commission. This process involves placing an advert in one or more newspapers circulating in the area in which the subject croft or common grazings is situated.

127. Crofters and stakeholders have pointed out that the newspaper requirement can be overly prescriptive and costly, and fails to allow suitable flexibility in accounting for new or evolving media outlets that may be more appropriate.

**Table 6 – Highlights the regulatory applications that require advertising by crofters.**

<b>Application Type</b>	<b>Number of Applications Received 2023/24</b>
Assignment	322
Apportionment	43
Division	38
Exchange	5
Letting	63
Subletting	81
Short-term Lets	23
<b>Total</b>	<b>575</b>

128. Crofters are also responsible for giving public notice of the first registration of the croft by placing an advertisement, for two consecutive weeks, in a local newspaper. In 2023/24, there were 773 first registration applications.

129. The Crofting Commission is responsible for advertising decrofting applications and when new crofts are formed. In 2023/24, the Commission had to place a notice for 427 decrofting applications. According to the Commission’s 2023/24 Annual Accounts, it spent £33,000 on regulatory advertising expenses.

130. The costs of placing an advert depends on the publication and the word count, and can vary significantly. Regulatory applications need to be advertised for a week, whereas first registrations need to be advertised for two consecutive weeks. On average, the cost of each advert ranges from £65 to £125.

131. Taking an average cost of £90 per advert, per application, crofters are estimated to spend in the region of £51,750 in any given financial year.

132. This new provision, supported by 81% in the consultation, will empower the Commission to determine the permitted method to be used for an advertisement or public notice. One proposal under consideration is that the Commission website is used for the purposes of public notification. Moving online would save crofters money. It would also have operational benefits, because all crofters, stakeholders and solicitors etc. would know that there is only one place they would have to look to get access to public notifications and see what changes are being proposed within their community. Moreover, the Commission are working on developing a system whereby people can sign up for automatic electronic notifications when a public notice relating to their area is posted on their website. Although it is envisaged that the Commission will want to try and recover the costs of providing such a service, any fee will be a fraction of the current costs.

133. Current legislation also defines the requirement for the serving of a notice and that it must be in writing and either served on the person directly or delivered to their address either in person or by registered post or recorded delivery. This requirement applies to many forms of notice by the Commission or an individual – for example, the Commission must issue an annual notice (crofting census) to every crofter. In 2023/24, the Commission issued 19,917 requests for census completion at a cost of £18,048. Grazings committees also have a responsibility to give notice to each crofter sharing in the common grazing of any proposal to carry out specific work and when summoning a meeting.

134. This new provision will bring in flexibilities in accordance with provisions in the Electronic Communications Act 2000 and related legislation. This will include allowing crofters to give the Commission an electronic address and a preference for communications to be sent to it; and similarly for grazings shareholders to advise their grazings committee of the preferred way they would wish to receive notifications.

135. A further new provision, supported by 83% in the consultation, will introduce more flexible arrangements for public meetings for the appointment of a grazings committee. This provision will make it clear that these meetings may be held electronically or in a hybrid fashion. Online meetings often require less cost and time compared to in-person meetings, and more people may be able to attend as a result. Online meetings also make it easier for participants to pick and choose what part of the meeting is relevant to them, and for them to share documents, plans etc. with a group at no extra cost.

### ***Use of Common Grazings for Environmental Purposes (section 18)***

136. This new provision, which was supported by 85% in the consultation, will enhance the ability of crofters and grazings committees to take forward a range of activities and initiatives on common grazings, especially for environmental purposes.

137. Common grazings are areas of land used by a number of crofters and others who hold a right to graze stock on the land. There are around 1,000 common grazings covering over 500,000 hectares across the crofting counties. According to the Crofting Commission's 2023/24 Annual Report, 474 common grazings have a committee in office. If a croft is held in tenancy, any shares in the common grazing will be part and parcel, a pertinent, of that tenancy. If a croft is owner-occupied then the common grazing shares are likely to be held as a 'deemed croft', but could have been included in the title as a heritable right.

138. Crofting legislation provides for grazings committees to either amend their existing regulations or make new regulations to assist in the proper management and administration of their common grazings. Legislation recognises the rights of grazings shareholders to use the common grazing for grazing livestock; for cutting peat; gathering seaweed; using heather or grass for thatching; or, with consents, for forestry. It also helps facilitate more and different activities on the common grazings, whether crofter-led or joint ventures between crofters and landowner. However, the provisions relating to other purposes are more restrictive than those for forestry schemes, making it harder for the crofters to secure the necessary consents.

139. This new provision will widen the existing provisions in respect of crofter-led and joint-venture forestry schemes, to also encompass peatland restoration schemes, biodiversity schemes, and other schemes relating to carbon sequestration, habitat restoration or environmental improvements. These should be key options for crofters in modern times and should be made available. In making these changes, it will be easier for crofters to apply for future schemes that support sustainable and regenerative agriculture, including rural development and other related matters.

140. It is not possible to reasonably estimate the level of uptake as this will greatly depend on the various scheme requirements – and future changes to them - as well as on the number of grazings committees in office and their appetite for these initiatives. However, the Scottish Government Economic Condition of Crofting Report 2019-2022<sup>11</sup>, reported that 7% of those crofters that responded to the survey had carried out either peatland restoration, biodiversity activities, or forestry/woodland creation on their common grazing during the period 2019-2022. Ten percent of those surveyed planned to carry one or more of these tasks during 2023-2026. When asked of the obstacles in carrying out these tasks, 35% reported the administrative hassle and 8% cited the lack of a grazings committee.

### ***Environmental use of crofts (section 1)***

141. Similar to the new provision for projects on common grazings, the Bill will also give crofters an enhanced right to use their croft for an environmental purpose.

142. According to the Crofting Commission's 2023/24 Annual Report, there are 21,673 crofts and 14,890 crofters. Croft land, excluding common grazings, covers approximately 250,000 hectares across the crofting counties.

143. Currently, a tenant crofter has the right to use the croft for anything which comes under the definition of "cultivation" (which includes horticulture, the keeping or breeding of livestock, poultry or bees, the growing of fruit or vegetables, or use of the land as woodlands). However, if a tenant crofter wishes to use the croft for any other "purposeful use", they can only do so with the consent of either the landlord or the Commission.

144. This Bill will broaden the list of uses of the croft which a tenant crofter can implement without requiring consent. In addition to cultivation, this will include peatland restoration; habitat creation and restoration; using the land for water management; and preserving, protecting,

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<sup>11</sup> [Economic condition of crofting: 2019 to 2022 - gov.scot](https://gov.scot/publications/economic-condition-of-crofting-2019-to-2022/pages/1)

restoring, enhancing or otherwise improving natural heritage or environment. In making these changes, it will be easier for crofters to apply for future schemes that support sustainable and regenerative agriculture, including rural development and other related matters.

145. It is not possible to reasonably estimate the level of uptake. However, the Scottish Government Economic Condition of Crofting Report 2019-2022, reported that 32% of those crofters that responded to the survey had carried out either peatland restoration, biodiversity activities, or forestry/woodland creation on their croft during the period 2019-2022. Thirty-nine percent of those surveyed planned to carry one or more of these tasks during 2023-2026.

### **Scottish Land Court and the Lands Tribunal for Scotland merger**

146. It is not anticipated that there will be any new costs for other bodies, individuals and businesses as a result of these provisions in the Bill.

## **CONCLUSION**

147. The table below sets out a summary of the estimated costs of the Bill, covering both the Crofting and Scottish Land Court and Lands Tribunal merger.

148. Many of the crofting provisions are simplifications of crofting law which are either cost-neutral or might offer modest savings to crofters and stakeholders. However, these savings, in the main, will only be felt if the crofter's circumstances change and/or they choose to submit a regulatory application to the Commission. Accordingly, it is difficult to place a global figure on any savings as they are to a large extent dependent on individual choices and behaviour that are not predictable. It is quite possible that a crofter will either never make a regulatory application to the Commission, or make just the one - the one to assign or sell their croft to another person.

149. Other provisions create new opportunities for crofters to undertake some environmental initiative, which could result in financial gain for the crofter. Participation in these will be at the individual's choice and so they will not impose additional costs on crofters.

150. The costs on the crofting side will be for the Crofting Commission in terms of additional staff resource.

151. The Land Court merger is primarily administrative in nature and will require both court rules and a new case management system in place before any merger is viable. The Bill provides the necessary flexibility to only progress the merger once everything that is needed is in place.

152. It is estimated that the one-off costs will be phased over 2 financial years. While court rules will put some additional pressure on existing SCJC resource, it is not anticipated that additional resource in SCJC will be required as a direct result of the Land Court merger.

153. The recurring costs for judicial pension employer contributions will only begin to take effect once the merger is complete. The additional pension cost attributable to the merger is less

than 0.3% of the overall judicial pension costs and are likely to take effect from financial year 2027-28.

154. No additional direct or indirect costs to the Scottish Administration or to other bodies individuals or businesses have been identified.

155. In respect of the proposal to enable suitably qualified members of the merged Land Court (and in the interim, members of the Lands Tribunal) to act in the Upper Tribunal, there will not be any direct or indirect costs to the Scottish Administration or to other bodies individuals or businesses.

**Table 7 – Summary costs of measures in the Bill - Crofting**

	Costs on Scottish Administration £'000s	Costs on Local Authorities £'000s	Costs on Individuals and Businesses £'000s
Crofting Commission – resources per annum	164		
Increase in CAGS and CHG schemes - per annum	200		
<b>Total</b>	<b>364</b>		

**Table 8 – Summary costs of measures in the Bill – Land Court merger**

	Costs on Scottish Administration £'000s	Costs on Local Authorities £'000s	Costs on Individuals and Businesses £'000s
Land Court merger – one- off costs	590		
Land Court merger – per annum	60 <sup>12</sup>		

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<sup>12</sup> This figure will be subject to annual salary uplifts.



# **CROFTING AND SCOTTISH LAND COURT BILL**

## **FINANCIAL MEMORANDUM**

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