

CROSS-PARTY GROUP on CROFTING

Meeting 8 of Parliamentary Session 5

Scottish Parliament, room Q.1.03

Wednesday 28 June 2017 at 17.30

MINUTES

Present:

Rhoda Grant MSPⁱ (Convener)
Tavish Scott MSP (Convener)
Patrick Krause SCF (Secretary)
Gordon Jackson SG
Michael Nugent SG
Donna Smith CC
Lucy Sumsion NFUS
Sandy Murray NFUS
Jamie McIntyre WCP
Russell Smith SCF
Billy Neilson CC
Neil Davidson SG
Michael O'Neil SG

Ian Davidson SG
Graeme Beale SG
Raymond Monaghan SG
Irianna Vlachopoulou JHI
Siobhan MacDonald SAC
Brendan O'Hanrahan SCF/AF
Rosemary Champion SS
Edward Mountain MSP
Donald Cameron MSP;
Kate Forbes MSP
Katy Dickson SLE
Neil Ross HIE
Rod Mackenzie CC^{VL}

1. Welcome and Apologies

The convener welcomed everyone. Apologies were received from:

Fiona Mandeville SCF; Bill Barron CC; Maria Scholten SCF; Padruig Morrison SCFYC; Kate Fry office of Rhoda Grant MSP; Wendy Kenyan SPICe; Jim McPherson SCF; Donald MacKinnon SCFYC; Robin Haig SCFYC; John Finnie MSP; Graeme Day MSP; Maree Todd MSP; Emma Harper MSP; Gail Ross MSP; Angus MacDonald MSP; David Stuart MSP; Craig Smith SG; Uisdean Robertson CnES; Murdo MacKay CnES; Eleanor Garty WTS; George Farlow HC; Janette Sutherland SAC; Mark Shucksmith NISR; Jean Urquhart Observer; Ross McLaren SCRG; David Atkinson SCRG; Jamie McGrigor Observer; Brian Inkster CLG; Donald E Meek crofter; Fiona MacKenzie UHI; Lee-Ann Sutherland JHI; Rea Cris RSPB; Sheens Howden Lantra

^{VL} by video-link

2. Minutes of previous meeting

The minutes of the previous meeting on 26 April were agreed.

3. Matters Arising

CAGS: Regarding replacement fencing - it was suggested that the Inverness Area Office was not aware of the change to the guidance and that area office staff had issued advice to the effect that grants for replacing dilapidated fencing were not available.

Action: All local RPID offices need to be notified that dilapidated fences can be replaced under the scheme now; Gordon Jackson to report back to the group.

4. AGM

Office-bearers were agreed as:

Co-conveners: Rhoda Grant MSP, Kate Forbes MSP, Tavish Scott MSP

Secretary: Patrick Krause

5. Crofting Development (*Standing item*)

5.1. Woodland Crofts

Jamie McIntyre, coordinator for the Woodland Crofts Partnership gave an update on progress made with establishing woodland crofts, touching on:

The Woodland Crofts Partnership (WCP) consists of SCF, HSCHT, CWA and WTS. Currently, apart from a welcome contribution from WTS, it is unfunded. This is a problem.

New woodland crofters have highlighted to the WCP an issue with their eligibility for CAGS, which may also hamper the future establishment of woodland crofts. Woodland crofters are being told that as they are not agricultural businesses they cannot apply to CAGS, though there do seem to be differences between local offices in how they administer CAGS and govern eligibility.

Is this local office interpretation, Scottish Government interpretation or simply that the European regulation does not allow? As far as we can see the European regulation does allow, so it seems to be a Scottish Government rule. Crofting law is flexible on what use crofts are put to and 'use as woodland' is considered to be 'cultivation', a required activity on a croft.

Should the rules of CAGS be changed – indeed should the scheme be the Crofting Cultivation Grant Scheme rather than the Crofting Agriculture Grant Scheme? Growing trees is deemed cultivation of the croft under crofting law. Such a change would benefit not just woodland crofters but others who are cultivating their crofts but are not considered 'agricultural businesses'.

Furthermore the Forestry Grant Scheme provides limited support for small-scale woodland businesses so woodland crofts seem to fall between a rock and a hard place.

Discussion

Comment: Assynt Foundation intend to form some woodland crofts so this information is very helpful.

Question: Is planning permission being granted on woodland crofts? One on Mull was turned down apparently.

Answer: I have not heard of applications being turned down but this is of course a potential problem area.

Comment: Assynt Foundation wanted to form some crofts (not woodland crofts) but planning put all sorts of obstacles in the way.

Question: woodland crofts don't qualify for CAGS? Does this include fences and so on?

Answer: yes it includes everything under the scheme, including sheds, which are almost automatically granted as agricultural sheds but for woodland management they are turned down as "woodland is not agriculture". People are sometimes advised to 'play the game', get some chickens or whatever, but this puts the onus on the crofter to be somewhat dishonest and take the risk of being 'found out'. Why should they?

Question: what are the terms of guidance for the scheme?

Answer: SG: Gordon stated to the effect that, although it might be possible to include capital support for activities that are ancillary to forestry/woodlands on crofts, this would need to be looked at within the context and scope of the underpinning legislation for CAGS as well as the SRDP document agreed with the European Commission.

Action: Gordon Jackson will look into this and will report back.

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

6.1 Crofting Law

Michael O'Neill, SG Crofting Bill Team, gave an update on the progress of the review the team is undertaking.

Michael described to the group the work that had been undertaken so far in relation to the SG's work on the Crofting Bill. He noted the stakeholder engagement work that had been undertaken in the earlier part of the year and he thanked all those for their input, including a number of members of the Cross Party Group. He did, however, stress that the early engagement work that had been done was not a formal consultation; that was still to be undertaken through a full public consultation at the appropriate point.

He noted that the work so far had been undertaken very much to seek views on crofting from stakeholders and to understand the issues that those involved in crofting had. He reiterated the Cabinet Secretary's point that it is important to take time to get the legislation right.

Neil Davidson then took the group through a summary presentation of the early engagement work that had been undertaken by the Scottish Government. He showed a slide presentation – which has been circulated.

Following that presentation Michael informed the group that the Cabinet Secretary had confirmed that a consultation on Crofting Legislation was planned for late summer. He noted that, given the response from stakeholders so far, a two chapter approach to the consultation would be taken. The first would seek views on the form of the legislation (e.g. consolidation vs clean sheet approach) and the second would seek stakeholder's top priorities for change.

Michael reiterated that the SG remained keen to engage and have an open dialogue with stakeholders. He looked forward to continuing to work with stakeholders in the coming months.

Discussion

Question: How will SG take this forward?

Answer: SG intends to have a consultation and then it is for the Cabinet Secretary to decide how to take matters forward in the light of then consultation responses.

Question: Has your idea of the way forward been changed by the comments you have received?

Answer: yes, although the discussions have highlighted the difficulty in getting consensus on issues such as activity, misuse and neglect, with regional variation on definitions of crofting activity and how regulation should be applied.

Question: certain stakeholders made comments in their engagement sessions on housing. Will those comments be reflected in the write up of the presentation?

Answer: comments from the stakeholders in the early engagement sessions included some on housing and those will be reflected in the write up of those discussions.

Question: and the lack of security, will that be addressed in a revision of the presentation?

Answer: yes, the write up of the presentation will reflect that, particularly in relation to croft registration and the issue of registering a croft in the names of more than one person.

Question: where is the interest in devolving the CC coming from?

Answer: there was a paper circulated from some crofters in Sleat, Skye. There is interest in this issue from Shetland too.

Question: is there still time? It was agreed that crofting law would be fixed in the term of this government and one year has gone.

Answer: what comes out of the consultation will determine the way forward for the Bill. The intention is for the Bill to be passed by Parliament this Parliamentary Session.

6.2 Crofting Administration

Donna Smith, CC, introduced Rod Mackenzie, the newly appointed Convener of the CC who was present by video.

The CC Policy Plan is out for consultation, which will end 21 July.

The consultation on the grazings regulation template is closed – it got 115 responses, which is very good.

There are new commissioners, all new in fact except one. The system of delegation is working very well and allows most straight forward decisions to be made quickly by staff, allowing commissioners more time for governance. The Commissioners are very engaged and the intention is that they will get out and speak to crofters as much as possible.

The Register of Crofts (RoC) has been digitised and the on-line launch is planned for August.

SGCSF: the group met today to consider the consolidated paper which will contribute to the National Development Plan for Crofting. When the draft is completed membership organisations will consult their members on it.

Discussion

The RoC will be on-line, will it be linked to the Crofting Register held by RoS?

Answer: Not directly. The RoC holds information such as the name of the croft, the owner/tenant, landlord; whether it is registered or not. If it is registered an enquirer can then go to the RoS website to see boundaries.

Question: has there been anything done yet on best practice guidance for grazings?

Answer: work starts on this has started – the group meets tomorrow.

7. Crofting Support (Standing item)

Ian Davidson gave an update on **CAP** payments.

The Cabinet Secretary is giving evidence to the RECC today.

The value of BPS (including Young Farmers and Greening) payments made to date is £283.8M, which equates to 14,776 businesses out of nearly 18,000.

Payments have started on SUSSS. The rate was slightly higher than anticipated due to the exchange rate.

SSBSS has paid 3820 on the mainland £19,174,584 and 785 on the islands £3,569,850.

LFASS 2016 loans: £50M has been paid out.

LFASS 2015: there are still some outstanding payments to make, around £3M, which should go out in July.

84% have been paid and final 16% are in process – the deadline is in two days for reaching 90% and all payments will have been made by end of August.

Question: have crofters been told what payments they have received?

Answer: Letters are going out explaining payments. The information is all on the system so is available on-line. Local offices can help if need be.

Question: does that include penalties, levels of payment, things people slip up on?

Answer: Yes

Question: 90% payment means that some people will not have been paid; why?

Answer: if they didn't take the loan.

Question: Have lessons been learned regarding the system?

Answer: yes of course. Having 6 schemes complicated it. More software had to be introduced and it has to be audit-compliant. Audit Scotland will scrutinise the system and report.

Question: has there been a report produced on the 're-distribution' of payments under this phase of CAP?

Answer: the report has been prepared and ministers will see it first before it is released. It will then go to the ARD stakeholder group on 30 August. It will also be available at the next CPGoC.

Michael Nugent gave an update on crofting grants

Croft House Grant:

Following the February 2017 application tranche, 31 of 33 applications were approved (29 originally and 2 further on appeal). Approximately 94% approval rate. This amounts to over £1m worth of grant funding approved. RPID has also received 31 applications from the June 2017 application tranche, which are currently being processed.

The 2017/18 budget is £2m, an increase of £600k from the previous year. Payments are made retrospectively in up to 3 stages. For this reason, funding committed in any financial year will actually be claimed by applicants and paid in the current and following 2-3 financial years.

There are approximately £900k of old scheme (CHGS) commitments which RPID hope to pay out this financial year, together with payments from the CHG first year (2016/17) and this current year.

An internal review of the CHG had been carried out, following its first year in operation, and findings were shared and discussed with SCF and NFUS. A couple of the main points from that meeting were highlighted, such as: the removal of the internal floor size limits per room but keep the maximum eligible floor area per house; an additional fifth category within the Net Income criterion for those combined net household incomes of over £60k would be considered at financial year end, and monitored over the coming 3 tranches (to help target the grant): similarly, an additional fifth category within the Asset Value criterion for those with an asset value of over £200k will be considered at financial year end.

Question: Will this mean more applications are rejected?

Answer: If these additional categories were introduced they would not exclude an applicant from the scheme, although they would receive a negative scoring for that specific criterion.

Question: will the budget all be used?

Answer: It is expected that all the allocated budget will be used.

Question: Will there be guidance on the changes?

Answer: The updated CHG guidance should appear on the website in the coming two weeks.

CAGS:

From January to 31 May 2017, 350 applications have been received, 251 approved with a value of £1.02m. Currently 180 have been paid with a value of £858k. 700 applications were received in 2016, so, the 350 received in the first 5 months of this year would suggest a similar total for 2017.

Question: what is the budget for CAGS?

Answer: £1.6M, so we are half-way through it.

Question: are you seeing bigger (higher-value) applications?

Answer: The average CAGS application had seen a slight increase in value but not significant enough to draw any conclusions.

Staffing:

It was confirmed that Michael Nugent is temporarily filling the senior policy officer role within crofting (the position left vacant by Lucy Carmichael's departure).

8. AOB

8.1 Lucy Sumsion gave an update on the NFUS roadshow:

The roadshow visited Lochaber, Skye, Western Isles and Lairg (Sutherland). The main issues raised included:

Brexit (from all meetings): concerns over what the impact will be in peripheral areas, but also taking advantage of the opportunity to develop schemes that better support active crofters and farmers in these areas.

Wild geese in the Western Isles: increasing numbers of both protected and non-protected species and the impacts on agricultural activity as well as natural heritage features. The Adaptive Management schemes that were being piloted in Western Isles and Orkney have all ended and are not being replaced. A review of the national goose management policy is due out. It would be appropriate to get Keith Connal (SG lead on goose policy) to the next meeting of the CPGoC.

Sea eagles: concerns over the increasing impacts and expansion in range of Sea Eagles, and the need for the development of additional Local Sea Eagle Groups.

Deer: concerns raised about increasing deer numbers and the impact they are having on agricultural and natural heritage interests as well as increasing cases of Lyme disease.

Access / ferries: the introduction of Road Equivalent Tariff (RET) and an expansion in the tourism sector, both of which are to be welcomed, have caused increasing issues relating to camper vans and wild camping. Meanwhile RET is not available to haulage firms so croft inputs such as feed and fertiliser are expensive. Also concerns that the FFRWG appear to have made a decision on the future funding of agricultural concessions on ferry fares without fully consulting with the agricultural sector - including crofters.

Crofting legislation – crofters welcome the commitment from Scottish Government to look at crofting law reform, but believe that it is vital that any reform engages with crofters and that their views are fully considered.

Common Grazings – significant concerns about abandonment and under-grazing of common grazings; there need to be incentives to encourage restocking, possibly setting up of sheep stock clubs, and to encourage the younger generation to be involved.

Action: Letter from group to Roseanna Cunningham (Cab Sec for Environment) requesting clarification on SG intentions for goose control.

Action: Letter from group to Humza Yousaf (Minister for Transport and the Islands) on ferry freight and RET.

8.2 Does the recently announced National Council of rural Advisors have a crofting representative? If not why not?

Action: Ian Davidson will check and report back.

9. DONM.

Dates after recess TBC

i **Acronyms:** AECS Agri-Environment Climate Scheme; AF Assynt Foundation; CAB Citizens Advice Bureau; 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; FCS Forestry Commission Scotland; FFRWG Freight Fares Review Working Group; HC Highland Council; HIE Highlands & Islands Enterprise; HSCHT Highland Small Communities Housing Trust; JHI James Hutton Institute; 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; 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; 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; SS Smallholder Scotland; UHI University of Highlands and Islands; WCP Woodland Crofts Partnership; WTS Woodland Trust Scotland.