1 February 2016

Dear Rob

I would like to update the Committee on progress to introduce new Croft House Grant Arrangements. I have also copied this letter to the Infrastructure and Capital Investment Committee, given its interest in housing, and the Delegated Powers and Law Reform Committee, given its interest in subordinate legislation.

I would also like to take this opportunity to thank the Committee for its consideration of rural housing, including support for croft housing, in its Stage 1 Report for the Land Reform (Scotland) Bill. I note that this report indicates that the Committee looks forward to further updates on the Scottish Government’s proposals on croft house grants, and will scrutinise the resulting order should it be laid before the end of the session in March 2016.

As you know, the current grant scheme provides support to crofters to build or improve their homes, with the aim of attracting and retaining people within the crofting areas of Scotland. It currently has an annual budget of £1.4 million pounds and since 2007 has helped almost 700 crofters.

When I last wrote to you on 9 November 2015, I indicated that as a number of changes to the grant arrangements that the Scottish Government was considering differed from those set out in original consultation that had taken place, I believed that it would be beneficial to undertake a further, short engagement exercise with key stakeholders who responded to the original consultation.

This exercise has now been completed and responses were received from stakeholders including the Scottish Crofting Federation, NFU Scotland, the Crofting Commission, Highlands and Islands Enterprise, local authorities, and rural housing organisations. This further input from stakeholders has been very useful in allowing the Scottish Government to finalise its proposals for the new Croft House Grant Arrangements.

Based on this engagement, I have now taken final decisions in relation to how the new grant arrangements should operate and have laid the regulations today. I will also supply draft applicant guidance separately to aid Parliament’s consideration of the regulations.
The Committee may be particularly interested to note the following points in relation to the new arrangements:

- There will be 2 rates of grant assistance and some mainland communities, in addition to islands, will be eligible for the higher rate;
- The 2 new grant rates for the arrangement will initially be set at £28,000 (standard rate) and £38,000 (higher rate) for new house builds;
- Rather than introduction of a cap on the cost of a house build, each application will be individually assessed to determine if it is fit for purpose;
- For home improvements, applicants should be eligible to claim up to 40% of the total improvement costs, to the maximum of £28,000 or £38,000, dependent on the geographical area; and
- The introduction of a selection mechanism for the arrangements to ensure that support is targeted at those most in need.

As a number of details of the new arrangements will be managed administratively, there is additional flexibility to review and improve the support over time. For instance, I expect to review whether the grant levels and geographical areas remain appropriate 3 years after the scheme comes into operation.

Overall, I believe that these new grant arrangements will provide significantly improved support to crofters, improving their standard of accommodation and access to affordable housing. It is expected that this, in turn, will contribute to improved population retention in rural areas.

My last letter also noted that, based on stakeholders’ consultation responses, I proposed to look at again at scope to reintroduce a loan scheme to help crofters build their homes – including the potential benefits and barriers to doing this. I also committed to align any specific support through loans to crofters with wider housing policy. As I noted then, this is a longer-term piece of work which is also progressing. I have received initial views from some stakeholders and work is continuing on this matter. I will continue to keep the Committee informed about this.

I hope that this update is helpful and, as ever, welcome the Committees views on this matter and on crofting more generally.

Kind regards

AILEEN MCLEOD
RURAL PAYMENTS AND INSPECTIONS DIVISION
CROFT HOUSE GRANT ARRANGEMENTS (CHGA)

APPLICANT GUIDANCE
NOTES

The Business Centre
Crossapol,
Isle of Tiree,
PA77 6UP
Tel: 01879 220240

chgs@gov.scot
# CONTENTS

<table>
<thead>
<tr>
<th>Introduction</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>1</td>
</tr>
<tr>
<td>Level of Grant</td>
<td>2</td>
</tr>
<tr>
<td>Who is eligible</td>
<td>2</td>
</tr>
<tr>
<td>Who is ineligible</td>
<td>3</td>
</tr>
<tr>
<td>Other reasons for rejection</td>
<td>3</td>
</tr>
<tr>
<td>Grant conditions</td>
<td>4</td>
</tr>
<tr>
<td>Planning Consent and Building Warrant</td>
<td>5</td>
</tr>
<tr>
<td>New houses</td>
<td>6</td>
</tr>
<tr>
<td>House Improvement</td>
<td>8</td>
</tr>
<tr>
<td>How to apply</td>
<td>14</td>
</tr>
<tr>
<td>Selection criteria</td>
<td>15</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>16</td>
</tr>
<tr>
<td>Approval and contract</td>
<td>16</td>
</tr>
<tr>
<td>Claim and payments procedure</td>
<td>16</td>
</tr>
<tr>
<td>Verification and Control</td>
<td>17</td>
</tr>
<tr>
<td>Legal base</td>
<td>17</td>
</tr>
<tr>
<td>Data Disclosure</td>
<td>18</td>
</tr>
<tr>
<td>refusals</td>
<td>18</td>
</tr>
<tr>
<td>Complaints</td>
<td>18</td>
</tr>
<tr>
<td>RPID Office Contact Details</td>
<td>21</td>
</tr>
</tbody>
</table>

Annex A – Priority Areas Map  

This document is a draft and may be subject to change.
Introduction

Crofting tenure requires crofters to live within 32 kms of their croft and provide their own housing (where there is not already adequate housing on the croft), despite not owning the land on which the house is built. This can make it difficult for crofters to access conventional forms of housing finance.

Also crofting areas are often in the most remote areas of the Highlands and Islands of Scotland and suffer from disadvantages of scale, terrain and climate. This remoteness can lead to increased house building and improvement costs.

This Scottish Government funded arrangement provides grants for crofters to improve and maintain the standards of crofter housing with the aim of attracting and retaining people within the crofting areas of Scotland.

Before you apply for this grant, please read this guidance in full.

Purpose

The purpose of CHGA is to facilitate the productive use of croft land through improving and maintaining the standards of crofter housing in order to attract and retain people in the crofting areas of Scotland.

This is a discretionary arrangement and each case is assessed on its own merits. If you apply, you are not automatically entitled to assistance. Even if you meet the basic eligibility criteria, we must consider other matters before a final decision is made. These matters are set out in the “Selection Criteria” section below.

The application form should be used to provide SGRPID with all information that will allow a decision to be made and before we can offer a grant we must determine that your circumstances justify support.

For a new house, you will have to show that your existing accommodation is inadequate in some way, and that there is a requirement for a new house to enable you to work your croft to its full potential.

For rebuilding and house improvements, the croft house must be in need of upgrading or renovation, or require to be extended or altered to meet the needs of your household.

Assistance will not be given towards the cost of non-essential accommodation, or to compensate for not properly maintaining a property.

CHGA grants are geographically targeted into 2 priority areas: standard priority and high priority.
**Level of Grant**

The tables below show the rates of assistance available for the construction of a new house and the rebuilding and improvement of an existing house.

**New House**

<table>
<thead>
<tr>
<th>New House Grant</th>
<th>Geographical Area</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High priority</td>
<td>Standard priority</td>
<td></td>
</tr>
<tr>
<td></td>
<td>£38,000</td>
<td>£28,000</td>
<td></td>
</tr>
</tbody>
</table>

**Rebuilding and Improvement**

<table>
<thead>
<tr>
<th>Rebuilding and Improvement Grant</th>
<th>Geographical Area</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High priority</td>
<td>Standard priority</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40% of costs up to a maximum grant of £38,000.</td>
<td>40% of costs up to a maximum grant of £28,000.</td>
<td></td>
</tr>
</tbody>
</table>

We will confirm the amount of grant applicable to the location of your croft when we acknowledge receipt of your completed application form. Please note that areas of priority will be reviewed on a regular basis (at least every 3 years). A map setting out current priority areas is included at Annex A.

**Who is eligible**

CHGA is open to:

- a tenant crofter
- an owner-occupier crofter
- a cottar¹

all as defined in the Crofters (Scotland) Act 1993 (as amended). This includes Kyles Crofters.

To be eligible for grant assistance, you must be inadequately housed because:

- your present accommodation does not provide sufficient accommodation for you and your immediate family;
- your present accommodation does not meet an adequate standard; or

¹ In the case of cottar applicants, references to “croft” and “crofter” in this guidance should be read as references to cottars and holdings occupied by cottars in the case of an applicant who is a cottar.
• you currently live with parents, are at least 21 years old, and can show you have worked the croft for at least 2 years.

Alternatively you must be in need of a house on the croft because:

• the type of agricultural activities or non-agricultural activities undertaken or proposed require you to live on the croft; and

• you currently live in rented accommodation (including council housing).

The assisted house must become your only or principal home and you must intend to work the croft.

Who is ineligible

You are not eligible for assistance if you:

• are the landlord of the croft or spouse/partner of the landlord;

• are the landlord of a vacant croft;

• are adequately housed within working distance of the croft, in relation to the activity set out in your business plan, unless there are special agricultural or business justifications which require you to live on the croft;

• you do not intend to work the croft or do not provide proposals that commit you to working the croft within a reasonable timeframe; or

• you will receive or have already received a grant from another public source for the same work. If you have already received, or applied for, grant aid from any other public source to support your proposal, you should consult the CHGA office to ensure there are no double funding issues.

Other Reasons for Rejection

Assistance under CHGA will also be refused if:

• you gave up ownership of an adequate house on the croft within the last five years;

• the proposed work is not eligible work (see the sections below on eligible work);

• assistance was provided in the last 10 years; or
• the cost of the project is less than £8,000 (inclusive of VAT)

• you have already started the work before CHGA funding is approved

**Grant Conditions**

Conditions apply to the grant for a period of 10 years (or until the outstanding proportion of the grant is repaid if earlier than this period).

The following grant conditions will be registered in the Land Register or recorded in the Register of Sasines in the Notice of Grant Conditions:

- The house must be occupied by you or your immediate family as an only or principal home. If you stop occupying the house, it must be occupied by another crofter, owner-occupier crofter or cottar or their immediate family.

- The building must be maintained in a good state of repair.

- The building must be insured against destruction or damage.

Any proposed sale or lease of the house or croft, or any renunciation, assignation or sub-lease of the tenancy of the house or croft, must be notified to us in writing with the name and address of any proposed new tenant or owner. Our consent to this proposed transfer must be obtained before it takes place.

Breach of any of these conditions within the grant period may result in a demand for repayment of the outstanding proportion of the grant with interest on that proportion of grant from the date on which payment of grant was made. The interest rate applied will be 8% above the Bank of England base rate, calculated on a daily basis. The person liable for the repayment is the crofter at the time of the breach of condition 2, or other person to whom the interest in the house has been transferred or assigned, except in these circumstances, where the following person is liable –

- Where a step is taken to transfer the house without our consent, the person who took that step;
- Where the house becomes vacant on death, the deceased’s executor;
- Where the lease of the croft is terminated and the house becomes unlet, the person who was last the tenant of the croft.

The following further grant conditions also apply and will be set out in the grant contract you enter into with us

---

2 Or cottar in the case of a house related to a cottar’s holding.
• You must exhibit to us on demand the receipts for the premiums in respect of the renewals of insurance of the house that is required against destruction and damage.

• In the event of your death during the grant period, your executor must notify us of the date of your death and the name and address of any proposed new tenant or owner.

• You must allow any person authorised by us to enter and inspect the house to check whether the conditions are being complied with and you must, if requested, provide us with a certificate stating that the conditions are being complied with.

If you breach any of these conditions that will amount to a default under the contract you have entered into with us for the grant. If you commit this or any other default under the contract, you may have to repay a proportion of the grant. You should refer to the grant contract for further detail.

It is an offence to knowingly or recklessly make a false statement for the purpose of obtaining a grant under CHGA. In addition, if you knowingly provide inaccurate information or make an inaccurate statement that will amount to a default under the grant contract, you may be required to repay all the grant assistance provided.

You must also have a business plan for the croft which you agree with us and you must adhere to that plan.

**Planning Consent and Building Warrant**

Applicants will be responsible for obtaining the local authority Planning Consent and Building Warrant which will be required for most major improvements.

It is not necessary to submit planning consent and building warrant with the application for CHGA funding. However, where required these must be in place before CHGA funded improvements begin.

Where planning consent and/or a building warrant is required, applicants shall submit the following documents with their first claim for payment;

- Planning Permission and stamped drawings,
- Building Warrant and stamped drawings,

Copies of these documents will be retained by the CHGA office in Tiree. Where planning consent and/or a building warrant is not required, applicants shall submit local authority waiver letters with their first claim for payment. Where
appropriate, applicants shall submit Building Warrant Completion Certificates with their final claim for payment.

**New Houses**

**New Houses - General**

New Croft Houses may be:

- a traditionally constructed house; or
- a timber framed house

other suitable types will be given individual consideration

**New Houses – Location**

An eligible croft house can be built on land adjoining or adjacent to the croft or on an apportionment associated with that croft provided the applicant can demonstrate that this would be a more feasible option than building on the croft and, in particular if that meant that a house would not be built on better quality in-bye land.

**New Houses - Size**

There are limits on the internal floor areas of new houses funding by CHGA.

The Maximum Eligible Floor Areas for various new house types are given in Table A.

Maximum Eligible Floor Areas are sum of:

- typical areas for Essential Accommodation
- a storage and circulation space allowance
- a 10% allowance for non-essential accommodation

The following rooms are considered to be essential accommodation:

Kitchen / Dining Room
Utility Room
Porch / Vestibule
Lounge
Bathroom
One Separate WC / Shower Room
Master Bedroom with En-suite
Bedrooms
Separate Dining Rooms, Family Rooms and a Study/Office would be considered non-essential accommodation. However, new houses containing these rooms may still be eligible for CHGA funding, provided the overall floor area does not exceed the Maximum Eligible Floor Areas given in Table A.

Applicants will be required to submit plans showing proposed floor layouts and room sizes with their application for CHGA funding. Plans must provide sufficient detail for a floor area calculation by RPID.

Integral garages and other areas less than 1.8m high will be excluded from the floor area calculation – hence these areas must be clearly indicated on the plans.

CHGA funded houses must not exceed the floor area given in the grant approval, unless prior approval has been given by CHGA Tiree. Unapproved increases in floor area may render the house ineligible for CHGA funding.

Table A

<table>
<thead>
<tr>
<th>Essential Accommodation</th>
<th>Three Bedroom Single Storey</th>
<th>Three Bedroom Two Storey</th>
<th>Four Bedroom Single Storey</th>
<th>Four Bedroom Two Storey</th>
<th>Five Bedroom Single Storey</th>
<th>Five Bedroom Two Storey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Room</td>
<td>20</td>
<td>20</td>
<td>22.5</td>
<td>22.5</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Kitchen / Dining</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Utility Room</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Porch / Vestibule</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Lounge</td>
<td>20</td>
<td>20</td>
<td>22.5</td>
<td>22.5</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Bathroom</td>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>Separate WC / Shower Room</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Master Bedroom &amp; Ensuite</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Bedroom 2</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Bedroom 3</td>
<td>12</td>
<td>12</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Bedroom 4</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Bedroom 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storage &amp; Circulation</td>
<td>18</td>
<td>25</td>
<td>23</td>
<td>30</td>
<td>28</td>
<td>35</td>
</tr>
<tr>
<td>Sub-total</td>
<td>125.5</td>
<td>123.5</td>
<td>149.5</td>
<td>156.5</td>
<td>173.5</td>
<td>180.5</td>
</tr>
<tr>
<td>Non-essential Accomodation</td>
<td>12.6</td>
<td>13.3</td>
<td>15.0</td>
<td>15.7</td>
<td>17.4</td>
<td>18.1</td>
</tr>
<tr>
<td>Maximum Eligible Floor Area (m²)</td>
<td>138</td>
<td>146</td>
<td>164</td>
<td>172</td>
<td>191</td>
<td>199</td>
</tr>
</tbody>
</table>
New Houses – Number of Apartments

(rooms other than Kitchens, Utility Rooms, Bathrooms and WCs)

Eligible Croft Houses should normally have at least four apartments (three bedrooms and one living area) in addition to the kitchen and bathroom. However, we would be happy to consider a smaller house depending on an individual’s circumstances.

There should be at least one enhanced apartment, in accordance with Building Standard 3.11.2 - Enhanced apartment.

New Houses – Facilities

(Kitchen, Utility Rooms, Bathrooms and WCs)

Generally, the facilities which are eligible are those required to comply with Building Standard 3.11 - Facilities in Dwellings and 3.12 – Sanitary Facilities, subject to the floor area limits given in Table A.

New Houses - Ineligible Work

Ineligible works include, but are not limited to:

- Sun rooms and conservatories
- Large patios and decked areas
- Detached garages
- mobile homes;
- temporary structures;
- second or holiday homes;

House Improvements

Eligible Work - General

Eligible work will bring a house up to an acceptable standard for habitation, and provide satisfactory accommodation for the resident crofter and his or her family.

As a general principle, the works which are eligible are those required to improve an existing building to provide a functional dwelling house, or part of a dwelling, which complies with the Scottish Building Standards.

Specific references to the Building Standards are given in italics.
On completion of improvement works funded by CHGA, a house should be a safe and in good state of repair generally. Therefore, it may be necessary to include ad-hoc repairs and improvements in the approved works (e.g., repair or replacement of broken rhones and down pipes, provision of smoke alarms). Where appropriate, these ad-hoc repairs and improvements will be identified by the RPID Buildings Officer, and shall be carried out at the applicant’s own expense.

Improvement of houses or parts of houses which have become dilapidated due to neglect or lack of maintenance are not eligible for CHGA funding, except in cases where the croft tenancy has changed and the dilapidated house has new occupants.

Eligible work is further defined in the minor and major improvements sections.

**Works to Improve Energy Efficiency**

The Scottish Government recognise the importance of works to improve the energy efficiency of houses, and it is expected that these measures shall be included in new houses and major improvements, in accordance with the *Building Standard 6.0 - Energy*. However, other sources of funding are available to support works solely intended to improve the energy efficiency of houses, and therefore this types of work is not eligible for CHGA funding.

Applicants intending to carry out this type of work should refer to the following website:
http://www.energysavingtrust.org.uk/scotland

**Structural Integrity of the Original Building**

RPID Buildings Officers shall not be responsible for assessing the structural integrity of houses to be improved. In cases where there are any concerns, the applicant may be required to provide a Structural Engineer’s report, which confirms that the original building is suitable for the proposed improvement work.

**Competitive Quotations**

Applicants shall obtain at least two competitive quotations for proposed improvement work. These shall be submitted with the application for CHGA funding. Quotations shall be “like for like,” and where appropriate based on specifications prepared by a suitably qualified building professional.
Minimum Value and Competitive Estimates

The minimum value of CHGA funded improvement works (including the crofter’s and CHGA contribution) is £8,000 including VAT. Applications for CHGA funding for works valued at less than £8,000 including VAT will be rejected.

Major Improvements

Major improvements may include:

1. Works to bring existing houses which are below a tolerable standard to an acceptable condition for habitation,

2. Works to extend houses which are in good condition, but too small for the crofter and his or her family.

Major improvements may also convert other buildings not currently used as houses.

Major Improvements – Size

The usual maximum eligible floor area of improved houses will be as per Table A. RPID may exercise some flexibility in cases where proposed floor areas exceed the floor area limits, due to the layout of the original building. Applicants will be required to submit plans showing proposed floor layouts and room sizes with their application for CHGA funding. Plans must provide sufficient detail for a floor area calculation by RPID.

Integral garages and other areas less than 1.8m high will be excluded from the floor area calculation – hence these areas must be clearly indicated on the plans.

CHGA funded improvements must not exceed the floor area given in the grant approval, unless prior approval has been given by CHGA Tiree. Unapproved increases in floor area may render the house ineligible for CHGA funding.

Major Improvements – Number of Apartments

(rooms other than Kitchens, Utility Rooms, Bathrooms and WCs)

Following CHGA funded major improvements, houses should normally have at least four apartments (three bedrooms and one living area) in addition to the kitchen and bathroom. However we would be happy to consider a smaller house depending on an individual’s circumstances. There should be at least one enhanced apartment, in accordance with Building Standard 3.11.2 - Enhanced apartment.
Major Improvements – Facilities (Kitchen, Utility Rooms Bathrooms and WCs)

In cases which involve complete refurbishment of the original building, eligible facilities are those required to comply with Building Standard 3.11 - Facilities in Dwellings and 3.12 – Sanitary Facilities, subject to the floor area limits given in Table A.

In cases where existing facilities need not be affected by the improvement works, (eg; where there are adequate kitchen and bathroom in a house to be extended) the eligibility of new facilities will be judged on a case by case basis by the RPID Buildings Officer.

Additional facilities which are eligible are those which will provide an improved house with facilities commensurate with a new house of similar size, subject to total floor area limits given in Table B.

Table B

<table>
<thead>
<tr>
<th>House Type</th>
<th>Eligible Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Utility Room</td>
</tr>
<tr>
<td>Three bedroom house, 6 person</td>
<td>Up to 6m² is eligible</td>
</tr>
<tr>
<td>Four bedroom house, 8 person</td>
<td>Up to 6m² is eligible</td>
</tr>
<tr>
<td>Five bedroom house, 10 person</td>
<td>Up to 6m² is eligible</td>
</tr>
</tbody>
</table>

Larger more accessible facilities may be eligible in special circumstances. These will be judged on a case by case basis by CHGA Tiree. Provision of modern fitted kitchens and bathrooms are eligible in cases which involve complete refurbishment of the original building.

Replacement of existing fitted kitchens and bathroom suites is not eligible.
Major Improvements - Eligible Works

All cases will be assessed by a Scottish Government RPID Buildings Officer, and will be inspected to determine the eligibility of the proposed improvement work.

Improvements to the original building may include, but are not limited to:

- Replacement of roof covering,
- Replacement of gutters and down pipes,
- Provision of, or modification and repairs to chimneys and flues,
- Repairs to cracks in walls (providing the movement has ceased, and the cracks are historic – in these cases a Structural Engineer’s report may be required),
- Provision of chemical damp proof courses (DPCs),
- Provision of, or replacement of external rendering, where this is required to maintain water tightness,
- Replacement of decayed or undersized structural elements such as lintels,
- Repairs to timber roof and floor structure where water ingress or infestation has led to decay,
- Provision of, or modification to external walls, and internal partitions as required to create a functional dwelling house,
- Provision of thermal and sound insulation to external wall linings, internal partitions, floors, and roof spaces,
- Provision of, or replacement of floors, solums and under-floor ventilation,
- Lowering external ground levels and provision of external drainage where required to divert surface water from the building,
- Provision of ramps and other means of access,
- Replacement of doors and windows,
- Application of chemical treatment of woodworm and other infestation.

Replacement of specific building elements will be eligible where these have reached the end of their useful life (eg; a roof covering which cannot be economically repaired), or are no longer fit for purpose (eg; a first floor structure which is undersized, when assessed under current codes of practice for structural design).

Eligible works to extensions are those required to comply with the Scottish Building Standards, subject to the floor area limits given in Table A. Decorative work is eligible only when it is clearly incidental to CHGA funded works, (eg; first time painting of new walls ceilings and partitions, or plastering and repainting in an existing hallway at the opening to a new bathroom).

Major Improvements - Central Heating, Hot Water and Utility Connections

Central heating and hot water systems are eligible for CHGA funding where this is an integral part of major improvement work. Eligibility under CHGA extends to
conventional central heating boilers and wet heating systems. Stoves which are connected to the wet heating systems are also eligible.

Other funding schemes are available for renewable heat sources, and therefore these types of appliance are not eligible for CHGA funding.

Applicants intending to install these types of appliance should refer to the following website:

http://www.energysavingtrust.org.uk/renewable-heat-incentive

In these cases, it is only the heat source which is ineligible; the wet heating systems (radiators and pipework) remain eligible.

Works to connect houses to the water supply, public sewerage, and other public utilities are eligible for CGHA funding.

**Major Improvements - Ineligible Works**

Generally, works to provide rooms or facilities not considered essential in a croft house, or items which are of a higher standard than deemed necessary in a croft house are not eligible for funding under CHGS.

These ineligible works may include, but are not limited to:

- Sun rooms and conservatories
- Large patios and decked areas
- Separate dining rooms
- Detached garages
- Rooms with floor areas exceeding the limits in given in Table B

Replacement of limited life and consumable items such as fitted kitchens, bathroom suites, carpets and white goods are not eligible for CHGA funding.

**Minor Improvements**

Minor improvements are generally lower value works to upgrade one or more specific part of an existing house which is, or until recently has been occupied.

**Minor Improvements - Eligible Works**

Generally, eligible minor improvement works are those required to maintain the weather tight building envelope, or provide the other minor improvements listed below:

- First time provision of modern fitted kitchens (not replacement),
• First time provision of bathrooms, or replacement of new bathroom suites (where the existing facilities have been judged to be below tolerable standard, by the RPID Buildings Officer),
• First time provision of storm porches with floor area not exceeding 4m²,
• First time provision of a central heating system, or replacement of elements of the system which have come unsafe or un-serviceable (where supported by a report by a competent person),
• Rewiring where the existing wiring has become unsafe or un-serviceable (where supported by a report by a competent person),
• Replacement of a roof covering and roof drainage which has reached the end of its useful life and cannot be economically repaired,
• Replacement of external doors and windows which have reached the end of their useful life and cannot be economically repaired.

Minor Improvements - Special Circumstances

Minor improvements may also include works to provide improved access and other facilities required where there are older occupants, or those with special requirements, including:

• Provision of external access ramps
• Provision of accessible bathroom fittings

In these cases, where applications to other potential funding sources have been unsuccessful, eligibility will be judged on a case by case basis by the CHGA Tiree.

How to Apply

Before sending in an application form you should contact your nearest SGRPID office for a BRN number

You can download the application form here:

PF20 - Croft House Grant application form.

You can also get a paper copy from any of our area offices.

If you require guidance on completing the form, you should contact CHGA team at: The Business Centre, Crossapol, Isle of Tiree, PA77 6UP or 01879 220240. CHGS@gov.scot

All necessary documentation (see selection criteria below) should be included with the application form, if any documentation is missing this may delay the processing of your application and any approval that may be given.
You are entitled to prepare plans and obtain planning permission and consents in advance of a CHGA application.

Providing the application form is complete, we will acknowledge receipt of the form, confirm the amount of grant appropriate to the location of your croft, and start processing the application for inclusion in the next quarterly assessment tranche.

Assessment of applications will usually take place in a three monthly cycle. The closing dates for each round of applications will be published on our website.

**Selection criteria**

The funds available for CHGA are limited and it may not be possible to approve all eligible applications.

If this is the case, other factors that we will consider to prioritise applications are:

- Your current accommodation;
- When the croft was assigned to you and what work you have done on the croft since the assignation;
- Your combined household income;
- Any property on or off the croft that could be or has been sold to fund a new build;
- Your current and proposed activity on the croft; and
- Proposed energy efficient improvements for house improvements.

In order to allow us to assess you in relation to the above criteria we will require you to provide originals or certified copies by a third party of the following:

- Proof of address (a bank statement or utility bill dated within the last 4 months or a full driving license);
- Current fixed assets or assets sold within last 5 years. Evidence of value of asset must be confirmed in writing by a suitably qualified surveyor if the application is successful;
- Proof of income from employment - (P60s for the last 3 years for you (and your partner, if they will also be resident in the croft house). If you (or your partner) have been in your current role for less than 1 year, please provide written confirmation of you salary from your employer);
• Other income – (for example pension statements for the last 3 years (or since you retired if less than 3 years ago) or annual accounts for the last 3 years if you are self-employed);
• Date of assignation (letter from the Crofting Commission confirming date of croft assignation);
• A business plan for the croft (this may be for agricultural or other purposeful use of the croft);
• A plan of your new build or improvement proposal which includes floor areas and room sizes for new builds and major improvements; and
• For home improvements only – an explanation of any energy efficiency measures included in your proposal

**Energy Efficiency**

House improvements applications will receive extra points in the application scoring system where the improvements lead to increased energy efficiency.

Additional points for energy efficiency do not apply to new builds as revised energy standards for new build houses came into force in October 2015 therefore introducing higher energy efficiency standards when building new croft houses above and beyond those required by building standards are not considered to be necessary.

**Approval And Contract**

If your application is approved you will be notified and an offer of contract will be sent to you which you must sign and return to us if you wish to accept the offer with the conditions set out in the contract. The contract will state the amount of grant available to you. The conditions of this contract apply for a period of 10 years for all projects. You should not commit to starting any work until your application has been approved.

**Claims and payments procedure**

Claims for new builds, rebuilds and improvement grants can be paid in a maximum of 3 installments. Conditions relating to payment and amounts of these installments will vary between projects and will be confirmed when an application is approved.

We will make payments for the construction of new homes as work progresses. Claim forms for payment must also be signed by a surveyor or an independent responsible person.

The maximum build time for new houses is 36 months and it is expected that a new house would reach the wind and water tight stage within 18 months. You should contact the CHGA office should you not be able to meet these timescales.
CHGA payments of the amounts set out below will be made as work progresses.

<table>
<thead>
<tr>
<th>Stages</th>
<th>Geographical Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High priority</td>
</tr>
<tr>
<td>Kit paid for and delivered to site or wind and watertight stage.</td>
<td>£18,000</td>
</tr>
<tr>
<td>Interior complete</td>
<td>£10,000</td>
</tr>
<tr>
<td>Completion Certificate Obtained</td>
<td>£10,000</td>
</tr>
</tbody>
</table>

A fee is also payable for the preparation of legal documents. This will be deducted from the total amount of grant for the preparation and recording of the Notice of Conditions of Grant. This amount may vary as per Registers of Scotland charges.

Payment claims should be submitted to your local area office.

**Verification and Control**

You may be asked to provide evidence of progress with your agreed croft business plans during the period covered by the grant conditions which may include a visit to your croft.

Your claims will also be subject to our inspections procedures. This means that you may be visited to confirm the expenditure made.

If you have applied for a rebuilding and improvement grant, or where you advise your existing accommodation is inadequate, we will arrange to inspect your existing property before making a decision on your application.

**Legal Base**

This guidance accompanies the Croft House Grant (Scotland) Regulations 2016 which have applied since 1st April 2016.

The Scottish Ministers made these Regulations using the powers conferred by section 42(6) of the Crofters (Scotland) Act 1993 (as read with sections 42(4), 44 and 45(1)(ca) of that Act) and all other powers enabling them to do so.

Applications made on or after 1st April 2016 will be governed by these Regulations and this guidance.
These Regulations replace the Croft House Grant (Scotland) Regulations 2006. However, applications made and grants awarded under the 2006 Regulations will continue to be governed by those Regulations and the guidance that accompanied them.

**Data disclosure**

We have a legal duty to keep the conditions of:

- the Data Protection Act 1998
- the Freedom of Information (Scotland) Act 2002 (FOISA)
- the Environmental Information (Scotland) Regulations 2004 (EIR)

It is the policy of Scottish Ministers to share relevant data, including historical data, that is held on your business with other organisations for legitimate purposes and when required to do so and also to share relevant data on FOISA and EIR when it is in the public interest.

It is also the policy of Ministers to release headline information on grants provided under CHGA. We will protect personal data we receive in line with the Data Protection Act 1998.

We will use the data you have provided primarily for the purpose of processing this application.

Data may also be used for statistical purposes, not identifying individuals, which may reduce the need for some statistical data collection. It may also be used when necessary to comply with the Freedom of Information Act or the Environmental Information Regulations noted previously.

**Refusals**

If you wish to have an explanation of how the decision to refuse your application was made, you should put your request in writing and address it to: Head of CHGA Branch, Croft House Grant Arrangements, The Business Centre, Crossapol, Isle of Tiree PA77 6UP or email: CHGS@gov.scot

**Complaints**

A complaint is an expression of dissatisfaction with our standard of service, procedures, or processes that you feel requires a response or explanation from us. You or your representative can complain in person by phone, by e-mail or in writing.

All complaints will be treated seriously by us and you will receive a full response.
Our complaints procedure has two stages:

- **Stage one – front line resolution**

  Frontline resolution aims to quickly resolve straightforward customer complaints that require little or no investigation. Under this part of the procedure you should direct your complaint to the officer in charge of the staff you have been dealing with.

  This person is likely to be located in your area office or Tiree office. They may be able to answer your concerns to your satisfaction. We aim to address your stage one complaint in five working days. If you are dissatisfied with our response you can ask us to consider your complaint at stage two.

- **Stage two – investigation**

  We will look at your complaint at this stage if you are dissatisfied with our response at stage one. We also look at some complaints immediately at this stage, if it is clear that they are complex or need detailed investigation before we can resolve the issue. We will acknowledge receipt of your complaint within three working days.

  For stage two complaints we will appoint an independent investigating officer who has an in-depth knowledge of the issue you are complaining about and you will receive a report at the end of the investigation. We aim to issue this report as soon as possible but no later than 20 working days.

  You can obtain further information about our complaint handling procedure by visiting the Scottish Government website or by e-mailing us at SGComplaints@gov.scot.

  If you are not satisfied with the decision reached in the stage two report, you or your representative have the right to ask the Scottish Public Services Ombudsman (SPSO) to investigate your case. The SPSO cannot normally look at:

  - a complaint that has not completed our complaints procedure
  - events that happened, or that you became aware of, more than a year ago
  - a matter that has been or is being considered in court for example the Scottish Land Court

  You can contact the SPSO at the following address:

  Scottish Public Services Ombudsman
  4 Melville Street
Further information about the Scottish Public Services Ombudsman is available at their website.

If you are satisfied with the service we have provided, or wish to highlight some exceptional performance, we would be happy to hear from you. We would welcome your suggestions on how we might build on the service we provide.
### Scottish Government Rural Payments and Inspections Directorate
### Offices

<table>
<thead>
<tr>
<th>Area</th>
<th>Office</th>
<th>Address</th>
<th>Telephone and e-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argyll and southern Highlands</td>
<td>Oban</td>
<td>Cameron House, Albany Street, Oban PA34 4AE</td>
<td>0300 244 9340</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:SGRPID.oban@gov.scot">SGRPID.oban@gov.scot</a></td>
</tr>
<tr>
<td>Central Highlands</td>
<td>Inverness</td>
<td>Longman House, 28 Longman Road, Inverness</td>
<td>01463 234141</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:SGRPID.inverness@gov.scot">SGRPID.inverness@gov.scot</a></td>
</tr>
<tr>
<td>Caithness and part Northern Sutherland</td>
<td>Thurso</td>
<td>Strathbeg House, Clarence Street, Thurso</td>
<td>0300 020 1234</td>
</tr>
<tr>
<td></td>
<td></td>
<td>KW14 7JS</td>
<td><a href="mailto:SGRPID.thurso@gov.scot">SGRPID.thurso@gov.scot</a></td>
</tr>
<tr>
<td>Orkney</td>
<td>Kirkwall</td>
<td>Tankerness Lane, Kirkwall KW15 1AQ</td>
<td>0300 244 9626</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:SGRPID.kirkwall@gov.scot">SGRPID.kirkwall@gov.scot</a></td>
</tr>
<tr>
<td>Skye</td>
<td>Portree</td>
<td>Estate Office, Portree Isle of Skye, IV51 9DH</td>
<td>01478 612516</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:SGRPID.portree@gov.scot">SGRPID.portree@gov.scot</a></td>
</tr>
<tr>
<td>Northern Highland and part Sutherland</td>
<td>Golspie</td>
<td>The Links, Golspie Business Park, Golspie,</td>
<td>01408 634063</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sutherland, KW10 6UB</td>
<td><a href="mailto:SGRPID.golspie@gov.scot">SGRPID.golspie@gov.scot</a></td>
</tr>
<tr>
<td>Shetland</td>
<td>Lerwick</td>
<td>Charlotte House, Commercial Road, Lerwick</td>
<td>0300 244 9599</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ZE1 0HZ</td>
<td><a href="mailto:SGRPID.lerwick@gov.scot">SGRPID.lerwick@gov.scot</a></td>
</tr>
<tr>
<td>Lewis and Harris</td>
<td>Stornoway</td>
<td>10 Keith Street, Stornoway Isle of Lewis</td>
<td>01851 702392</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HS1 2QG</td>
<td><a href="mailto:SGRPID.stornoway@gov.scot">SGRPID.stornoway@gov.scot</a></td>
</tr>
<tr>
<td>Uist’s and Barra</td>
<td>Benbecula</td>
<td>Balivanich, Isle of Benbecula HS7 5LA</td>
<td>0300 244 9600</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><a href="mailto:SGRPID.benbecula@gov.scot">SGRPID.benbecula@gov.scot</a></td>
</tr>
</tbody>
</table>

Croft House Grant Arrangements Office: Croft House Grant Arrangements, The Business Centre, Crossapol, Isle of Tiree PA77 6UP or email: CHGS@gov.scot
Annex A (Map of Priority areas)

Fragile Areas and Employment Action Areas 2014 - Highlands and Islands Enterprise

Areas on the mainland picked out in red in the map below will be eligible for the higher rate of funding. In addition, all islands in the crofting counties and areas designated for crofting in 2010 will be eligible for the higher rate of assistance.

Source: ArC Map produced using Scottish Government/Ordinance Survey boundary data
Notes: 1. Map shows fragile data zones and fragile islands.
2. Due to mapping limitations, it was not possible to map a small number of inhabited islands defined as fragile – Danna, Elean da Mhein, Innis Chonain, Kerrera, Holy Island, Dry (Eilean Tioram) and Inner Holm.
This document is a draft and may be subject to change.