



# **TOWARDS THE FUTURE OF CROFTING**

## **VISION STATEMENT OF COMMITTEE OF INQUIRY ON CROFTING**

**February 2008**

## SECTION 1

### INTRODUCTION

#### The Inquiry

Scottish Ministers announced their intention to create a Committee of Inquiry on Crofting in September 2006, Professor Mark Shucksmith was confirmed as its Chairman in December of that year, and its full membership was announced on 2nd April 2007. At its first meeting in May 2007 the Committee agreed its programme of work, and that it would give priority to seeking evidence from people in crofting communities and, at a later point in the Inquiry, it would talk to people about what had been found, as well as about the Committee's vision for the future.

This paper presents an overview of the Committee's vision for the future, sets out key elements of what the Committee has found, and, in the final section, identifies some issues that the Committee is still considering. Public responses to the issues in the final section of this paper will help to inform the Committee's thinking about the detail of its recommendations. The paper will be discussed at public meetings during February 2008. If you are unable to attend one of the public meetings and would like to let the Committee know what you think about the issues in this paper please contact us by February 28 through our web site [www.croftinginquiry.org](http://www.croftinginquiry.org) or at FREEPOST, Crofting Inquiry.

The Committee will finalise the detail of its recommendations during March and will report to Scottish Ministers during Spring 2008. Fuller information about the Committee's remit, the evidence, the Committee's work and dates and venues for the February 2008 public meetings is available on the web site [www.croftinginquiry.org](http://www.croftinginquiry.org)

#### Remit

The core of the Committee's remit is to develop a vision for the future of crofting, having drawn on evidence and provided an analysis of the extent to which crofting, with its current regulations and incentives, contributes to achieving the following outcomes across rural Scotland as a whole:

- sustaining and enhancing the population;
- improving economic vitality;
- safeguarding landscape and biodiversity; and
- sustaining cultural diversity.

#### Crofting's Importance and its Potential Contribution

Fifty years ago the Taylor Committee argued that crofting was worth preserving "for its own intrinsic quality". We believe, on the basis of all the evidence that we have heard, that the potential contribution of crofting is even more important, nationally and internationally, than was realised fifty years ago. The national interest today demands much more from the countryside than the post-war imperative of expanding food production. Scotland requires a well-populated countryside which sustains a diverse and innovative economy, attracts visitors, conserves natural habitats, biodiversity and carbon stocks, and sustains (not preserves) distinctive cultures. Crofting has had success in relation to these objectives, and

has the potential to contribute much more. In this regard, crofting may be in tune with the *zeitgeist* more than at any time in its history, and together with broader land reforms has the potential to offer a model for people and communities elsewhere.

Responsibility for strengthening crofting and its contribution is shared by crofters, crofting communities, government and non-government organisations. A clear vision of crofting's potential should guide us in considering how to address today's problems and build for the future. Section 2 of this short paper sets out our vision for the future of crofting. An outline of some of the evidence presented to us is provided at Section 3. And the final section of this paper highlights some of the central issues which we are still considering and debating.

## SECTION 2

### **THE COMMITTEE'S VISION FOR THE FUTURE OF CROFTING**

Our vision is of growing, prosperous, inclusive and sustainable crofting communities which enjoy the capacity and the power to develop their own strategic plans and to pursue these with vigour subject to legitimate national interests. Crofters will be flexible and adaptable to change, building on their heritage to seize new opportunities, but essentially forward looking. There will be more crofting and more active, resident crofters. The crofting communities of the future will continue to work the land, being rewarded for contributing valuable public goods (environmental and cultural) and producing quality food, although most of their incomes will tend to come from non-agricultural activities. Crofting will be effectively regulated in the interests of communities and the crofting system. These regulations will be simple and comprehensible. Government and others will support and enable innovation, enterprise, inclusion and the institutional capacity for community action to ensure crofting can make its full contribution to society's goals. But ultimately it is crofters themselves who have both the privilege of crofting and the responsibility for the future of crofting.

## SECTION 3

### **OUR WORK**

The Committee undertook a series of 17 public meetings between June and August where 750 people discussed their views with Committee members. A call for evidence issued by the Committee resulted in 238 responses from individuals and 46 responses from organisations. We have had the views of 1,047 people (both crofters and non-crofters) who took part in a public attitude survey in crofting areas and areas where people have said they would like to have crofting. We reviewed available evidence relevant to the Inquiry's remit and we commissioned specialist evidence from experts in rural development, environmental issues, economics and the law. During the autumn we deliberated about what we had learned from the information we had collected and we formulated and debated our vision for the future of crofting.

## WHAT WE FOUND

### Crofting Areas

There are around 17,700 registered **croft holdings** which **account for about 17% of land across the crofting counties** (former counties of Argyll, Caithness, Inverness, Orkney, Ross and Cromarty, Shetland and Sutherland). 80% of the land in these areas consists of large estate holdings. Crofts constitute 33% of all agricultural holdings.

The overall population of the Highlands and Islands was 441,000 in 2005 and between 2001 and 2005 there was an increase of 1.7% - **double that for Scotland as a whole**. The overall **population growth in the Highlands and Islands region** masks some important differences - the population of Caithness and Sutherland and the Outer Hebrides fell over this period, while Inverness and East Highland, Skye and Wester Ross grew by over 3%.

Over this period there has been a **rapid increase in house prices** in all areas except Shetland. Between 2001 and 2005 house price increase for the region was above the national average (median) increase of 56%. Increases above the national average ranged from 58% in Lochaber to almost 85% in Skye and Wester Ross.

**Employment in agriculture and fisheries in the region is about twice the Scottish average of 1.5%.** Employment in sectors such as distribution, hotels and restaurants, and public administration, education and health is ten times more important numerically. While agriculture and fisheries are less important to the region financially than they were in the past, they are **major contributors to the environmental economy of the region** – through agriculture and forestry and are an indirect support for tourism.

**The relationship between these sectors is particularly important for crofting because crofting income is usually derived from a number of sources.**

### Why Crofting Matters

The **crofting counties** are geographically varied but they are characterised by a wet and windy climate and have relatively infertile soil. Their environmental conditions are **nationally significant in terms of species, habitats and landscapes**. A much higher percentage of their area, compared to other parts of Scotland is designated under UK and EU environmental legislation. Crofting areas also contain large reserves of carbon, and the management of these areas is therefore important to moderating the risk of climate change.

With the exception of the eastern coastal lowlands, livestock, particularly sheep production is the predominant agricultural use of crofting counties land. Sheep production in the crofting counties does not generally produce finished products, rather it supplies a significant proportion of store or fattening lambs to lowland farms. It is therefore an important part of the overall Scottish sheep industry and **major changes in livestock numbers within the crofting counties are transmitted into the wider Scottish and UK agricultural economy**. Between 2001-2006 there was an 18% reduction in ewe numbers which accounted for 86% of the overall Scottish decline. Since 2005 the rate of decline has increased.

Crofters constitute around 11% of the population and 10% of households in remote rural areas (i.e. areas where settlements of fewer than 3,000 people are further than a 30 minute drive from a settlement of at least 10,000 people).

People in the crofting counties told us that crofting matters to them because of its **custodianship of the land for future generations; its associated way of life; and because it engenders a strong sense of community**, which is sometimes linked to ways in which animals are looked after. Maintaining and passing on skills and traditions were seen as important parts of this, adding to the perceived environmental benefits of crofting.

Supporting Gaelic and music were seen as important in some areas and the gatherings and communal activities associated with crofting were seen by many to provide cultural support. People's experience of crofting varied across localities and a significant minority of respondents to our call for evidence (25%) did not agree that crofting does this. Crofting's contribution to cultural diversity within Scotland seems to be fragile and some people said that cultural benefits are being eroded by the changing crofting practices, especially the decline in use of the common grazings.

### **Are We Getting The Most Out Of Crofting?**

Throughout the Inquiry we have found resonances between what the public told us and what we heard from expert evidence.

Importantly, our public attitude survey found that crofters and non-crofters within individual crofting communities tended to have similar views, while variations in views between crofting communities were more significant.

Across all our evidence, crofting was generally considered to contribute to **retention of population** through access to land, except in areas where there has been considerable amalgamation of holdings (formal or informal).

To continue to retain people and to attract **new entrants** people told us that there needs to be **access to affordable housing**, efforts to provide crofts to meet demand, including improving **access to existing housing/crofts, improved economic returns** from crofting, **local employment opportunities** and **better grant schemes**.

**Incomers** were generally **welcomed** if they intended to work the land and to integrate into communities. The minority who did not welcome incomers were concerned that incomers might price locals out of the housing market and were concerned that incomers might not understand the community ethos of crofting.

Across a number of issues people were generally unwilling to accept or reject actions absolutely and it was evident from what people told us, that their concern was that a **satisfactory balance between individual interests and the interests of the crofting system was not being struck**. For example, **amalgamation** was said to increase croft viability but restrict new entrants. The call for evidence showed a slight balance of opinion in favour of amalgamation and an even split between those for and those against subdivision. **Subdivision** can be advantageous for families and can be the only way that young crofters gain access to a croft, but can lead to crofts being too small. Most therefore accepted the

need for some amalgamation and subdivision but did not want these to be indiscriminate: rather, they wanted them to be based on a **planned approach**, with **decisions taken closer to them, with more local input**.

**Stronger regulation** was wanted to deal with **neglect and absenteeism**, but there was also the feeling that sometimes there are legitimate reasons for crofters to be away from their croft and that **local and individual circumstances need to be taken into account** and dealt with sensitively. Neglect was seen as more of a problem. Most felt that existing regulations need to be better enforced by the Crofters Commission. **Subletting** was mentioned as a solution as was **additional housing** to allow people to move off crofts but remain in an area. Some felt **absenteeism and neglect could be dealt with locally**.

**Views on croft sales were more polarised**, though most (80% of respondents to the call for evidence who gave a view; and 64% of respondents to our survey) were in favour of regulating assignments and sales. Respondents to our call for evidence were evenly split between those who thought that crofts should be able to be sold to the highest bidder and those who were against this practice. Most meeting participants thought that crofters should not be able to sell their crofts to the highest bidder. Other participants, despite reservations about the right to sell to the highest bidder, thought it could not be removed but that it should be regulated. Our survey found regional differences. Respondents in Orkney and Shetland were more likely than respondents in other areas to agree that crofts should be allowed to be sold to the highest bidder. In contrast, respondents in Tiree, Western Isles and North West Highland were more likely than respondents in other areas to disagree with this statement. On balance, people were concerned that selling crofts to the highest bidder would contribute to the demise of crofting.

There was general concern about **decrofting** for multiple house sites and the associated problem that crofts sell for development value and the subsequent impact of this on the community.

In areas where people wanted to have crofting status available to them (Grantown on Spey and Arran) this was because they saw it as a matter of justice that small landholdings of similar nature to crofts should be allowed to be registered as crofts. In these areas people thought that crofting would offer them the right to buy and an associated ability to borrow for investment if they then decrofted a house site and that would help address local housing problems.

**Affordable housing** was said to be **essential** for young people and the community but there was generally a lack of affordable housing. For some people, getting a croft is their route to suitable housing. A lack of income for mortgages/deposits, less rental opportunity and high house/plot prices stimulated by incomers buying crofts at inflated prices, were reported. It was said that the demand for housing also leads to multiple house sites per croft. Most felt that croft house grants should be simplified, better-publicised and should more closely reflect construction costs; loans should be introduced; encouragement should be given to identification of suitable land for housing; and speculative sale of crofts to the highest bidder should be prevented. In addition, **planning should be less restrictive (except where it is important to protect inbye land) and planners should work with local communities**.

People thought that **traditional** crofting activities were good for nature protection, because they encourage biodiversity and crofting agriculture is low intensity. Some suggested that

crofting is less good for nature/landscape than it had been in the past, partly because neglect of crofts is detrimental to the environment. There were mixed feelings about agri-environment schemes, but also some anxiety about them coming to an end.

**Agriculture was felt to be important economically and socially** in most places, although **non-agricultural incomes** were **necessary for most crofters**, and came from **diversification and/or off-croft employment**.

Our survey found that the average crofting household income was reported as £21,000 a year and that there was very little difference in the average (mean) household income of crofters with or without croft income. Crofters in our survey that gained an income from crofting, on average, gained just under one third of their total household income in this way. The proportion of income gained from crofting is higher in Orkney, Skye, Lochaber and Lochalsh, and lower in Shetland, Inverness, Badenoch and Strathspey and the Western Isles. The average income from crofting (for those crofters in our survey) is £6,500 per year.

The largest source of income from crofting for crofters in our survey was the sale of livestock (10% of income) the next largest source was subsidies (8% of income).

The limited availability of jobs was noted, particularly **part time or flexible jobs** which are **compatible with crofting**. It was widely thought that there should be **more support and incentives for diversification** and less regulation and red tape.

In our survey, when prompted, 50% or more of crofters were aware of Crofts Housing Grant Scheme, Rural Stewardship scheme, Less Favoured Areas Support, Crofting Counties Agricultural Grants, Crofter Building Grants and Loans (now closed) and the Single Farm Payment Scheme. Awareness of other grant schemes was lower. Most who responded to the Inquiry's call for evidence were critical of single farm payments for promoting inactivity. Many thought that the Less Favoured Areas Support Scheme – LFASS - could potentially help crofters. The Rural Stewardship Scheme was seen as beneficial by those crofters who had secured funding from it but most had been unable to access it.

## **Governance**

The Crofters Commission is responsible for overseeing crofting legislation and developing crofting as well as having a responsibility to ensure that, through Scottish Ministers, the government is aware of all crofting related issues. In practice that means that the Commission is mainly involved in regulation, grant allocation and development of crofting. Consistently, public views indicated that people want more effective regulation, better local links and greater accountability – a clear indication of dissatisfaction with current governance arrangements for crofting. In our survey over half of those asked about the Commission's effectiveness in development were neutral or thought that it was quite or very ineffective, and 60% were neutral or thought that it was quite or very ineffective in its regulatory role. The associated network of Grazings Committees and Assessors fared little better in that only 66% of crofters said they had a Grazings Committee and even fewer, 43%, said they had an effective Grazings Committee. Only 61% of crofters interviewed had heard of Assessors.

**This summary of the evidence offered to the Committee highlights many of the issues that will need to be tackled if we are to realise the Vision we have for the future of crofting. The challenge for the Committee, and indeed for crofters and all those with an interest in crofting, is how to get from here to there – from the situation described today to that hoped for in the future and set out in Section 2 above. What needs to change, and how is this to be accomplished?**

## **SECTION 4**

### **REALISING THE VISION – ISSUES STILL UNDER DISCUSSION**

There are a number of choices to be made in working out the detail of how this vision might be realised. We have considered a wide range of issues and there are a few that we are still considering and where we would welcome your input, so that we can understand as fully as possible what the likely impact of our choices might be.

#### **Issue 1 – Land and Environment**

Land use, particularly agriculture is central to crofting practice and identity, though of minor economic importance in most places and under threat from changing agricultural policies. Sheep numbers have been declining rapidly. Managing land in crofting areas is important to moderating the risk of climate change. Crofting practices that protect the land need to be nurtured for the future if the environmental benefits of crofting are to be fully realised.

- What place should agriculture have in crofting practice and identity in the future?
- What supports would be more effective in the future to nurture and sustain practices which will secure environmental benefits (e.g. modification or replacement of funding schemes (CCAGS, LFASS, Bull Scheme)?
- Are there measures beyond funding schemes which would help (e.g. advisory services)?

#### **Issue 2 – Housing**

A burning issue in most areas – but not in all - was the external demand for housing, and the consequences of this in terms of the high prices offered for assignments of whole crofts or house sites on 'good' croft land; the lack of affordable housing or affordable crofts for young local people; and the associated social and cultural changes. These in turn threatened the viability of services such as filling stations, shops and post office. A mix of age ranges involved in crofting is essential and that means that young people need to have better access to affordable housing in crofting areas.

- What is the best way of bringing assignments for whole crofts or house sites within the financial reach of people who want to work the land as crofters?
- How should the more general need for affordable housing in crofting communities be met?
- Should the best inbye land always be protected?

### **Issue 3 – Rural Economies**

Most income derives from outside agriculture, from non-agricultural jobs, and young people are very clear that they will only be able to stay if there are good-quality employment or self-employment opportunities. A strength of crofting communities has been their ability to *adapt* to changing opportunities – based on occupational pluralism, security of tenure and sheer determination.

- How might we strengthen this flexibility and capacity to adapt to changing circumstances, so that crofting communities themselves can grasp new opportunities as they arise?
- What policies can best support innovation and employment in crofting areas?

### **Issue 4 – New entrants and young people**

Our survey provided strong evidence that the need to assist new entrants and the succession of younger crofters are the top priorities perceived by crofters today. People saw this as essential for thriving crofting communities, and measures to assist new entrants were emphasised in the allocation of future funding. Yet there appear to be few mechanisms through which potential croft entrants can find a croft: the croft entrant scheme makes no attempt to marry demand with supply, for example, and when they are transferred crofts often command high prices. Anyone who does obtain a croft then has a number of other obstacles to negotiate, including a lack of LFASS or SFP quota, and a lack of affordable housing.

- Should the croft entrant scheme seek to marry applicants on the register with crofts that may become available? How might this be done?
- Should the SRDP include a reserve to enable new entrants to obtain LFASS, SFP and other elements of agricultural support?
- How might less active crofters be encouraged to pass crofts to the next generation?

### **Issue 5 – Governance of Crofting**

Empowerment of crofters and the fostering of innovation require appropriate governance structures at all levels, devolving power to the most local suitable level while ensuring that other levels operate in ways which support local action and decision-making. In turn, legitimate regional, national and supra-national interests must be reflected in local decisions. A framework which devolves power towards communities, within an appropriate regulatory structure, would have the merit of enabling policy implementation, regulation and enforcement to reflect variations in local circumstances.

- How local should governance be to be effective in fostering innovation and sustaining communities? Local authority level? Former district council area? More locally?
- Who should take governance decisions – appointees from crofters and the crofting community? Those elected by crofters and crofting communities? Or, a mixture of elected and appointed people?

## Issue 6 – Regulation and Enforcement

A clear message emerging from our evidence is that crofters want *stricter* but at the same time *simpler* regulation. They want a system that can both be understood and enforced. The elements which crofters wish to see regulated more effectively include: that crofts should be worked; that crofters should be resident; sales and assignments; and decrofting applications.

- Should these be regulated in a way which allows for individual and local circumstances? This would create variation between areas, but could be underpinned by appeal to a national body.
- Or should regulation be applied on national criteria with more limited scope for local interpretation?
- What would be the best way of enforcing regulation?