

Position paper on crofting and community owned land.

1. Background

Members of Community Land Scotland have just over 20% of Scotland's crofts within their land.

To many CLS members, crofting is a significant identifier of activity and importance within their land ownership.

Given the number of crofts in community owned land, CLS requires to have policy positions on what it considers the modern day function of crofting within community owned land, and what its priorities should be in the public policy it would like to see toward crofting.

CLS comes to the issue of crofting **not** as a representative of crofters, but as the representative of a particular and democratically based type of crofting landowner. CLS can take a legitimate interest in what landowner interests and concerns are in crofting. Additionally, given the motivation of CLS members are economic, social, cultural and environmental, and the importance of crofting for these matters in the localities of CLS members, CLS also has a legitimate interest in the health of crofting (the crofting system) more generally.

CLS has set out to answer the following questions in this position paper:

- What, in principle, do we see as the modern day function of crofting?
- What part do we see crofting (and/or other forms of land tenancy) playing in the economic and social development ambitions of community owners?
- What would have to happen to crofting (or key aspects of it) to serve those community development ambitions?
- Given resource constraints, what would be the right and limited number of priorities for CLS to pursue?

2. What, in principle, do we see as the modern day function of crofting?

Crofting serves as a means to:

- Give people a direct and secure stake in the management of land.
- Root people to a locality, commit them to that locality, increasing their likelihood to stay and contribute economically and socially.
- Maximise the distribution and occupation of land, consistent with a unit size that offers sufficient utility to those involved, as a secure base for a range of diverse pluri-activities, contributing an element of income to the family unit.
- Create a common interest, and bonds between people, strengthening community.
- Provide housing supply and legitimise distributed housing in the countryside.
- Maintain the scenic environment, bio-diversity, manage habitat and help mitigate climate change.
- Create and contribute a degree of self-sufficiency and local security in food production and wood supply.
- Provide an important if small part of the supply chain in national food production.

- Fulfil the innate attraction and drive some people have for land and its utilisation for food production, to work with animals or trees, or as a base for other legitimate economic activity.

In the present era it is restrictive to think of crofting only as a traditional form of agriculture. Diverse uses of the land are appropriate, for example: for bee keeping; for trees; for poly-tunnel food production; for a micro-brewery; for renewables; for crafts; for weaving; for tourism infrastructure; as a land base for a business; for small scale added value to food products; all suited to the local circumstances and needs. People should not have to pretend to want to be farmers in order to get a croft.

It is also important to be clear that in history crofts were never designed to provide a full time living, and they will very seldom do so today. Crofts are fundamentally part of pluri-activity, so greater diversity of activity within crofting fits well with this model.

There is a school of thought that crofting is uniquely suited to working with the grain of addressing some of the biggest challenges of our modern world: climate change; resource depletion; supporting population growth; soil degradation; deforestation; biodiversity loss; food security; public health; affordable housing; underemployment. Though crofting is by no means a panacea for such challenges, it can contribute to meeting such challenges. (Jamie McIntyre – Crofting in the 21st century)

3. What part do we see crofting (and/or other forms of land tenancy) playing in the economic and social development ambitions of community owners?

Distinguishing land owner finances from wider economic considerations.

Finance

The evidence is that crofting does not offer great riches by way of generating direct income to community land owners themselves. Croft rents are historically low, set independently. Against this there is a cost to administering the collection of rents as well as other matters relating to croft administration, and costs may be marginally in excess or almost equal to the croft income generated by way of rents (set at today's levels).

With regulation and the security of tenure of crofting, tenanted croft land is largely out-with the control of the community owner and, if anything, crofting status can have the effect of depressing the capital value of the land. The value of the land to a community owner with no intention of selling may not have a lot of relevance, other than value can be of use in acting as security for the purpose of prudent commercial borrowing for investment.

Similarly, creating new crofts, with the right to buy, may have the effect of depressing (albeit marginally) any valuation of the land, as the land becomes largely beyond the control of the land owner and may be subject to a right to buy at any time for 15 times the annual rent. Creating crofts even without the right to buy is still likely to depress values. An owner can share in the development value of developments on croft land for a period of ten years, but these opportunities are limited. Creating new crofts that may eventually yield some development value would never the less yield less than if that development had been on land directly retained by the land owner and not made over to crofting use. There can be significant cash outlays in legal fees and other costs associated with creating new crofts if that engages the Land Court.

In short, there may be little or no particular direct financial advantage to the community owner in creating new crofts.

Economy

However, the foregoing is not to say that maintaining an active crofting community and developing new crofts has no advantage, far from it.

The economic advantage of having an active and vibrant crofting community, and in creating new crofts, is to the individuals involved and to the strength and performance of the community as a whole, if not the community owner per se.

Crofting income, on average, has been reckoned to be around £2,500 to £3,000 per annum, roughly about 10% of the average wage. While not a lot, it is not irrelevant:

- the more active the crofts in a vicinity, and the more crofts, the potential is for more disposable income locally within the community, and this supports other local services
- active crofting itself requires the delivery of other services which has localised economic effects and benefits
- family units have a wider source of income than may otherwise be the case, making their existence more viable
- economically viable families help make other private and public services viable, like locality shops, café's, schools, etc
- crofting roots people in a locality in which they are economically active and to which they are committed through their interests in the land
- crofting can help maintain environment and scenic qualities of a locality, and helps retain culture and community, adding to the localities appeal as a destination for visitors, supporting economic activity
- crofting helps create homes which help build or retain population and contribute to economic activity
- crofting can supply to local outlets locally sourced food of the sort increasing numbers of people want as part of their visit experience

Creating new crofts and encouraging opportunities for new entrants is one tangible way a community owner can demonstrate their commitment to the development of their place.

Crofting is, therefore, economically important to the communities that exist within community owned land.

4. What would have to happen to crofting (or key aspects of it) to serve those community development ambitions?

Given a central purpose of community ownership is the development of a more sustainable community future, so a community owner's interest in having a vibrant and expanding crofting sector is an important part of their economic and social purpose.

This points community owners to have clear primary interests in:

- Crofts being in active use
- Opportunities being available for new crofts and new entrants to crofting
- Active, purposeful and innovative Grazing Committees

- Common grazings that are utilised to their potential
- Crofting development support

5. What would be the right and limited number of priorities for Community Land Scotland to pursue in relation to crofting?

There are eight areas of policy development for CLS in relation to crofting in the short to medium term.

A) To see a consolidated policy package from the Scottish Government toward opportunities for new crofts and crofters comprising:

i)

- encouragement to the Crofting Commission to regulate and work with owners in the interests of seeing active crofts, or inactive crofts being made available for new entrants
- provision being made in law, or by means of funding support, to assist crofters in securing mortgages for new homes
- the administration needed to create new crofts being made as simple and supportive as possible

ii) Encouragement to and engagement with the Scottish Government to:

- proceed quickly to develop and adopt their proposed National Development Plan for Scotland

iii) Common Grazings

- clarify the operating rules for grazings committees, based principally on trust for grazing committees to adopt local rules about their governance and finance using their discretion and common sense to suit local circumstances and priorities achieved, if necessary, through a framework supported by legislative change
- develop a short vision for the modern day utilisation of common grazings, building on best practise
- consider what may now be necessary to bring inactive grazings committees and grazings back into purposeful use, and what should happen for the common good of crofting and the wider community when grazings are not actively administered or used

iv) To help secure a commitment from the Scottish Government to the support of crofting development, as distinct from the development of crofting communities already provided for and within HIE's remit. By crofting development we mean support based on research and expertise, and the availability of advice necessary to assist croft units, and crofting communities, to optimise their financial and economic effectiveness.

B) For Community Land Scotland itself to further consider:

i) what part tenancies, other than crofting tenancies, might play in community owned land.

ii) whether it may be acceptable and possible to secure financial 'value' for owners from the creation of new crofts, with community owners potentially pre-creating crofts, potentially with planning permissions for dwellings, and the provision of fixed assets, for appropriate rentals or for purchase.

iii) the rationale and options for the decentralisation of the regulation of crofting, arising in light of recent thinking flowing from difficulties at the Crofting Commission. (Crofters in Sleat have produced some thinking on this to promote debate.)

C) Of the seven matters above, the priorities CLS plan to focus on, subject to resources being available:

- the creation of new crofts
- engagement with the Scottish Government on their National Development Plan
- securing structures to deliver vibrant common grazings
- exploring any financial 'value' in developing new crofts differently

Community Land Scotland Board would welcome any feedback on this position paper.

Community Land Scotland
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