



Proposals for a Crofting Development Programme NWCPA Response to Consultation

General Overview

NWCPA appreciates the need for a review in order to comply with state aid regulations. It is however the general view of the membership that changes beyond this should be avoided since CCAGS works and provides for a unique ‘niche’ not provided for by other development organizations. It would be sensible to increase the £20,000 ceiling and relax the rules about use of agricultural sheds. Also beneficial would be grant support for machinery and for relevant crofting groups like stock clubs. We appeal to you to bear in mind that changes beyond this are greatly feared since the majority of other grant aid and support is so difficult to access and not tailored to the crofting community. Please be very cautious and do not disadvantage the average, individual croft applicant for the sake of a scheme which ends up only accessible to a minority of entrepreneurs. This would not serve crofting or cattle keepers well.

Section 1

‘Do you agree that public grant money should continue to be available to crofters who invest in the positive use of croft land?’

NWCPA feels that availability of public grant money is essential to enable crofters to use land positively. This in turn generates a range of public goods including biodiversity, important crofting landscapes, maintenance of remote rural communities, access for walking and tourism friendly areas. Provision of such public goods comes at a cost which is not ever met purely by a crofter’s or a township’ economic returns.

‘Should support be available both to individual crofters and to crofting communities?’

At present some 70% of CCAGS is used by individuals. In general it is individuals who experiment, motivate others and manage land. It is therefore essential that individuals have access to relevant support as they are the backbone of every community. The efforts of these same individuals can then often lead to group approaches at township or area level. This too should be supported but **not at the cost of on-going support options for individual crofters**. NWCPA does not agree with the proposal to ration funds to individuals in preference for group applications.

‘Do you think the new crofting development scheme will encourage more active crofting?’

In view of the outside influences affecting crofting including CAP Reform, changing markets in agriculture and tourism and crisis in the fishing industry, we do not think that the proposed CDP will lead to more active crofting. The main break on investment is lack of capital and this is borne out by the current pattern of CCAGS uptake and average household income levels. In addition the CDP is offering reduced grant levels which will make big projects like township fencing or sheds even harder to tackle.

What the CDP proposals could do is remove historic and administrative barriers to support for crofting landuses. These include lack of grant support for machinery; the current restriction to agricultural use for multi-purpose sheds; producers groups like cattle clubs cannot access support – only townships or individuals. NWCPA welcomes the proposal to increase the ceiling for both individual and group projects to a more realistic level.

NWCPA notes that there are no specific questions relating to LIS. As NWCPA research in 2002 showed access to bulls is a key issue in maintaining and rebuilding cattle numbers. Many crofters cannot keep a bull all year round due to lack of space or facilities so the Bull Hire Scheme is very important. Indeed last year NWCPA argued that the Commission could help rebuild cattle numbers by extending access to individuals and groups of two instead of only three. Once there is a bull available in an area other people tend to think about getting a few cows themselves.

The suggestion that under CDP grant aid might be available to buy a bull is certainly of interest as long as it is alongside access to the hire scheme since the hire option provides secure health status and avoids the need to have a bull all year round. We note that CDP would only provide access to a bull for 4 years. Surely the fact that the group must reapply for a bull every 2 years constitutes a break in support? RSS projects continue for 5 years plus 5 years without a problem. Why couldn't use of a bull work on the same basis? If RSS can do this on environmental grounds it is worth bearing in mind the fundamental importance of cattle to the environment of the Highlands and Islands.

We strongly welcome the idea that grants for wider stock development through a new Heifer Development Scheme, modeled on the past success of the North West Development Plan, would be possible under CDP. This would make a great impact in allowing existing and new producers get established on a sound footing. We do however strongly recommend that this option is not only enthusiastically developed but is also made available to individuals as well as groups. Again this is because one innovator getting cattle back on the ground can often lead to others following his example. Through planned bull sharing appropriate breeding strategies could then be developed locally.

Section 2

‘Should CDP be extended over time, so that applicants are able to put forward one plan for their croft, and gain access to a wide range of grant support?’

NWCPA note that recent schemes have been more and more difficult to get into it. It is absolutely vital that the CDP does not turn CCAGS, CCCDS and LIS into inaccessible, complicated sources of grant. Recent experience of options like RSS show that uptake and access among small crofters is very low when there is a requirement for complicated plans produced by paid consultants and a competitive process.

The majority of people want access to a simple source of grants like CCAGS for doing straight forward one-off jobs. This easy access and simplicity **must** be maintained. We do however recognise that for more complicated projects a one-stop shop for grant support would be helpful. It is not clear however how this might work since each individual grant offer from each agency is a legally binding contract and has to be signed off as such. The example of the Shetland Regeneration Partnership which operates on this kind of basis may be useful in this context.

‘Should space be made for more new entrants to crofting by offering existing crofters an incentive to vacate at an earlier age?’

Yes – the Croft Entrant Scheme has proved beneficial in this area but the funding levels are quite low. Extra payments would make it easier for a new entrant to get a croft and more worthwhile for the outgoer – it is to be hoped that in this way local young people with relevant skills and interests would be less likely to be outbid by older, more wealthy people. New Entrants should also have access to HIEStart – business start-up assistance.

‘Do you support the six principles by which CDP will be made available – or are there other aims for providing support for active crofting?’

Prior planning – this can be useful particularly for someone starting out or diversifying. However one of the great strengths of the current CCAGS system is that when a crofter needs a fence or can afford a shed s/he can apply and do it. Since many crofters are on low or variable incomes and/or are self-employed this is crucially important. It should not be necessary to do ‘two things’ if only one is needed. Trying to find two things to do instead of one could potentially be wasteful.

Positive benefits – it is not clear how this would be measured or why anyone would undertake work which did not yield any benefits. Keeping stock on the ground will be one of the biggest challenges and provide significant benefits after CAP reform.

Local co-operation – this is always desirable and has the potential to cut costs when production costs and marketing costs are shared. However in areas with an ageing population or on-going depopulation there may be only one or two active crofters. In that type of circumstance it is generally not possible to develop projects which involve everyone. It is essential that the opportunity for individuals to make an economic return from the croft is not sacrificed to well meaning but often unachievable aspirations for local co-operation.

Fair distribution – see comments under section 4.

Joint investment – this is not a new principle but it should be noted that both costed voluntary time and a crofter's own costed labour must be counted as part of that investment. These should be counted or costed to include planning and organizing as well as actually fencing or planting trees etc.

Broad range of activity – it would be very useful if a crofter could legitimately keep non-agricultural items like the deep freeze, creels, plasterboard etc in the grant aided shed. That is sensible and practical. NWCPA do however wish to point out that the Crofters Commission serves what can be seen as a niche market. It is an important role and it is vital that the Crofters Commission does not try to be all things to all people by taking on functions more suited to the SAC or the LECs.

The most important principle must be to work to maintain appropriate agricultural activity in the Crofting Counties, through the Commission's own actions and grants and through encouraging other relevant public agencies to provide appropriate support to crofters and crofting – in particular cattle keeping in the remote areas.

Section 3

'Do you agree that CDP grant aid should be made available to all crofters (and like status holdings) rather than being means tested or limited to smaller producers only?'

Yes – if this will benefit the local economy.

'Who should carry out assessment of CDP plans and do they need to be based in crofting areas?'

This could only be done effectively locally - probably by a combination of local SEERAD staff and the relevant Area Development Manager. It should be noted however that by introducing 'plans' (we would hope not for everyone if they only need to do one thing) you are likely to increase the cost of delivery since the time involved will be significant.

'What support do applicants need to put together development plans – how is this best delivered?'

For those developing plans rather than doing something like a fence there may well be a need for support comparable in terms of time and cost to that currently supplied to new entrants via the local CES officer. In addition specialist support may need to be bought in. We are very concerned that this would lead to a complicated, expensive process. For instance the process for applying for ABDS is known to be so complicated and expensive that the vast majority of people are advised not to try it.

Section 4

'Do you agree that CDP grant money should be distributed more evenly across all the crofting areas?'

As already stated the uneven uptake of current CCAGS grants across the crofting areas is due to lack of capital and largely mirrors the pattern of comparative regional disadvantage. NWCPA strongly welcomes attention to this issue. The only realistic way to create a more even pattern of uptake is to target extra support to those areas where uptake is lower. We recommend that this is done by supplying a Management Payment of 25% of total cost for **both individual and group** projects in targeted areas. The targeted areas could be reviewed after 10 years. It should be noted that both individuals and groups who have enjoyed higher levels of support for a limited time period in the past continue to prosper since this extra support gets the township or individual '*on their feet*' in terms of stocking and infrastructure for both agriculture and tourism. From that point business development proceeds more easily and there is then a chance for innovation since the basic facilities have been put in place. A good example is the North West Development Plan.

The CDP provides the Crofters Commission with a timely opportunity to provide that kind of targeted support at realistic levels through an extra management payment in the places where it is most needed.

'How should we allocate CDP funds if they are oversubscribed?'

Firstly hold back applications until funds are available and secondly seek extra funding from SEERAD if the scheme is running short of funds. Individual applications should not be disadvantaged by group applications.

'How can we encourage more crofting townships and crofting communities to work together and come forward with plans for their area?'

The CCDS is a very accessible scheme and the management payment provided through it eases the process of working together and provides some flexibility over costs. A similar management payment **must be** incorporated into the CDP since this has proved to be so successful.

Working together is something which comes about slowly through local initiative and local leadership. It is not something which can be successfully forced even via attractive grant schemes. Doing so will tend to generate new problems. Supporting local ideas and initiative when support is sought and in the form in which it is sought is by far the most effective way ahead.

Issie MacPhail - NWCPA Co-ordinator
204 Clashmore, Stoer, Lochinver, Sutherland IV27 4JQ
Tel/Fax: 01571 855297 e-mail: info@nwcpa.org.uk