

# Cross-Party Group on Crofting

2 November 2023

## Minutes

### Present

#### MSPs

Alasdair Allan MSP (Convener)  
Rhoda Grant MSP

#### Invited guests

Gillian Martin MSP  
Andrew Thin  
David Findlay  
Michael Nugent

#### Non-MSP Group Members

Donna Smith (Secretary)  
John N Macleod  
Russell Smith  
Fiona Mandeville  
Phil Knott  
Siobhan Macdonald  
Donald Bruce  
Jonathan Hedges  
Eilidh Ross  
Andrew Monument  
David Skene  
John Kerr  
David Muir  
Aileen Rore  
Sandra Holmes  
Samuel Turner  
Rhona Elrick

Douglas Coulter  
Iona Hyde  
Donald Murdie  
Miranda Geelhoed  
Ross Johnston  
Alexander Murray  
Kate Higgins  
Jamie McGrigor  
Alastair Macnab  
Iain Kennedy  
Mark Shucksmith  
Anne Campbell  
David Cameron  
Claire Hardy  
Jackie McCreery

#### Apologies

Ariane Burgess MSP  
Beatrice Wishart MSP  
Eleanor Garty  
Jamie McIntyre

Neil Evans  
Donald Cameron  
Janette Sutherland  
Bill Barron

## Agenda item 1

### **Welcome and apologies**

The convener welcomed everyone to the meeting and apologies were noted.

## Agenda item 2

### **Agreement of the minutes of the last meeting and matters arising**

The minutes of 14 June were agreed with no corrections requested.

## Agenda item 3

### **Minister for Energy and the Environment – Gillian Martin MSP** gave her thoughts on various crofting issues

Main points included:

- That the government is committed to reforming crofting law and support the future of crofting with the decision and the timing of the bill to be taken in the context of the other legislative priorities.
- Government has approved £40 million through various support mechanisms like the Croft House Grant and Crofting Agricultural Grant Scheme.
- Since 2007, there has been £24.6 million of Croft House Grant payments and they have helped improve over 1115 Croft Homes enabling crofters and families to continue to live and work in some of Scotland's most rural communities.
- Since 2015, there's been £25 million in CAGS funding approved and that's helped over 4000 crofters with their businesses.
- Over the last two years, the Crofting Commission's budget has been increased and we're starting to see the fruits of that already and a reduction in live cases is a direct result of that investment that's been put into the Commission and of the hard work of the staff in in the Commission.
- In terms of future agricultural support, last year the Cabinet Secretary published the vision for Scottish agriculture that seeks to transform support for farming and food production and make Scotland a global leader in sustainable and regenerative agriculture and work is ongoing designing the support framework that delivers high quality food production, climate mitigation and adaptation and nature restoration.
- These changes must be delivered through a just transition with no cliff edges to any support so Government have been engaging with farmers, crofters, industry sector ahead of the bill being recently introduced to Scottish Parliament.
- Acknowledgement that there are issues on the West coast where sea eagles are causing disruption to those people that are trying to make a living off the off the land.
- In terms of goose management, the Government absolutely appreciates the damage that geese can cause to agricultural land and that these impacts are serious for crofting communities. The five yearly goose management policy review has been undertaken by Nature Scot and is currently being considered. It will form support given by the government to crofters and farmers to host and manage geese on their land and will continue to provide funding for crofters, farmers and land managers. To

put the necessary tools and techniques in place to reduce the impacts the negative impacts on their land.

- Government is aware of the opportunities and risks associated with emerging carbon markets and have committed to developing a values led market for responsible private investment and natural capital that balances these risks and opportunity. The next step that will be taken is to publish proposals for the market framework that underpin that commitment.

## ***Discussion***

Comment: My biggest concern is the disappearance of crofters and it's become wholesale and I would like to hear how you intend to use the agricultural bill and the other legislation that you're coming to consult on shortly to try and at very least stem the tide. The loss of people could be considered as wholesale abandonment in some areas. We're seeing these are communities that support and infrastructure for the big energy in this country like tourism. It's just disappearing before our eyes. I welcome your comments.

Response: I recognise that this is a real is a real issue. I think that the Crofting Bill is going to give us an opportunity to address quite a lot of what you've said but we need more. First of all we need more active crofts. We need to be putting our efforts into any kind of crofts that are not used and making sure that they're available for new entrants, or for people that for quite some time have been looking to get into crofting or diversifying from what they're already doing and managing a croft as well. A lot of these crofts might be in areas of outstanding natural beauty which leads to people who don't really intend to do much in the way of crofting being desperate to get their hands on them. But if we to allow that to happen, we would effectively be completely decimating crofts, which are an extremely important part of Scottish life. We need to be looking at ways in which to bring a lot of crofts back which are not being crofted back up and running, but also look at the ones that are in limbo and they're maybe just not being managed at all and get them back on to the tenancy market in a way that's actually going to encourage people who come from those areas to actually take on a croft as well, rather than anybody who just fancies dabbling. I think that the Crofting Bill has got to give us an opportunity to look at some of the more outdated rules that are maybe a barrier for that, but ensure continued support for people to take on croft such as support for new entrants into crofting, and continued support for, modernising the buildings as well, or expanding.

Question: One fear that's mentioned often at meetings was a worry about conditionality on common grazings and how future agricultural support or subsidies will work on commons. Has there been more work done on how this will work?

Question: Is producing crops of vegetables, for example, turnip, carrots, potatoes etc going to be subsidised? And how are you going to police it? Are you going to measure the plots that are planted, etc?

Answer: There are probably going to be 4 tiers of support. The first tier is going to be like basic payments. Then there's going to be some conditional payments on things that you're doing, the activity you're doing on your farm or your croft. These will be aimed at activity which improves biodiversity and reduces carbon emissions, a lot of things that are being done already on farms and crofts but do not attract any kind of financial support to them. The question about whether common grazings will come under that I genuinely cannot answer because it's the Cabinet Secretary that's taking forward this bill but you can be assured that we will keep a watching brief to ensure that crofting is recognised and included.

Comment: One of the things that you touched on was the unused and neglected crofts, crofts that have tenants or owners but the crofts are not being used. What's needed there is more enforcement action from the Crofting Commission and I hope that you're going to reassure us that every year the commissions budget is going to be increased so that they have the staff capability to actually work more effectively because they seem to be always constrained due to lack of enough staff to actually meet their meet their commitments and make crofting work more efficiently and open up available crops or unused crops for the many new young crofters, or potential crofters who would be really keen to get a croft. We would love to see you in in some of these crofting areas and see the issues on the ground. I'm sitting here in a croft which has been encroached with bracken from both sides because I'm between 2 abandoned crofts and both of these crofts could be supporting families or helping support families and addressing the terrible demographic crisis that we have in in this part of Skye. I see that Professor Shucksmith is here at this meeting, and since he produced his report, we've had basically 15 wasted years and nothing has been done to address these issues whatsoever. Minister, please come out and see us. We'd love to see you out in in these areas. Thank you.

Response: The point about enforcement action has been made to me by a few people. I mentioned the additional funding given to the Crofting Commission which has been allowing them to recruit more people and actually address the backlog of cases that they've got. And I'm hopeful in the future, and certainly that once that backlog is getting cleared, that they will actually be able to concentrate more on the enforcement duties. We need to be making sure that crofting stays alive, and for crofting to stay alive, we've got to have new people coming into it. We've also got, I think, a duty to the people in the communities, particularly young people in those communities, that the right to get involved in crofting is open to them, as it was to the people of the older generation. You do not ask have to ask me twice to come to Skye so I would be delighted to come and see some of the issues first hand that you mentioned. With everything that we do in this bill, we need to think very, very carefully about how we make sure that we don't do anything that effectively allows people to come in and land bank. Like you've just said, Skye is a very popular place for folk to have holiday homes and sort of, you know, play at doing the crofting life. And we don't want people doing that at the expense of people who are from that area who could be starting up a business and raising a family. So I'll be keeping that in my mind the whole time during the passage of this bill.

Question: I want to thank you, Minister, for recognising the damage that geese can cause. But although crofters live with geese, we want these to be at much, much reduced numbers. At the moment Uist has a derogation that allows mowing of crops for silage 2 weeks earlier than the prescribed dates and this is not ideal from an environmental point of view, but it is necessary a while we live with such a large population of grey like geese. So my question is, how can we reduce these numbers?

Question: It's come to my attention just recently that it's not currently possible to register a common grazings and I understand that this is a responsibility of the Crofting Commission and the landlord and crofting shareholders can't progress the registration. We talked quite a bit tonight about the importance of common grazings as being a critical resource for crofting and for crofters so I was just wondering if there's any plans to reinstate the ability to take forward a registration of common grazings?

Answer: We are currently looking at reviewing our goose management scheme and whilst we're updating that we've extended funding for Grey lag control. My office, along with NatureScot are looking at revising that scheme to bring it up to date and to look at some of

the other tools that might be available to you with regards to mitigating the damage. We don't want the damage to be happening at the scale it is at the moment. And as, as you rightly say, that comes down to goose numbers as well so we are actively looking at it. But I can't give you any more concrete than that at the moment.

Question: When can we expect the crofting legislation to come forward? It's really created huge issues within the crofting communities. And when can we expect the backlog within the Crofting Commission to be sorted? Because in a way that's leading to dereliction because people can't get things done. So the Commission itself is part of the problem at the moment, but probably the law as much as the Commission.

Comment: Just to add to the story of geese, we've had contact from our members up in Shetland and they've had complete crop failures of vegetables and potatoes this year because of the resident geese and they are getting quite desperate there because they're having to buy stuff in which is not exactly fitting with our aims of sustainable and local nutritious food. And the second thing, as you'll see tonight, a lot of folk are blanked out because of connectivity, and I think that's one of the big side issues with crofting. We need to draw your attention and the Scottish Government generally to this ongoing issue.

Answer: The timing of the bill is parliamentary business so I can't say exactly when other than it's within the parliamentary term. As for the backlog, I don't have those numbers in front of me, but there's certainly been a vast improvement in that backlog as a result of the increased resource that's been put in there. Finally, I'm from a rural area myself and we've had increased improvements in connectivity in the last five years, but I appreciate there's a lot of other rural areas that haven't and although I don't have responsibility for connectivity, I'm happy to pass on your comments to the minister that does.

## Agenda item 4

**Andrew Thin** (Crofting Commissioner) & **David Findlay** (Crofting Commission Solicitor) gave an update on the work of the Commission

Main points included:

- Current Commission board is a pretty new board with most have only been on for 18 months or so.
- Regulatory backlog has now fallen below 900 cases from over 1200 not that long ago. The target at the moment is to get it down to 800 by the end and the average time is also coming down.
- There's a lot of positivity at the moment in the board and in the staff, but we need to be realistic as to what we can achieve and how quickly.
- The Commission has been able to make a modest increase in the size of its crofting duties team and it's working as hard as it can and within its resources. The team has broadened the scope of this work to include unoccupied crofters and those who do not return the annual notice. In the 17 month period from April 2022 to August 2023, the teams' work resulted in 61 permanent resolutions of breaches of duty. That was through assignation or transfer of ownership and letting the croft to a new tenant, the existing tenant taking up residence, renunciation of the tenancy, so that a new crofter could come in or termination of tenancies by the Crofting Commission. There was another 43 temporary resolutions through sublet short term lets and consent to be absent.

- Currently there are 161 cases which are being processed by the Duties team and which are at various stages in the enforcement process and it's initiating engagement with around 200 annual notice non returners who would not appear to be complying with residency duty.
- The Commission has been introducing new management information reports and practises so that it can target casework better and in a more controlled way.
- The Commission processes cases through its own bespoke information system and there's been a recent major update to this which will enable processing times to be reduced.
- The Crofting Commission has an improvement officer for case work and she has been working on introducing new measures to produce case papers more efficiently and we are also no longer producing case papers in quite a lot of more straightforward cases so that they can be dealt with more quickly.
- Small development team which has been made possible by the increase in its budget and it's currently engaged in a living succession project with planned events having already created a lot of publicity and interest. The Crofting Commission will be supported by a number of other bodies, including at RSABI, Farm Advisory Service, Scottish Land Matching Service and Citizens Advice.
- From the Crofting Commission's point of view it's vital that the legislation comes forward in order that a number of improvements can be made to Crofting Commission processes, in particular the Crofting Commission is very keen to be able to grant owner occupied crofter status in cases where the occupier of the croft doesn't meet the legal definition of an owner occupier crofter and is therefore not eligible for grants and subsidies
- The Commission is very interested in the proposal to simplify aspects of the crofting duty process. At the moment it is quite a long and complicated process and there is a proposal to streamline to be able to process these cases more quickly.
- Issues such as carbon sequestration, biodiversity projects and making it easier for crofters to collaborate with landlords is an idea that Commission is very keen on because the future of crofting will include many different things from traditional livestock, to biodiversity enhancement and natural capital, as well as tourism

## ***Discussion***

Question: Why is it we don't notify the grazing committee, at the time of an individual's croft registration application? Is there any reason why the Grazings Clerk isn't informed and going forward is there any possibility to do this?

Answer: At the moment the Grazings Clerk is not included as the Grazings Committee is not included as party in croft registration of individual crofts. It's different where it's a common grazings registration. The process is that the application has to be advertised and then the form is sent by the Crofting Commission to Registers of Scotland, which then registers, informs the Crofting Commission who then notifies all the owners of adjacent land, which doesn't include the Grazings Committee, but perhaps thought could be given thought by the Crofting bill team as to whether or not that would be a good proposal.

Question: And just really what is it that is causing such a delay in processing things and is there anything that can be done now? I suppose we've been waiting for Parliament for new Crofting legislation, and it still hasn't appeared, and one wonders if it will ever appear. Is

there anything that can be done quickly to speed up the work of the Commission, because it really is holding people up?

Answer: The legislation is highly complex and one could argue it's frankly just not fit for purpose. It therefore requires a huge resource to process many types of applications and that's not going to change because resources realistically are not going to increase and it will take quite a while with the best with the world to get a bill through. We recruited a lot of people but you've got to train them up which doesn't happen overnight. They are now trained up, productivity has gone up and the one other ingredient in this that I think is worth emphasising is that on a temporary basis we have put in place some emergency measures, but we have to be careful, if we cut too many corners, we'll land up in the land court and it'll cost us even more and we'll get slowed down.

Question: Given the context of a heightened interest in grazings due to natural capital, carbon and biodiversity and the like in the future, why is the Commission currently not registering common grazings as the landlord and grazings committee cannot do it.

Answer: At the moment the Crofting Commission is not registering any common grazings. There was a project three years ago when approximately 1/3 of the common grazings were registered and that was on the basis of funding that was specifically provided to the Commission to do that. Clearly with resources being focused at the moment on reducing turn around times and working on active crofting there's actually realistically very little at the moment for common grazing registration, which is quite a time consuming process. But it's hoped that will change in the future, because I think everybody recognises the value of having common grazing registered.

Comment: It was just a note of thanks really and a bit of a congratulations for the Commission for a change, perhaps to say that the development team have done a really good job with their succession. The booklet is really clear and colourful, and I think it will be read by lots of people. They've done a really good job and also the Grazings team have been doing meetings along with the Farm Advisory Service on common grazings finances support for clerks, and they've been really popular with really good feedback. So I think just to note that congratulations are in order.

Comment: In my experience, the reason that people don't pass on their crofts voluntarily is because they're worried about people speculating, so they're thinking well, if I have a croft that has a value the same as a house has a value and if I'm being encouraged to pass that on and then the person that I pass it on to decides, well, it's actually not working out so well for us here on the West Coast, I think I'll get another plot out of it and then we'll move on. And at the moment, there's not really any mechanism for stopping that happening and it does happen a lot. I know from speaking to clients of mine that a lot of people who are perfectly accepting in themselves that they're not going to do anything with their Crofts and the thought of passing it on to someone for less than market value is a nice idea. And yes, in an ideal world, lots of people would do that. But my worry is that when it comes to the crunch, they're going to say they're going to go back and speak to their solicitor, who's going to say be really careful with that. So, it's a great idea and I welcome positivity but also you know no one's suggesting that this is going to solve all the problems. I'm not convinced that anything in the proposed crofting bill as far as discussed is going to solve that problem either, unfortunately.

## Agenda item 5

**Michael Nugent** (Scottish Government – Crofting policy and Legislation) gave an update on crofting law reform

Main points included:

- The Crofting Bill Group has met a further three times since June and is due to meet again a week today, and that will be our 14th meeting in 17 months. Since June, the bill group has agreed and reached a consensus on a further 7 proposals, which takes it to 32 of the 43 proposals agreed.
- Discussed a number of other issues such as joint tenancies, sanctions, the definition of a crofting community and a further discussion on standard securities. These four and other issues will be discussed further in the coming months.
- There are only three issues and proposals from the original list of 43 that have still to be discussed by the group for the first time.
- Thanks were expressed to all the members of the Crofting Bill Group for their time, commitment, and expertise that they've given willingly to this process so far.
- An update was given on a couple of the proposals that have been agreed in the last few months. The first one in relation to the enforcement of duties section in the Act. The agreed proposal is that this process is streamlined which will allow the Commission to make quicker decision in cases where there is a breach of duty. We know from the data that most crofters responding to a suspected breach of duty notice do not dispute that they are in breach. Therefore, the changes that are proposed will allow the Commission to accelerate these types of cases straight to the Commission taking a decision on the undertaking provided by the crofter. This will save all parties up to 12 weeks.
- The second is that currently, we have two very separate assignation processes where the assigner and the assignee have different roles depending on whether the Croft has been registered or not and we have two different time windows for notification. What the proposal will do will be to introduce one single process for assignation. If a Croft has already been registered, the process will remain and as it is in the case of an unregistered Croft, we intend to decouple the registration process from the assignation process.
- Commission has also provided a further 7 proposals which have been shared among the members of the Bill Group for comment. The meeting next week will be the first opportunity we've had to discuss these as a group. Most of the seven additional proposals are non contentious but there are a few that will require discussion
- Hoping to consult on the Crofting Bill around March next year. As part of that process, the Crofting Bill team will hold events and a number of venues throughout the crofting counties.

### ***Discussion***

Question: You mentioned joint tenancies, has there been much chat about that or conversation about that within the crofting community? I have heard differing views, possible benefits, but possible complications. I don't know enough about it, but is this something that you can say anything more about?

Answer: I don't know whether it's actually being discussed within the Crofting communities. I know that just from my from my policy interests at work, I obviously deal with the bill and also



the policy. We don't get too many inquiries about it. However, I'm aware that this was an issue and a proposal that was being considered by the previous bill team back in 2017. The bill group has had its first discussion on this and I think it's fair to say that the views vary and we will be holding certainly another couple of discussions on this before we consult.

Question: I was interested in the standard securities, which of course has been raised in the past and not legislated on last time round. Can you say anything about what role, if any, that might have in dealing with the kind of speculation on croft tenancies we see in some parts of the crofting counties. Or does it have any potential role in that or how would you get around some of the objections that were there last time round about people who default and so on?

Answer: I think there's a general consensus that the standard security provision is a good idea. What the bill group is currently discussing, and we've now had three meetings on this subject, is what happens in the case of a default on that standard security and about whether responsibilities and duties, etc, should disapply when that happens. So these are issues that we still haven't fleshed out entirely. On the market. I don't honestly know. I can see the argument probably for both sides. However, I think it's probably fair to say that in some cases the person with the deepest pockets might be able to access some of the Croft tenancies that perhaps may be marketed and if the standard securities was there then there might be the possibility for somebody who perhaps doesn't have that available money. You'll be able to borrow some of that money in order to get access to a Croft, which may help, for example, a new entrant or a young family.

Question: The difficulty with the standard security as there has to be some form of security and if the Croft isn't the security, then banks won't lend. And I suppose that takes me back to the point where we should be looking at loans for crofters from the government, we used to have housing grants and loans. I think we really need something that recognises the pay structure of people in the crofting counties, folk in seasonal and working a number of jobs and they can't go to a bank and get money and they can't compete. However, if you just do a straightforward standard security, it will again be the folk with money that can raise that security with the bank and the bank will want the croft as the security to sell again to the best bidder that they get. I think we'll go round in circles and that there has to be some kind of lender of last resort who will lend in a different way than the normal banks do and I don't know how you do that and but it is the problem that needs to be fixed and I suppose. My real concern this is probably not an issue for you. It is an issue for government in that we should have had this legislation in the last Parliament and now it looks like it's drifting towards the end of this Parliament and likely to be dropped if anything at all happens. Is there anything at all that can be done by way of secondary legislation, some things that can be done quickly that sort out some of the unintended consequences that actually were caused by rushing through the last crofting legislation at the end of a Parliament and this looks like no lessons have been learned. We need to try and sort out some of the muddle that's been caused to allow crofting to flourish. And at the moment it's not flourishing. And so I don't know if there is anything that can be done. Is there a plan B?

Answer: We've not looked at secondary legislation in order to bring in any of these changes. We have obviously looked at primary legislation versus secondary legislation and primary legislation would be the route in which we would want to go down. The programme for government this year is to consult on the bill, so that's what we're going to be doing and I think that there are some positive stories and maybe one of the criticisms I could say is the fact that we don't often publicise some of our good news stories and I think there are quite a lot of good news stories out there. I think Andrew and David touched upon some of the earlier, as did Siobhan. And I think we're correct in saying that we're that we see roughly

about 500 plus new entrants into Crofton every year. So it's not as if that we're not seeing that steady inflow of new entrants into the sector.

Question: The reason that crofting mortgages have come into focus is because the price of Crofts has increased. If crofts were the sort of the price that they were even 10-15 years ago, most people could probably save up and economise and all the rest of it. The problem is at the moment that they are so far out of the reach of, let's say, the average salary in the country that in the same way that it's impossible for the vast majority of people to buy a house as a cash purchaser, it's now also impossible to buy a Croft as a cash purchaser. But whereas in the regular housing market you have commercial mortgages which are available in the crofting market, you don't. If I could just draw the distinction between a standard security as the legal mechanism for the lender, securing the debtors date, and a mortgage which is the sum of money that's being lent. At the moment there's absolutely nothing to stop a crofter who obtained a title deed to their Croft from their landlord to then have a standard security to be taken over that title for a period of 10 years to secure the landlord's right to a further clawback payment if any part of the croft is sold within 10 years. So at the moment there's no problem with the standard security over croft land. There's technically nothing stopping the Halifax, say, from lending money and in fact there are lots of cases where the where lending institutions have done that accidentally but the problem is once lenders are aware that it's a Croft, they won't lend and I just don't think it's a big enough market for them to devote the resources that they have to. Since 2008 lenders have become increasingly cautious to the point now where there's a whole market and title indemnity policies, so that if there's even the tiniest defect in somebody's title, most solicitors would just automatically get a title indemnity policy and that is really commonplace now in all sorts of conveyancing transactions, not crofting transactions so much, but in all sorts of non crofting transactions. Will we ever convince commercial lenders to lend over Croft Land? Can they be compelled by legislation to do that?

Answer: The standard security provision that we're looking to would be to secure it against the croft tenancy and I don't think the legislation would compel lenders to lend, but hopefully, and I believe that some of the data does exist, I think the Scottish Crofton Federation have. Suggested they have some data on this. But we would need to be able to hopefully provide some of that data to the lenders to show that there is obviously a market in Croft tenancies and that standard securities could be lent against the Croft tenancy as there is a market. Now it might be the fact that we introduced this in into legislation that they might not get used for a year or two, but we would hope that we would eventually be able to have that data to show that it is something that could be a viable product for certain secured lenders and at least then the provision will be within the legislation in order for it to be used. We will be speaking to the Council of Mortgage Lenders during this process, but what we are trying to do is to ensure that we can make it as viable and easy as possible. For example, back in 2017 one of the proposals was that the secured lender, in the case of a default, would be entitled to a whole croft decrofting, and I know there was a lot of issue in the crofting community about that. Well, we've taken that off the table and the secured lender will not be able to just be entitled automatically decroft the croft, and they could obviously apply for that as any crofter could, but it'd be up to the crofting Commission to make a decision on that. But we have to make the proposal as attractive to lenders as possible and that's what we're currently discussing with the bill group.

Comment: I built my house in 1995 using the Crofting Loan Grant and loan scheme at the time, which I took up. It was good at the time. The only thing I would say about it was the interest was much higher and it was over 40 years and you had to pay twice a year which was quite hard going but thinking about it now, I do agree to a certain extent with what's

been said about bringing it back. If it was a sort of low interest loan, you know, a mortgage paid monthly with a grant. And I would say it would have to be an increased grant because obviously the price of materials is going through the roof. So I would be very supportive.

Response: I wasn't working in Crofting policy when the grants and loans were available. I think that the grant was about £11.5 thousand and I think the loan was in the region of about £17k. I think that some of those loans were 40 years and there were defaults on some of those loans. I don't have the data to hand on that, but the reason that the loan was taken away was through the fact that crofters, stakeholders wanted a larger grant. The grant is now £38,000 and what was what was asked for back then was the fact that the loan be taken away and we just simply increased the grant which I believe is what was carried out. There is also the self built loan scheme. That's obviously in regards to the house and obviously the Croft House grant, which is in regard to the house, but obviously the standard security provision we're talking about is for croft tenancies themselves.

Question: Nobody's more in favour of availability of funding for crofts than I am but my concern is that we've been here before, before the last Crofting Reform Act and after Professor Shucksmith's report which recommended crofting mortgages, as I recall, and the problem was it hit the road and the reason the Crofting Register was introduced was in order to give lenders some clarity over what it was they were obtaining a security over. The Crofting Register got through, but the crofting mortgage provisions did not and, the last I heard of it until quite recently was that the Council of Mortgage Lenders were being consulted on it? Are you able to say has there been any more recent consultation with the CML?

Answer: The last one earlier that took place I think was back in 2017 or 2018, but the latest was 2019 before the build team was disbanded. But I do intend to speak to the Council of Mortgage Lenders. Once we have come up with a fixed proposal from the Crofting Bill Group I will take it back to the Mortgage lenders before then taking it back to the bill group.

Comment: My concern is that we already have a mechanism for taking a mortgage over owned croft land and we can't get lenders to utilise a very well established legal mechanism. They still won't lend to buy owned croft land, so we must be talking about some kind of new mechanism to allow a mortgage to be taken over a tenanted croft that's going to be a completely different mechanism. My concern really in a nutshell is if we can't persuade lenders to use an existing established legal mechanism, i.e. the standard security over an owned croft, are we going to be spending a lot of time and effort fighting to get a new mechanism over a tenanted croft only to fall down at the next hurdle? Which is, can we actually compel them to lend money over croft land, whether it's tenanted or whether it's owned?

Question: Well, in that case the only other question we've got here just now is could legislation be introduced for all croft houses coming onto the market to be decrofted, therefore allowing younger or newer entrants to get mortgages for them?

Answer: I would suggest that the vast majority of houses that would be classed as croft houses will already be on decrofted land. I know that obviously not all, but I would assume that the vast majority of crofters, when they're building their home would decroft their house and garden ground, which is I believe is an absolute right.

## Agenda item 6

### **AOB**

None raised.

## Agenda item 7

### **DONM**

Wednesday 10th of January – will include AGM.