

**SCOTTISH GOVERNMENT RURAL DIRECTORATE  
CONSULTATION:  
DESIGNATION OF NEW AREAS FOR CROFTING**

**SUBMISSION BY  
SCOTTISH ESTATES BUSINESS GROUP**

**1. BACKGROUND**

The Scottish Estates Business Group (SEBG) represents a group of progressive land-based estates with significant agricultural and rural business interests. It aims to promote a modern business approach in the management of Scotland's land resource in ways which deliver social, economic and environmental benefits. The group seeks to secure a sustainable and prosperous future for rural areas.

Estates are proven business models that assist the development of smaller rural businesses, and landowners and estates have a vital role to play in the ongoing and future development and prosperity of Scotland. SEBG is committed to rural economies and its members work hard across Scotland to stimulate enterprise and economic development.

**2. OVERVIEW**

SEBG recognises that traditional crofting as carried out in the Crofting Counties holds a historic place in Scotland's rich tapestry and that crofting communities have a key role to play in maintaining the sustainability of remote and rural areas. The Group wants to see, and encourage where it can, a crofting sector which is not only able to carry on good agricultural traditions but is also able to put croft land to imaginative and productive use for the benefit of those crofting communities. The Group backs measures which support and encourage the efforts of those crofters who want to make a successful business of working and developing their crofts.

However, SEBG would argue that one of the purposes of the original crofting boundaries was to help to retain that certain traditional lifestyle across those areas. Now, many decades later, those areas outwith the original boundaries have modernised and developed away from a crofting culture, along with the rest of rural Scotland. It is questionable, therefore, whether the extension of crofting boundaries of itself would be able to re-integrate for those areas such a traditional system of land use which has long since been set aside.

Further, SEBG continues to be extremely concerned about the effect any possible extension of crofting tenure to areas outside the traditional crofting counties areas would have on confidence in the rural economy generally, but more specifically the agricultural sector. Extension of the absolute right to buy to small landholders in the non crofting counties, as would be the case were they to be converted into crofts under the 2006 Crofting Act, poses the potential risk of reopening the whole debate about the absolute right to buy for tenant farmers generally.

**SCOTTISH ESTATES BUSINESS GROUP**

**Chairman:** Sir Alastair Gordon Cumming

**Deputy Chairmen:** Stuart Young, Dunecht Estates and David Gwyther, Buccleuch Group

**Head Office:** 27 Silvermills Court, Henderson Place Lane, Edinburgh EH3 5DG

Tel: 01620 861898 Email: [voluntary@sebg.co.uk](mailto:voluntary@sebg.co.uk)

# S | E | B | G

This is because it has the potential to lead to disparity between neighbouring tenants, by gifting the absolute right to buy to smallholders newly defined under the 2006 Act as crofters when neighbouring secure tenancies under the agricultural holdings legislation are explicitly limited to a pre-emptive right to buy following a decision by the landlord to sell.

Retrospective legislation in recent years to transfer the ownership of land from existing landlords to their tenants has already been seen as seriously undermining the confidence of landowners to let land, and has led professional land management advisers to urge their clients to exercise extreme caution when considering the continued letting of land. SEBG fears that any further upheaval in the legislative basis on which agricultural holdings across the rest of Scotland are managed could further damage the whole land management sector. Not only might it allow the opinion to gain ground that the letting of land to tenants may be becoming “a risk too far”, but also for tenants the challenge to argue for parity with converted smallholders and thereby gain an absolute right to buy for themselves might become irresistible. Neither factor would be helpful to an agricultural let sector already experiencing difficulty in being attracting new blood into the industry.

There is industry wide consensus that what is now needed, instead - particularly given the difficult trading conditions facing the whole agricultural sector - is a period of stability to allow the Act to bed down and for landlords and tenants alike to work together constructively to make the new arrangements work effectively. Such a period of stability would give greater confidence to invest to all those involved in the sector – and in many ways more importantly those not currently involved in but contemplating entry into the sector.

SEBG fears that traditional crofting as an economic activity is becoming increasingly outdated and uneconomic. Undoubtedly crofting does provide environmental and social benefits, as the Shucksmith Inquiry has so far reported, but the real question has to be how such benefits can and should be underwritten in order to underpin the sustainability of rural communities in crofting areas. The likelihood is that continued and increased public support may be required for such “public goods”. If that is the reality – and the Shucksmith Inquiry report is still awaited – then it has to be questionable whether the extension of crofting without the grant support available for crofters in the crofting counties only, can hope to succeed.

### 3. RESPONSES TO SPECIFIC QUESTIONS

- Q1. Do you agree that new areas should be designated for Crofting?
- Q2. Do you agree the new areas should align with those of Highland and Islands Enterprise?  
If not, why?
- Q3. Is there another area which has a stronger claim? If so, why?

No to each – see Overview above. It has been many years since the areas proposed for designation as areas of crofting tenure have had any specific link to crofting, and in the intervening period have developed away from a traditional crofting culture. If grant schemes currently available to the Crofting Counties are not to be extended to new areas designated for crofting outside the Crofting Counties, where then is the support necessary to underpin economically margin enterprises likely to be found?

SCOTTISH ESTATES BUSINESS GROUP

Chairman: Sir Alastair Gordon Cumming

Deputy Chairmen: Stuart Young, Dunecht Estates and David Gwyther, Buccleuch Group

Head Office: 27 Silvermills Court, Henderson Place Lane, Edinburgh EH3 5DG

Tel: 01620 861398 Email: [pollymcberens@sebg.org](mailto:pollymcberens@sebg.org)

# S | E | B | G

Decrofting in order to permit non agricultural development to support economic viability would surely not be permissible so soon after designation as a new croft area.

SEBG also suspects that a significant element in the call for the extension of crofting has less to do with land management and more to do with the entitlement of crofters to build a house on their land. To some extent, it was the problem of lack of availability of housing on Arran which led to extensive calls for the island to be redesignated as a crofting county, since it was felt that the right to build a house on crofting land might help ease the acute accommodation shortage there. However, planning permission would still be required and since mortgages are generally not available for croft land, grant support would remain vital, though again could not be sourced from the traditional grants schemes limited by statute to the Crofting Counties.

Q4. Do you agree that Crofting Community Right to Buy should not be extended to the new areas?

Yes. There would not have been a crofting community in existence prior to the creation of new crofts outside the Crofting Counties and the creation of one or two individual crofts (with the individual right to buy) under the Crofting Act 2006 would not of itself create a community. For all the reasons set out above in its Overview, SEBG welcomes the reassurance set out in the consultation that Ministers have no plans to pursue an alternative definition of a Crofting Community in order for the Crofting Community Right to Buy to be able to be exercised outside the Crofting Counties.

**SEBG**  
**12<sup>th</sup> March 2008**

SCOTTISH ESTATES BUSINESS GROUP

**Chairman:** Sir Alastair Gordon Cumming

**Deputy Chairmen:** Stuart Young, Dunecht Estates and David Gwyther, Buccleuch Group

**Head Office:** 27 Silvermills Court, Henderson Place Lane, Edinburgh EH3 5DG

**Tel:** 01620 861898 **Email:** [polly.mcconnough@sebg.co.uk](mailto:polly.mcconnough@sebg.co.uk)