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Crofting's contribution to remote population retention and to protection of the climate and biodiversity

Introduction

- 1. At its meeting in Inverness in October 2019, COHI agreed two major priorities for the next stages of its work: the protection of remote population; and ensuring that the Highlands and Islands maximises its contribution to the protection of the climate and biodiversity. This paper reflects on the contribution that the crofting system has made to both these priorities in the past, and considers how its contribution could be enhanced in the coming years.
- 2. In March 2021, the Scottish Government is publishing a National Development Plan for crofting. This paper highlights some of the actions and initiatives in that publication and the integral part that the Crofting Commission will take in delivering priority outcomes.

What is Crofting?

- 3. Crofting is a system of small-scale land-based enterprise. It is unique, though similar models such as small tenant farming and landholding have emerged in other parts of Scotland to drive similar benefits. From a human rights point of view, the crofting template is quite radical, and enables a relatively large number of people within rural communities to have occupation of and rights over land, and to be able to make their own land use decisions. It is therefore relevant to current land reform thinking.
- 4. Crofting is a regulated system, with the Crofting Commission as its regulator. That means it is neither an unfettered market system nor a managed public sector system. Instead, there is a range of constraints and controls set out in legislation, for example the crofter's duties to reside on or near the croft, not to misuse or neglect it, and to cultivate it or put it to purposeful use. The Commission has a small but active Residency and Land Use team which encourages and enforces adherence to the duties. A regulated system also offers government the opportunity to target financial support, such as for environmental and climate change mitigation schemes; croft housing; and capital support which helps croft businesses improve efficiency and profitability.
- 5. The "small scale" of crofts has given us the volume of population that is necessary for communities to form, and has protected the land from exploitative monoculture. "Land based" has given us food production, active land use and protection of a unique landscape. This connection to land has also contributed to the resilience of the population in remote areas, because crofters are tied to the land and hence tied to place, often over many generations.
- 6. Since the changes introduced by the Crofting Reform Act 2010, the crofting Acts now facilitate diversification of economic activity on crofts, with traditional livestock production being supplemented by a range of other uses.

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7. The Scottish Government's 2018 report on *The Economic Conditions of Crofting* indicates the current activities of crofters, based on a sample survey. A small number of crofters have high incomes from their crofts, but for many it is an activity that covers its costs at best. Despite this, the survey showed the health and evolution of crofting: 80% of respondents had livestock, and 42% grew crops, little changed from four years previously. Perhaps of more significance was the growth of 'non-traditional' crofting activities, as shown in the table below.

Crofting Activities	Percentage of survey respondents in:-	
	2014	2018
B&B / holiday let	8%	15%
Leisure	3%	7%
Wood processing	2%	5%
Renewable energy production	4%	5%

How crofting has contributed

Population

- 8. Crofting legislation was introduced in the 1880s not least in order to stem the flow of emigration from the Highlands and Islands at that time. Crofting communities were expanded and developed following the Land Settlement Act of 1919 and this played a major role in establishing strong rural populations, especially in the Western Isles, Shetland, Skye, Tiree and West Sutherland. To this day, these areas are characterised by a high density of rural population.
- 9. The crofting system continues to underpin strong rural populations through the land rights held by crofters, the support for Housing through the Croft House Grant Scheme, and the powers for the Commission to enforce crofters' duty to reside within 32km of their croft. This is not to minimise the challenges faced by remote communities including crofting communities, some of which are discussed below, but a visual inspection of the Highlands and Islands confirms the strong contribution that crofters make to rural populations, to this day.
- 10. Most active crofters combine work on their own croft with paid employment elsewhere in the community, so a crofting population contributes to the sustainability and economic vitality of the area as a whole. Crofting's cultural link to the heritage and history of the crofting areas, including the Gaelic language in many crofting areas, further strengthens the community, while the system also provides opportunities for new people to join the community and take up land-based activities.

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Land use for protection of climate and biodiversity

- 11. By definition and by tradition, crofting agriculture is low intensity, and represents an efficient way of producing food from marginal land. A recent Climate Change Committee report confirms that British beef, like some other European countries, has a much lower carbon footprint than beef produced in some other parts of the world. It is thought that within the range of 17 to 49 kgCO2e per kg of meat for British beef, extensively produced Scottish beef, such as that produced by crofters, is at the lower end of that scale. This would represent a fraction of the carbon footprint of beef produced in countries such as Brazil and Indonesia where rainforests have been cleared for beef production and other uses. By contrast, crofters generally graze cattle on existing grasslands that have been used and carefully managed as grassland for many generations, and are usually unsuitable for other agricultural uses such as arable production.
- 12. The crofting system also protects and supports biodiversity. The machair of the Western Isles is a rare and essentially man-made environment resulting from low intensity livestock grazing, which now supports a plentiful range of species. Equally, where active grazing of upland common land continues, this preserves the biodiversity of these areas and limits the progress of invasive species. Both NatureScot and the RSPB have recognised the importance of the crofting system for the protection of key species and biodiversity in general.

Maximising the contribution of crofting

The Commission's development officers and the National Development Plan

- 13. In 2020, the Scottish Government invited the Crofting Commission to expand its role of developing crofting, alongside its mainstream regulatory functions. Additional funding has been provided, to permit the recruitment of 4 new staff in the Western Isles, two of whom are crofting development officers. These recruits are joining the Commission in Spring 2021, and the first development officer is already in post. Working primarily in the Western Isles, but aiming to establish methods that could work across the crofting counties, they will seek to work with crofting communities to strengthen activity and combat inactivity, encourage turnover of crofts where possible, promote diversification, and encourage greater use of common grazings, including in ways that mitigate climate change and biodiversity loss.
- 14. The creation of these posts is part of the Scottish Government's National Development Plan for Crofting (March 2021), which sets out a range of continuing and new priorities for crofting. For the Commission, these include:
 - encouraging more Grazings Committees into office, and supporting them to organise, promote and manage active use of the common grazings;

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- making information for crofters more accessible, both through the Commission's own information and by signposting to information available from other sources such as the Farm Advisory Service;
- encouraging turnover of crofts; and
- more proactive enforcement of Residency and Land Use duties (see paragraphs 17 and 18 below).

Population

- 15. Crofting continues to provide an opportunity for people of all ages to settle, join a community and take up a way of life in the remote parts of the Highlands and Islands. There is a steady turnover of crofts through assignation, sale, succession or letting, with the number of 'new entrant' crofters estimated as around 400 each year. Each of these represents a new or continuing member of the local community, an opportunity to contribute to the local workforce and economy, and potentially a family. The gender split is reasonably balanced (about 45% of new entrant crofters are women), but only around 30% of new entrants are aged 40 or less.
- 16. Although this level of new entry is not insignificant, it perhaps indicates a relatively low *rate* of handing on of crofts to new entrants. There are several reasons for this:
 - a. Crofting legislation emphasises the *rights* of existing crofters, including the freedom to continue to occupy their croft or to assign their tenancy to a person of their choice normally to a family member and/or for a purchase price. The regulatory constraints on these freedoms are modest and light touch. The result is that crofting communities, like other communities of asset holders, face a challenge of ageing. Crofters have land rights, those rights have a value, and there is competition for them. As with other assets in other sectors, there is a tendency for a greater share to be held by older people, and young people to find it hard to gain entry.
 - b. Exacerbating this is a challenge of aggregation. Fewer people these days are interested in running livestock on a very small scale it's hard work with little financial reward! So where a crofter wishes to make a livelihood from agricultural activity, there is a tendency for multiple crofts to be operated by one person, whether through multiple holdings, informal or formal sublets and use of common grazings. Up to a point this is fine and necessary, but if it goes too far then the essence of the small scale / large numbers could be lost. Ideally a crofting system would balance "full time" crofters working larger pieces of land, with a majority who still wish to cultivate or use small crofts while having other livelihoods which make a separate and complementary contribution to the community.

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- c. Pricing of crofts. Crofters hold rights in land in some of the most scenically spectacular places in Scotland, and this land is in demand for other purposes too, especially housing (including holiday homes). This leads to market pressures; and discord about 'profiteering at the expense of the community' can put strain on crofting communities between those with different priorities for the locality.
- 17. All these pressures combine to make it harder to replenish the active crofting population. The Commission seeks to combat these pressures by various methods, particularly by our enforcement of crofters' duties. The Commission's Residency and Land Use (RALU) team has contacted several hundred crofters whose annual 'census' returns indicate that they are not complying with the duty to reside within 32km of their croft. In the nine months from April December 2019, our interactions resulted in 135 of these situations being resolved:
 - 23 crofters returned to take up residency within 32km
 - 22 assigned their croft to another crofter
 - **78** sublet¹ their croft to be used by another person for the time being
 - **10** were given consent to be absent, where their personal circumstances meant that a return to the croft may be more realistic in due course
 - **2** tenancies were terminated, paving the way for the croft to be let to a new tenant either by the landlord or by the Commission itself.

Tenancy terminations will always be a very small proportion of the total (as the legislation gives crofters in breach of duty many opportunities to resolve the situation for themselves before that point is reached).

- 18. Since the election of a new Board in 2017, the Crofting Commission has been committed to sustaining the RALU work, and consequently these numbers are set to increase. Some aspects of the RALU work were reduced during 2020 as a result of the pandemic, but additional Government funding is now allowing the Commission to increase the size of the RALU team by two extra full time staff. In recent meetings, the Commission has agreed plans to increase the pace of RALU enforcement, including:-
 - a more restrictive approach to about accepting long-term sublets as a solution, so that more crofts become available to new tenants through either assignation by the crofter or termination by the Commission;

¹ Strictly, one of the 78 was a 'short-term let' of an owner-occupied croft rather than a 'sublet' of a tenanted croft

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- confirmation that enforcement processes extend to 'owner-occupier' crofters as well as tenant crofters;
- some approaches to be made to crofters who do not return the annual census notice, on which they should indicate whether they are complying with their duties.
- 19. The need to create more opportunities for new entrant young crofters has been a concern for crofting policy-makers for many years, and various methods have been attempted to boost the numbers of such new entrants, including: incentive schemes to encourage older crofters to pass their croft on; calls to establish hundreds of new crofts; and calls for the Commission to take more action to remove absentee crofters and free up their crofts. However, none of these has been sufficient to overcome the pressures pushing crofting in the reverse direction, towards an ageing and less active crofting population.
- 20. It is therefore suggested that a short-life working group should be established to consider whether there are more radical approaches that could provide more effective means of ensuring a greater number of crofts are made available to new entrant crofters.
- 21. Any new approaches may also need to be supported by proactive advice services to crofters who are no longer working their crofts. It is generally held that the most successful element of the earlier incentive scheme for outgoing crofters was not the modest incentive payment, but the proactive provision of advice on *how* to pass your croft on².

Land use for protection of climate and biodiversity

- 22. Around half a million hectares of uplands in the Highlands and Islands are on common grazings, and these provide additional substantial opportunities for crofting to make a measurable difference to the reduction of greenhouse gas emissions, in particular through peatland restoration and through tree planting.
- 23. It is estimated that Scotland's peatlands store approximately 1.6 billion tonnes of carbon, which is equivalent to approximately 140 years' worth of Scotland's total greenhouse gas emissions. A substantial part of this peatland resource is located in Sutherland and the Western Isles as well as in smaller locations all across the Scottish Highlands and Islands. The Scottish Administration intends to spend up to £250 million on peatland restoration over the next decade. It will be necessary to ensure that these incentives can be applied to common grazings, given the extensive peat found there.

² For those who live on their croft, this would include decrofting the house to be the outgoing crofter's continuing home, before assigning the remainder of the croft.

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- 24. The Scottish budget also has a commitment to plant 12,000 hectares of new woodland in response to the climate emergency. Again, it will be important that planting within appropriate locations on crofts and on common grazings (such as steeper or rockier areas of little interest to livestock), are included in this initiative. This would help crofters to achieve a balance, particularly with regard to common grazings, between livestock production, peatland restoration and carbon sequestration and woodland development. The Commission is currently working with NatureScot and the Scottish Government to identify the locations of peatland, including degraded peatland, on common grazings.
- 25. The rights to common grazings are of course held in common, shared between a landlord and a multiplicity of 'shareholders', most but not all of whom will be crofters. The principle of shared land rights is seen as of intrinsic value, and the crofting common grazings can be seen as a forerunner of the sharing of land rights and responsibilities. Nevertheless, the multiplicity of people with rights to have a say in how the land is used, provides a significant added complexity involved in securing uptake of these schemes on common grazings, compared to the challenge of uptake by a single landholder.
- 26. Crofting law and regulation by the Commission and the Scottish Land Court, provides a rulebook for how decisions are made about activities, innovations and development on common grazings, balancing the rights of shareholders and of landowners³. Key to effective operation of these systems is a proactive *grazings committee*, able to coordinate the interests of shareholders, apply for funding, and liaise with other parties to get schemes off the ground. Recently the Commission has worked hard to reverse the decline in numbers of grazings committees, and there are now around 40 more in office than two years ago.
- 27. Other initiatives to improve the interaction between crofting and the environment could include accessible information on:
 - a. High quality agricultural practices, with the latest methods for protection against disease;
 - b. As part of this, the development of nature-friendly farming practices within crofting;
 - c. Retaining livestock types which are suited to their specific environment, which will help minimise inputs;
 - d. Efficient supply chains, including how to reduce food miles. Many crofters are interested in selling produce locally, for economic reasons but also to help maintain a circular rural economy, with more money kept within the local community.

³ There may be scope for some simplification in a future Crofting or Land Reform Bill, but as noted above the balancing of multiple rights will always have a level of complexity.

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Conclusion and recommendations

- 28. This paper suggests that there is a *natural fit* between the crofting system and sustainability/biodiversity, because of crofting's extensive low-intensity food production and its emphasis on sustainable and responsible use of remote land. However, there are significant challenges that are to be overcome if the full environmental benefits and opportunities of crofting are to be realised.
- 29. If a system of *small-scale land-based enterprise* is of continuing value to the Highlands and Islands, then attention will need to be given to the following:
 - a. To ensure that the traditional crofting option remains financially viable, and that it can be done small-scale. The broader COHI agenda regarding jobs, connectivity and other services is highly relevant to crofting communities as to everyone else.
 - b. To resolve how people, especially those in their 20s and 30s, can get started in crofting; this paper has proposed a short-life working group to address this.
 - c. To simplify the crofting regulatory system when the opportunity arises to legislate, so that regulation is focused on what is considered most important;
 - d. To incentivise the public value that crofting needs to deliver especially for sustainability/biodiversity;
 - e. To work with crofting communities to encourage leadership from within the sector.

The Crofting Commission is keen to work with other organisations in furtherance of these objectives.

30. COHI members are invited to:-

- a. comment on the population-related and environment-related outcomes that they would wish the crofting system to deliver for the Highlands and Islands, and consider what changes would enhance this; and
- b. to agree the establishment of a short-life working group to address turnover of crofts and entry into crofting.

Crofting Commission
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