

# CROFTING COMMISSION

## MINUTE OF THE COMMISSION MEETING HELD AT GREAT GLEN HOUSE ON 11 FEBRUARY 2015

Present:	Susan Walker	Convener
	Colin Kennedy	Vice-Convener
	William Swann	Commissioner
	IG Macdonald	Commissioner
	David Campbell	Commissioner
	Murdo MacLennan	Commissioner (by teleconference until 10:25 hrs. In person from 12:10 hrs)
	Marina Dennis	Commissioner
	Arnie Pirie	Commissioner (from 09:50 hrs)
	Kathleen Sinclair	Commissioner (from 09:50 hrs)
	Catriona Maclean	Chief Executive
	Ian Bryce	Business Manager
	John Toal	Head of Policy & Duties
	Joseph Kerr	Head of Regulation & Legal Team
	Neil Macdonald	Acting Head of Finance
	Donna Smith	Head of IS
	David Findlay	Solicitor
	Morag Menzies	PA to Convener, Minute-taker
	Posy MacRae	Communications Manager
	Anne Williamson	Duties Casework Officer
	Fiona MacDonald	Member of staff
	Betty Mackenzie	Communications Officer
	Finlay Beaton	Crofting Advisory Officer (from 12:05 hrs)
	Uilleam Smith	Member of the public

### 1 APOLOGIES AND WELCOME

Apologies were received as follows:

Jane Thomas, Head of Corporate & Customer Services  
Gordon MacDonald, Head of Finance

The Convener welcomed David Findlay, the Commission's new Solicitor, to his first Board Meeting.

### 2 DECLARATION OF INTERESTS

None

### 3 APPROVAL OF DRAFT BOARD MINUTE OF 10 DECEMBER 2014

The Minute of the Meeting of 10 December 2014 was approved.

#### 4 MATTERS ARISING FROM PREVIOUS MEETING

The Action Points from the previous meeting on 10 December 2014 were reviewed:

- Page 2, third bullet point, the Chief Executive gave an update regarding donating £5,545, which was the residual funding originally earmarked for the Croft Entrant Scheme, to the Scottish Crofting Federation towards the Young Crofters Conference. The SCF have proposed that the money be put towards the making of a film to be called 'Crofting Conversations' and this proposal was circulated to Commissioners. Following this, Commissioner MacLennan suggested that the Commission should be given a high profile in the film and he also wanted an emphasis on Gaelic, in line with Gaelic Policy. The SCF have implemented Commissioner MacLennan's suggestions and the money will be transferred in March 2015. The Commission approved the proposal.

<b>Decision</b>	<b>The Commission approved the proposal to donate £5,545, which was the residual funding originally earmarked for the Croft Entrant Scheme, towards the Young Crofters Conference and the making of a film by the Scottish Crofting Federation called 'Crofting Conversations'. The Commission will be given a high profile in the film and there will be an emphasis on Gaelic, in line with the Gaelic Policy. The money will be transferred to the SCF during March 2015.</b>
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- Page 2, fourth bullet point, Betty Mackenzie, Communications Officer advised the Commission that Assessor William Mowatt from North Ronaldsay had recently sent a letter of resignation after over 40 years as an Assessor. The Chief Executive has written to thank Mr Mowatt for his contribution to crofting and his involvement in the Assessors Network over the years. The Commission also wish to thank Mr Mowatt for his outstanding service and helpful advice over the years.
- Page 4, Item 7, the Convener asked when the Paper regarding the structure and conduct of Business Meetings would be coming to the Board and the Chief Executive advised it would be either the March or May Board Meeting.
- Page 6, Item 11, first bullet point, the Chief Executive advised that she is still investigating the possibility of migrating staff posts out of Inverness and she would like to have an informal discussion with Commissioner MacLennan regarding this, as he was the Commissioner who requested it. Commissioner MacLennan agreed to the discussion.
- The Convener advised that letters of thanks had been sent to Richard Frew, David Barnes and Paul Wheelhouse which were circulated to Commissioners, and the Convener has received acknowledgements and thanks for those letters.
- The Convener advised that she had a very positive meeting with the new Minister Aileen McLeod, and the Minister is actively looking for a date when she can meet with the Commission.

#### 5 COMMUNICATIONS

##### (a) Marketing and Communication Plan

Posy MacRae, Communications Manager gave a PowerPoint presentation and overview of the Communications Strategy.

The Commission asked for landlords to be added to the Communications Strategy and for Cairngorm National Park Authority to be added to the list of agencies.

The Commission website will be updated to make it more user friendly and social media will be used more and more as it is low cost and a very good way of communicating information.

The Commission approved the Communications Strategy and commended Posy on the presentation and the amount of work that she has put into the Strategy.

<b>Decision</b>	<b>The Commission approved the Communications Strategy.</b>
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## **(b) Annual Report**

Posy MacRae, Communications Manager presented copies of the draft Annual Report to Commissioners, which is still at an early stage of development. The Chief Executive advised that this year a complete review had been done of the Annual Report, to align it more with the Corporate Plan and it will now only contain essential information.

It is hoped to have articles on each of the Commissioners talking about their own areas and interviews with the Senior Management Team about their objectives for the coming year.

The Commission were happy with the proposals and thanked Posy for her work on the Annual Report so far.

Commissioner MacLennan's teleconference terminated at 10:25 hrs.

## **6 COMPLAINTS COMMITTEE UPDATE**

### **(a) Complaints & Investigations Committee Meeting Draft Minutes of 14 January 2015 and Update**

Commissioner Macdonald gave an update following the quarterly meeting of the Complaints & Investigations Committee held on 14 January 2015, which looked at complaints received in the quarter 1 October 2014 to 31 December 2014.

There were three frontline complaints and three Stage 2 complaints received. One of the frontline complaints progressed to Stage 2, but by the end of the quarter all the complaints received had been concluded and closed.

The Committee also looked at five cases that could possibly lead on to be complaints.

The SPSO require the Commission to display any complaints received on the Commission website, publish trends and actions taken, and use case studies and examples to demonstrate how complaints have helped to inform and improve the Commission's services.

One of the complaints investigations referred to application timescales not being adhered to and the Registers of Scotland process not being highlighted on the application forms.

Following this complaint, all application forms have now been amended to highlight the fact that applicants will have to register their croft before a regulatory application can be dealt with and advises that this may result in a delay to their application.

Another learning point came from someone who submitted a complaint which has since been dealt with and closed, and there was an issue to do with the writing up of Minutes from a meeting. It is very important that the public who attend the meetings which will be reported by the Commission, and the reader of any subsequent reports, are clear that any comments made are those of the individual and not necessarily supported by the Commission.

With this in mind, the Complaints & Investigations Committee are adjusting their operational processes to make sure that a statement is read out at the start of any meeting, reminding participants to be truthful and that anything they say will be recorded and may be challenged.

A disclaimer is also required at the beginning of any note taken at a meeting, reminding the reader that comments contained in the note of the meeting are a record of what was said and not necessarily reflecting the views of the Commission.

Commissioner Macdonald pointed out the draft Minute of the Complaints & Investigations Committee Meeting which was for information and will be approved at the next Complaints Meeting on 15 April 2015, then submitted to the Board for approval in May.

Discussions took place about two complaints cases and it was agreed that these cases should be discussed at the Complaints & Investigations Committee Meeting and not at the Board Meeting.

The Commission also discussed the issue of complaint or investigation and wondered if there should be an Investigations Team set up to look at investigations only.

It was agreed that the Complaints & Investigations Committee will look at proposals of how to deal with investigations and bring their proposals to a future Board Meeting.

## **7 CENSUS UPDATE**

The Head of IS advised that of the 16,781 Census forms issued, 12,260 had been returned so far, which equates to 73%. This figure is much higher than expected.

Reminder letters will be going out soon to those who haven't replied.

There have been teething issues with the software but staff are currently verifying data, scanning the forms and soon they will be able to run reports to analyse the data received.

Some forms have been returned with neither the 'Yes' box or 'No' box answered.

The Commission agreed that they would like a media campaign to advise crofters how many Census forms have been returned so far, and to try to encourage the rest to return their forms. The Communications Manager will be deal with this.

The Commission agreed that they would like the reminder letters to go out soon and for Commissioners to see the letter before it is issued, with a return date set for before the next Board Meeting on 25 March 2015. At the Board Meeting they want to be advised how many Census forms have been returned and decide how to deal with the non-returns.

It was also agreed to reconvene the Census STWG with the Convener, Commissioner Macdonald and Commissioner Dennis, to consider the information obtained from the Census. The Head of IS will arrange the meeting.

The Commission enquired about the progress of the Duty to Report and the Chief Executive advised that the new Grazings Regulations were being developed and this will link in with the Duty to Report.

## 8 AUDIT & FINANCE COMMITTEE REPORT

### (a) Update from William Swann

Commissioner Swann gave an update on the recent Audit & Finance Committee Meeting.

- There is ongoing work with the development of the Anti-Fraud Policy.
- The AFC has looked into the issue of elected Commissioners making decisions for their own geographic areas and it has found that there is no risk to the Commission in the first term of their appointment. However, it could become an issue if a Commissioner is re-elected for a second term and the Commission will have to look into this if this were to happen. A Paper suggesting options will come to the Board in due course regarding this.
- The AFC will produce a Paper regarding clarifying Declarations of Interest by Commissioners in due course.
- The AFC have agreed, with the external Auditor, the work plan for the auditing of accounts.
- One of the areas to be looked at this year is the change in management structure and the Chief Executive has assured the AFC that the risks are being managed.
- There are a couple of changes to the Risk Register. The Crofting Census has been removed and the risk regarding loss of data is being managed and new back-ups are in place.
- Regarding sending Papers out to Commissioners electronically, the AFC recommend that the Commission continue doing this wherever possible, but if there are individuals who cannot work electronically because of a bad internet connection, they will be taken account of on an individual basis.
- Regarding there being a majority of elected Commissioners on Commission Committees, the AFC is asking for a change in the Terms of Reference to remove the words that 'two of the three members must be elected', and amend to 'the majority of members should be elected members where this is achievable'. The Commission approved this recommended change to the Terms of Reference.

<b>Decision</b>	<b>The Commission approved the Audit &amp; Finance Committee recommended change to the Terms of Reference regarding elected Commissioners being members of Commission Committees, to remove the words 'two of the three members must be elected' and amend to 'the majority of members should be elected members where this is achievable'.</b>
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- The AFC have modified the standard arrangements with the internal Auditors to include two additional items, one being the Anti-Fraud development and the other is a Best Value Review. The Chief Executive advised that a Best Value Review is something the Commission is required to do in terms of its governance and can be very helpful in setting a baseline for performance on a number of fronts e.g. stakeholder engagement and customer service.

- The Budget for 2015/2016 is tabled and the Commission approved the Budget. Commissioner Swann highlighted that the £310,000 additional pressure funding is not money that the Commission has to spend. It is there as extra funding if required for specific purposes.

<b>Decision</b>	<b>The Commission approved the Budget for 2015/2016.</b>
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- Commissioner Swann advised that there are still risks associated with legal costs.

The Commission approved all the recommendations made by the Audit & Finance Committee and thanked the members Commissioner Swann, Commissioner Sinclair and Commissioner Campbell for their ongoing work on the Committee.

<b>Decision</b>	<b>The Commission approved all the recommendations made by the Audit &amp; Finance Committee.</b>
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## 9 ECONOMIC CONDITION OF CROFTING

Commissioner MacLennan drew to the attention of the Commission the report entitled the Economic Condition of Crofting laid before Parliament in December and stated that this was a very good baseline document. The leverage of 7:1 of investment by crofters in their crofting activities makes a good case for the Commission in its negotiations with the Scottish Government. The report highlights that on average 11.75 hours are worked per week. The net average return is only £1000 per annum.

The Scottish Agricultural College's input said it was pleasing to see that the Commission absentee initiative was seen as positive, but crofters wanted a greater emphasis on tenants who are inactive.

Commissioner MacLennan also highlighted that if CAP reforms are not right then crofters project a 25% reduction in their investment to the figure of £85 million over the period.

The document underpins the strength of crofting financially to the area in which the Commission works.

The Convener added that the first report on the Economic Condition of Crofting four years ago had been lacking in in-depth analysis and noted that it was encouraging that serious work has gone into the preparation of the current report, including information from the Commission and a range of other agencies and bodies. The production of such an in-depth report helps to raise the status and enforce an understanding nationally of the importance of the crofting system for fragile and rural areas.

## 10 CONSULTATIONS ON CHGS AND LAND REFORM

### CHGS

Finlay Beaton, Crofting Advisory Officer entered the room at 12:05 hrs and advised that the Croft House Grant Scheme is currently up for discussion and there is a consultation open for it, with a deadline of the end of March 2015.

One of the recommendations is to reduce it from three payment regions to two payment regions, which means that if someone is closer to a major population they would get the lower rate and if they were further out in the Western Isles for example, they would get the higher rate.

Some Commissioners felt that there should be one payment region throughout the Highlands & Islands to make it fairer and others felt there should be two payment regions, with higher payments for the Isles to reflect higher costs. They also felt that £28,000 for the CHGS was far too low.

Mr Beaton advised that the Communications Manager had written out to Assessors to ask for their input to the Commission's response and the Commission asked for reminders to be sent out to Assessors if they have not replied.

The Commission asked Mr Beaton to draft a response to the consultation on CHGS and circulate that draft to Commissioners by e-mail for their approval. The Commission agreed that they recommend that the CHGS should be increased to £65,000 and that they need to make a very strong case.

## **LAND REFORM**

The Convener circulated copies of the Land Reform Consultation questions and a draft response which was put together by the Convener, Commissioner Campbell, Commissioner MacLennan and Finlay Beaton. The deadline for submitting the response was 10 February 2015 but the Commission have been advised that they have until 12 February to submit their response.

The Commission approved the draft response to the Land Reform Consultation.

<b>Decision</b>	<b>The Commission approved the draft response to the Land Reform Consultation.</b>
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The Commission advised that they are aware of the large amount of work that Finlay has had to deal with and thanked him for all the work he has put into all the consultation documents.

## **11 STWG UPDATES FROM COMMISSIONERS**

Grazing Regulations STWG – Commissioner Macdonald advised that this STWG is moving forward and Ian Bryce, Business Manager has produced a Minute of work done so far.

Assessor Joyce Wilkinson has been co-opted onto the STWG and there will be one more meeting before bringing the outcomes to the Board Meeting.

Key Performance Indicators STWG – The Chief Executive advised that the interim KPIs have been agreed and have been sent to Sponsor Division. The Head of IS has arranged the date of the next meeting, to look specifically at outcomes.

## **12 SHORT REPORT ON EVENTS ATTENDED BY COMMISSIONERS**

The Commissioners gave an update of meetings they had attended since the last Board Meeting:

**Vice-Convener Kennedy** – The Cross Party Group in Edinburgh where the Forestry Commission gave a presentation in relation to SRDP and they advised that £3,000 per hectare could be given in grants for forestry. They also advised that 2015 was to be the base year for the Single Farm Payment.

**Commissioner Swann** – HIE Board Meeting on 10 February 2015.

**Chief Executive** – The Chief Executive advised that she and the Convener met with the Chief Executive and Chairperson of HIE to discuss crofting development and geo-piloting. Following that, the Chief Executive met with the Head of Regulation & Legal Team, Hughie Donaldson and Neil Ross of HIE and it was agreed that there would be natural places where the Commission might wish to be involved in a geo-pilot and discussions will take place about which areas would be most suitable.

Discussion took place regarding crofters having to obtain planning consent before applying for decrofting and it was agreed that the Head of Policy & Duties will look into the policy issues surrounding this situation, to see if there are circumstances where the Commission would remove this requirement.

**Commissioner Dennis** – Grazing Regulations STWG and a seminar at Eden Court run by the James Hutton Institute called 'Transgrass', about grasslands and grazing.

**Commissioner Campbell** – The Scottish Land & Estates Meeting that Commissioner Campbell was supposed to attend was postponed due to a change in Chairperson. It will now take place in the next 2-3 weeks.

**Commissioner Macdonald** – Grazings Regulations STWG, Complaints & Investigations Committee Meeting and a Community Mapping Meeting with Registers of Scotland in Ullapool.

**Convener** – Meeting with Ronnie MacRae of Highland Small Communities Housing Trust in December, meeting to finalise the Commission's response to the Consultation on the Future of Land Reform in Scotland, a series of meetings in Edinburgh over two days: SG Crofting Legislation Stakeholders Group, meeting with the new Minister Aileen McLeod, SG Crofting Stakeholder Forum Meeting, RoS Crofting Register Stakeholder Forum, meeting with Irene Morrison regarding fair and equal representation of people onto Boards, Cross Party Group Meeting and a teleconference with Barbara Brown, Clerk to the Land Court.

**Commissioner MacLennan** – Chaired two Register of Scotland meetings and attended a Local Authority Joint Consulting Committee of Crofting Meeting.

The Chief Executive advised that she attended the Chief Executives' Forum recently and there was a presentation about 50/50 by 2020 where they want to have 50% of Board Members being females by 2020. As far as the Crofting Commission Board is concerned, the Commission cannot control the number of females who apply or are voted onto the Board.

The Chief Executive would also like to explore the possibility of mentoring young crofters who may be interested in being a Board Member in the future.

## **13 DATE OF NEXT MEETING**

25 March 2015 – Royal Hotel, Ullapool

## **14 ANY URGENT BUSINESS**

- The Chief Executive advised that she has been invited by the Scottish Government to be a Board Member on a new delivery body that has just been developed by the Minister for Rural Affairs. The Board is going to be called The Rural Affairs Food and Environment Delivery Board and its vision is to see communities, nature and the economy flourishing together. The new Board will meet six times a year.

The Chief Executive has discussed this appointment with the Convener and it was agreed that it was appropriate for her to accept the appointment, but she will draw back as a member of the Law Society. The Convener commented that it was encouraging to see that the Commission would be represented on this new board and that it recognises the valuable contribution that the crofting system makes to rural issues.

- Vice-Convener Kennedy asked for consent to discuss an urgent matter at the Business Meeting.
- The Chief Executive advised that the Commission has been asked to make comments to the wording of the Statutory Instrument regarding changes to CCAGS and she distributed copies of the document to Commissioners.

The Chief Executive advised that she has asked Finlay Beaton, Crofting Advisory Officer to look at the consultation urgently on behalf of the Commission.

Mr Beaton talked through the proposed changes and said although the proposed increase in the grant is a good thing, his advice to the Commission's response would be, that unless they increase the ceiling rate, the increase in CCAGs is meaningless.

CCAGS is also proposing to offer up to £500 for a properly constituted grazing committee.

Mr Beaton said he would draft a response to the consultation today and e-mail it out to Commissioners for their comments and approval, in order to meet the deadline for the response.

The meeting ended at 12:50 hrs.

## **15 EXCLUSION OF THE PRESS AND PUBLIC**