

Woodland Crofts Partnership response to

Stability and Simplicity: proposals for a rural funding transition period

The Woodland Crofts Partnership

The Woodland Crofts Partnership (WCP) is a partnership of 4 third-sector organisations, seeking to promote and develop woodland crofts. It comprises the Scottish Crofting Federation, the Community Woodlands Association, the Highlands Small Communities Housing Trust and Woodland Trust Scotland. We welcome this opportunity to comment on the Stability & Simplicity consultation.

The Scottish Crofting Federation is the only member-led organisation dedicated to promoting crofting and it is the largest association of small scale food producers in the UK. Its mission is to safeguard and promote the rights, livelihoods and culture of crofters and their communities. Tel: 01599 530 005, www.crofting.org

The Community Woodlands Association is the direct representative body of Scotland's community woodland groups. It helps community woodland groups across the country achieve their aspirations and potential, providing advice, assistance and information, facilitating networking and training, and representing and promoting community woodlands to the wider world. Tel: 01309 674 004, www.communitywoods.org

The Highlands Small Communities Housing Trust is a registered charity helping rural communities secure long term solutions to their local housing needs. It represents a wide range of interests including communities, local government, landowners, crofters and housing associations. By helping rural communities meet their needs for additional affordable housing it plays an important role in actively supporting their long term viability. Tel: 01463 233 549, www.hscht.co.uk

Woodland Trust Scotland is part of the Woodland Trust, the UK's leading woodland conservation charity. Its vision is a UK rich in native woods and trees, enjoyed and valued by everyone. In Scotland it is currently leading the Croft Woodlands Project. Tel: 01738 635544, www.woodlandtrust.org.uk

Our response represents the collective view of the Woodland Crofts Partnership, however individual partners of the WCP may be submitting their own responses on behalf of their members.

Introduction

We are providing this bespoke response, rather than using the prescribed form and attempting to answer every question on it. We aim to highlight some of the key attributes of woodland crofts and respond to only those questions which are most relevant to them.

What is a woodland croft?

We define a woodland croft as a registered croft with sufficient tree cover overall to be considered a woodland. Note however that this is a descriptive term and there is no distinction in law between a woodland croft and any other kind of croft. Nevertheless, it is useful to highlight woodland crofts as a separate entity not least in terms of the opportunities and benefits they bring to the forestry sector.

Woodland crofts integrate small-scale woodland management with other land management activities and offer opportunities for housing and business development, thereby contributing to livelihoods and lifestyles.

They are supported by Scottish Government (for example being included in the Scottish Forestry Strategy and referenced in the current Programme for Government), by Forestry Commission Scotland, and by various Local Authorities in the crofting areas, such as Highland Council and Argyll & Bute Council.

Further information on woodland crofts can be found from various sources, in particular our website www.woodlandcrofts.org

Responses to Consultation questions

Forestry Grant Scheme

Question 24: Given the importance of continuity of support for the forestry sector and that the target for new woodland is to increase to 15,000 hectares by 2025, should the current the Forestry Grant Scheme continue broadly in its current form until 2024 or can you suggest other short-term changes that would better achieve these policy aims?

The Forestry Grant Scheme requires amendment in a number of ways. It is complicated, overly bureaucratic and is skewed heavily in favour of woodland creation rather than management.

1. Currently over 90% of the FGS budget is spent on woodland creation, with under 10% for management & other activities. Whilst the importance of new woodland creation is accepted, particularly for climate change reasons, we consider the current imbalance unhelpful and at strong risk of delivering unintended consequences. More emphasis on woodland management would lead to better delivery of public benefits and in itself also incentivize woodland creation. However, we note that the current FGS budget is not sufficient to meet demand and the Scottish Government's policy goals, and this also needs to be addressed.
2. The current FGS disadvantages small occupiers disproportionately (and most crofters are small occupiers). The scheme's complexity makes it difficult for occupiers to apply for without using an agent, but the returns are often insufficient to justify an agent's fees. Further, the scoring system works against small occupiers as they are likely to score less well on value for money (due to the higher intrinsic cost of smaller-scale operations) and also on scale of delivery. Even if successful in an application, as most management operations do not have a minimum payment associated the grant income received over small areas is often a negligible contribution to costs, whilst the flat rate for woodland creation does not take account of the extra cost of establishing small areas of woodland.

In light of the above we suggest the following:

- **Improve the balance between woodland creation & management by increasing the FGS budget overall, with the extra being allocated to management options**
- **Ringfence a proportion of the FGS budget for smaller occupiers, and make it available on a non-competitive basis subject to minimum criteria**

- **Introduce a small woodlands supplement comprising an enhanced woodland creation element, and minimum payments for various management operations**
- **Reintroduce an Annual Management Grant, as per previous grant schemes, with a 5 year payment available in a lump sum for a variety of agreed management activities, as a simpler alternative to entering the WIG or SFM options**

Question 25: In considering the current Forestry Grant Scheme, are there opportunities to improve the administrative efficiency of the scheme?

A number of the suggestions in response to Q24 above will also serve to simplify and thus make more efficient the scheme.

A further efficiency in the use of funds would be to re-examine the largely flat rates available for both woodland creation and its associated capital works eg fencing. The large area threshold should be revisited, in terms of whether its level and associated payment rates are set appropriately. Further, there is no logic to excluding capital works like fencing from this same principle: economies of scale apply equally in respect of their delivery. Finally, in the interests of equity and in recognition that there is a finite budget available, an overall cap on FGS support to any one individual/business should be considered.

New Entrants

Question 28: Considering the current New Entrants Capital Grant Scheme, are there opportunities to improve the administrative efficiency of the scheme?

The scheme has potential for improvement over and above administrative efficiencies. Though the current scheme is “designed to encourage a new generation into farming and crofting”, it does not treat all new entrants to crofting equally, as its eligibility is restricted to ‘agricultural’ businesses. However, the requirement in crofting law to cultivate the croft is much broader than this, and in particular ‘management as woodland’ is included within the definition of cultivation. We suggest that any new entrants scheme available to crofters should base its eligibility on the definition of cultivation within the crofting acts, rather than being restricted to agriculture only.

Crofting Agricultural Grant Scheme

Question 30: Should the scope of what can be funded be reviewed, for example in terms of adding in new elements and restricting total spend on some projects?

The current focus of CAGS solely on ‘agricultural’ businesses is not aligned with permitted forms of cultivation as defined in crofting law. In terms of equity and the need to encourage diversification we consider that all crofters who are meeting their obligation to cultivate the croft under crofting law should be eligible for support, and that a future successor scheme to CAGS should be designed accordingly. In particular, we believe woodland crofters should be included in such a scheme, as also recently recommended by the ‘Support for Crofting’ report (July 2018) commissioned & published by the Crofting Commission.

In addition, consideration should be given to including new support measures for small-scale woodland management and agroforestry activities on crofts where these are not supported via the Forestry Grant Scheme.

Question 32: Would there be customer benefits if the CAGS, small farms capital grant scheme and the new entrants capital grant scheme were combined?

There would be a logic to including the new entrants capital grants scheme within CAGS, for crofters, and at the same time extending eligibility as per our response to Q28. There could also be potential to include measures to encourage the transfer of existing crofts to new entrants, and the creation of new crofts for let, in a comprehensive expanded crofting support scheme.

Expansion of capital support

Question 35: Do you have views on priority issues to be considered by any pilots during the transition period?

The reintroduction of a loan element to the Croft House Grant has been under discussion for some time – the transition period could usefully be used to introduce a pilot for this in advance of a full scheme. More generally, having established the principle (and indeed the mechanism) of loan funding, this could usefully be considered for other capital investment, to sit alongside grant support.

Advice, Innovation and Information Schemes

Question 39: Do you have any thoughts on the form, content and delivery methods for future advice?

Currently the Woodland Crofts Partnership is providing a similar service to the Farm Advisory Service (FAS), specifically for woodland crofters (and likewise the Croft Woodlands Project provides woodland-related advice to other crofters). Neither however currently receives core funding from the Scottish Government, unlike the FAS. In light of this it would be helpful if core funding could also be made available to them, to support the provision of the advice & support they give.

Woodland Crofts Partnership
August 2018