

Overview of Crofting Support



New Entrants, Western Isles

Thursday 23rd March



Agenda

- Support schemes for crofting
- Topics for the coming year...post march



Crofting Support Schemes



Pillar I:

- BPS including Greening
- Young Farmer Scheme
- National Reserve
- Voluntary Coupled Support
 - SSBSS
 - SUSSS

Rural Aid Schemes



Pillar II (SRDP):

- Less Favoured Area Support Scheme (LFASS)
- Agri-Environment Climate Scheme (AECS)
- Forestry Grant Scheme (FGS)
- New Entrant Support Schemes
 - Young Farmers Start-up Grant Scheme
 - New Entrant Start-up Grant Scheme
 - New Entrant Capital Grant Scheme
- Beef Efficiency Scheme (BES)
- Crofting Agricultural Grant Scheme (CAGS)

Rural Aid Schemes



Pillar II (cont'd):

- Croft House Grant Scheme
- Small Farms Support Scheme
- Food Processing, Marketing and Co-operation Scheme
- Knowledge Transfer and Innovation Fund (KTIF)
- Environment Co-operation Action Fund
- SRDP Farm Advisory Service (FAS)
- Leader
- Broadband

Pillar 1



BPS



- Basic Payment Scheme
- Active Farmer
- Claim at least 3ha
 - 3 Regions
 - Region 1 – Better quality ground
 - Region 2 – Rough grazing
 - » LFASS B,C,D
 - Region 3 – Rough Grazing
 - » LFASS D

BPS + Greening



- Entitlements
- Payment Rates
 - R1 - €167 - €75 Greening
 - R2 - €28 - €10 Greening
 - R3 - €8.88 - € 3 Greening

Young Farmer Top Up



- Less than 41 years of age
- Head of the business or sole trader
- 25% on first 90 ha
- Payment on better ground first
- 5 years from date of business start

National Reserve



- 2016 onwards two categories you can apply under, they are:
- New Entrant - if you started an agricultural activity in 2013 or later and did not have activity in your own name or at your own risk in the five years preceding the start of the activity
- Young Farmer - if you are less than 41 years of age on 31 December of the year you apply for an award and are setting up for the first time an agricultural holding as head of the holding

LFASS – What is it



- Allows farmers and crofters to continue to run viable businesses
- avoids the risk of land abandonment
- helps maintain the countryside by ensuring continued agricultural land use
- maintains and promotes sustainable farming systems

LFASS – Eligibility



- You must have economic responsibility of the stock
- Can be issues if you have submitted an IACS with no stock
- Land must actively farmed – 183 Days
- Horses, pigs and chickens do not count

LFASS – Payment Calculation



- Adjust your eligible land by certain historic values to work out your payable area
 - Included enterprise multiplier
- Multiply your payable area by the payment rate for your fragility area
 - £63.00 C/D or £71.35 A/B
- Minimum payment £385

Integrated Administrative Control System (IACS)



- Submitted annually
 - Window between 15th March and 15th May
 - Mainly in electronic form
- Claiming mechanism
 - Details :
 - Land use/area
 - Stock

VCS – Voluntary Coupled Support



- SSBSS – Beef Calf Scheme
 - Kept continuously for 30 days
 - Owned or leased
 - At 75% beef bred
 - €103.50 per animal €153.50 per animal

VCS – Voluntary Coupled Support



- **SUSSS – Scottish Upland Sheep Support Scheme**
 - To be eligible, you need 80 per cent or more of your agricultural land in Payment R3 and less than 200 hectares of agricultural land in Payment R1
 - Claimed on retained ewe hogs
 - You can apply each year between 1 September and 16 October
 - The animals you claim for must be kept on your farm from 17 October until 31 March the following year.

Young Farmers Start-Up Grant



- A 'bursary' type grant of €70,000 (~£59,000)
- Need to have started (become head of holding) in past 18 months and be under 41 at point of application
- Need 3 ha minimum and...
 - Standard output of €10,000 - €600,000 e.g. at least 9 cows + calves or 100 ewes + 25 followers
- Application form, evidence and business plan required

Scoring Criteria

1. Business History	Score
New business and holding purchased/leased on open market	16
New business and holding created from split of existing holding/business	5
Continued business and existing holding	0

2. Business Composition	Score
Sole trader or all partners/shareholders in business meet Young Farmer criteria	12
All partners/shareholders are new to the farming business but some partners/shareholders do not meet the Young Farmer criteria	8
Some partners/shareholders are not new to the farming business and some partners/shareholders of business do not meet the Young Farmer criteria	4
Some partners/shareholders (including Young Farmer(s)) of business have a continued interest in another agricultural business	0

Scoring Criteria

3. Previous Grant Award	Score
No member of the business has received a Young Farmers establishment grant / interest rate relief under the previous programme or already received start up grant under this programme	0
One or members of the business has / have received a Young Farmers establishment grant / interest rate relief under the previous programme or already received start up grant under this programme	-5

4. Priority Sector	Score
Organic Farming	2
Beef Farming	2
Crofters	2

5. Training	Score
Relevant training needs identified in the business plan	1
No relevant training needs identified in the business plan	0

Scoring Criteria

6. Value for money – private investment (PI) in business of other non-public funding by applicant – <u>new business</u>	Score
No private investment	0
PI of 1% - 9% of grant requested	2
PI of 10% - 19% of grant requested	4
PI of 20% - 29% of grant requested	6
PI of 30% - 39% of grant requested	8
PI of 40% - 49% of grant requested	10
PI of 50% - 59% of grant requested	12
PI of 60% - 69% of grant requested	14
PI of 70% - 79% of grant requested	16
PI of 80% - 89% of grant requested	18
PI of 90% - 99% of grant requested	20
PI of > 100% of grant requested	30

Scoring Criteria

7. Value for money – private investment (PI) in business of other non-public funding by applicant – <u>existing business</u>	Score
No private investment	0
PI of 1% - 9% of grant requested	1
PI of 10% - 19% of grant requested	2
PI of 20% - 29% of grant requested	3
PI of 30% - 39% of grant requested	4
PI of 40% - 49% of grant requested	5
PI of 50% - 59% of grant requested	6
PI of 60% - 69% of grant requested	7
PI of 70% - 79% of grant requested	8
PI of 80% - 89% of grant requested	9
PI of 90% - 99% of grant requested	10
PI of > 100% of grant requested	15

Scoring Criteria

8. Effect of Investments on Standard Output (SO) of business	Score
All the proposed investments in the business plan will enhance the SO of the business	4
Some of the proposed investments in the business plan will enhance the SO of the business	2
None of the proposed investments in the business plan will enhance the SO of the business	0

YF Start-Up Grant Summary



- Score of 20 points was needed previously for approval
- Think carefully about other business implications if considering business split or new business (e.g. tax and BPS entitlements)
- Demand is strong for this so scoring requirement unlikely to drop

New Entrant Start Up Grant



Capital Grant Schemes CAGS and NE



- Crofting Agricultural Grant Scheme and New Entrant Capital Grant
 - Grant up to £25,000 per two year period
 - Either 60 or 80% support dependant on age
 - NE grant and CAGS @ 80% only for 5 years
- Up to £125,000 for formally constituted groups (up to 90% grant rate)
- Eligible capital expenditure includes buildings, improvement of buildings, handling pens etc
- must be NEW
- doesn't include purchase of livestock, purchase of land, regulatory requirements (e.g. planning fees)

New Entrant Capital Grant Scheme Summary



5 key requirements:

- Need to submit a SAF
- Need agricultural qualification or a testimony (e.g. vet)
- At least 5 years left on a tenancy if tenant
- Have been head of the holding for less than 5 years
- Hold 25% capital share in the business

Items eligible under NE and CAGS

- Erection or improvement of agricultural buildings, and shelters for the temporary housing and sheltering of out-wintered livestock



Items eligible under NE and CAGS

- Works associated with agricultural buildings, including yards, hard standings, dungsteads, slurry stores and silos (excluding grain silos)



Items eligible under NE and CAGS

- Investment in land management including the initial grassland improvement works for the restoration of degraded land and the control of bracken



Items eligible under NE and CAGS

- Arterial drainage and field drainage including under drainage, hill drainage and ditching



Items eligible under NE and CAGS

- Provision or improvement of facilities for the organised feeding of out-wintered livestock including permanently fixed troughs and feed barrier and associated concrete bases



Items eligible under NE and CAGS

- Provision or improvement of equipment for the handling and treatment of livestock



Items eligible under NE and CAGS

- Planting of shelter belts and provision of fences, hedges, walls, gates or stock-grids



Items eligible under NE and CAGS

- Provision of improvement of amenities including water supplies, mains electricity connection or supply; supply and installation of an electricity generator; and provision of a gas supply



Items eligible under NE and CAGS

- Provision of electrical equipment



Items eligible under NE and CAGS



Provision of improvement of access tracks to land improvement areas, roads, bridges, culvers or boat slips



Items eligible under CAGS only

- Assistance of up to £500 towards the establishment of properly constituted common grazings committee



Common Issues with CAGS



1. Not getting prior approvals

- Form needs to be filled in before any works started or equipment purchased

2. Timescale – need to apply well in advance due to processing and queries

- This is crucial for time dependent works i.e. reseeding ditching or purchasing a shearing machine! Can be at least 3 months for buildings

Common Issues with CAGS



3. Quotes not broken down and detailed enough for SGRPID
4. Needing 3 quotes for all aspects if total project is more than £10,000 in value
5. Not separating the applications between the different works
 - For example an access road and hard standing is 2 applications

Common Issues with CAGS



6. Not aware of standard costs rates & restrictions

7. VAT implications

If you are VAT registered no grant on VAT component!

Croft House Grant Scheme



- High Priority Area
- Grants towards new houses and improvements/rebuilding
- 40% of costs up to a maximum grant of £38,000
- Next round is likely to close on 1 April 2017
- 1st June for improvements

CHGS

- Can
- Size
- room
- Meal
- sche
- Need

House type	Two bedroom single storey	Two bedroom two storey	Three bedroom single storey	Three bedroom two storey	Four bedroom single storey	Four bedroom two storey	Five bedroom single storey	Five bedroom two storey
	Floor area (m ²)							
Standard accommodation								
Kitchen / dining	20	20	20	20	22.5	22.5	25	25
Utility room	6	6	6	6	6	6	6	6
Porch / vestibule	4	4	4	4	4	4	4	4
Lounge	20	20	20	20	22.5	22.5	25	25
Bathroom	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Total for separate WC / shower room / en-suite	4	4	8	8	8	8	8	8
Bedroom 1	16	16	16	16	16	16	16	16
Bedroom 2	12	12	14	14	14	14	14	14
Bedroom 3			12	12	14	14	14	14
Bedroom 4					12	12	14	14
Bedroom 5							12	12
Storage / circulation	12	19	18	25	23	30	28	35
Sub-total	101.5	108.5	125.5	132.5	149.5	156.5	173.5	180.5
Additional accommodation	10.2	10.9	12.6	13.3	15.0	15.7	17.4	18.1
Maximum eligible floor area (m²)	112	120	138	146	164	172	191	199

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ADVISORY
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CHGS - Improvements



- Works will bring house to an acceptable standard
- Need two quotations
- Minimum value project £8000

Major Works



- Added Apartments
- Replacement roof
- Provision of chemical damp proof courses
- Replacement of floors
- Provision of ramps or other means of access
- Replacement of door or windows

Major Works - Ineligible



- Conservatories
- Large patios
- Detached Garages

Minor Improvements



- First time provision of modern kitchen
- Replacement Bathroom suites
- Storm Porches <4m²
- Central Heating – Not renewables
- Re-wiring

Agri Environment Climate Scheme



- £350 Million scheme
 - Aimed at
 - Agri Environment Management
 - Improving public access
- Competitive scheme
- Higher chance of success in designated areas
- Assessed by SNH and SGRPID

Agri-Environment Climate Scheme



- Management and capital
 - Arable options
 - Grassland options
 - Upland, peatland, moorland and heath options
 - Wetland and bog options
 - Farmland habitat and feature options
 - Small unit options
 - Control of invasive non-native species options
 - Managing water quality and flood risk options
 - Organic options
 - Public access options

SRDP Farm Advisory Service



- Part of the Scottish Rural Development Programme (SRDP) which is co-funded by the EU and the Scottish Government
- A £20 million programme providing information and resources aimed at increasing the profitability and sustainability of farms and crofts
- www.fas.scot

How does the Farm Advisory Service help crofters?



- Grants (one to one)
 - ILMPs, specialist advice, mentoring for new entrants, carbon audits
- Events and publications (one to many)
 - Workshops, training, conferences, FMH, TNs, newsletters, guidance, reports
- Crofts and small farms
 - subscription service

National Advice Hub
T: 0300 323 0161
E: advice@fas.scot
W: www.fas.scot



FAS Funding



- ILMPs
 - 80% (up to a maximum of £1,200) of the costs
- Two specialist advice plans (per plan)
 - 100% of costs, up to £1,000 (public good)
 - 50% of costs, up to £500 (improved farm efficiency)
- Carbon audits
 - £500 per audit (per year)
- Mentoring new entrants
 - £250/day/mentee (1 mentor = 2 mentees)

FAS New Entrants Support



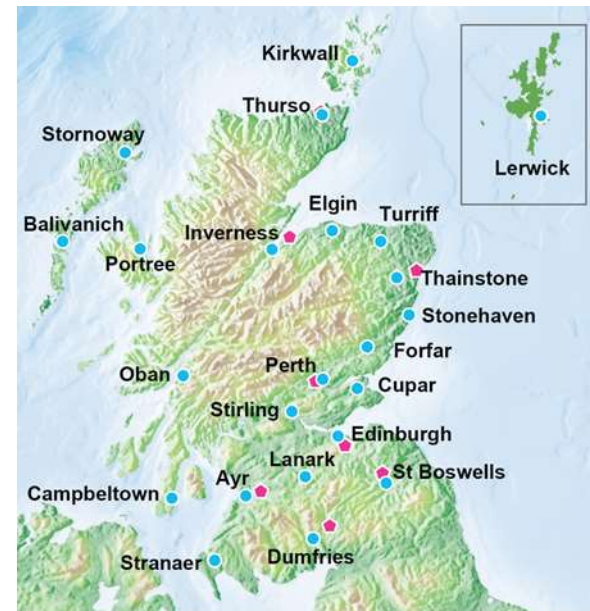
Under FAS, the Scottish Government have put measures in place to provide advice on:

- how to effectively enter and survive in the industry
- the skills required
- the support measures available

Crofts & Small Farms Advisory Service



- Crofts & Small Farms (<30ha)
- Annual subscription costs £69 + VAT (£82.80) including:
 - 2 hours advice
 - technical notes
 - newsletter
 - meetings/demonstrations
 - Farm Text



- <https://www.fas.scot/crofters-small-farms/>

Take home messages



Thank You

