



**CROFTING COMMISSION
COIMISEAN NA CROITEARACHD**

COMMISSION MEETING

22 MARCH 2023

**CROFTING COMMISSION MEETING
ST KILDA, GREAT GLEN HOUSE
22 MARCH 2023 AT 0930 hrs**

AGENDA

1 APOLOGIES	<i>Oral</i>	<i>Standing Item</i>
2 DECLARATIONS OF INTEREST	<i>Oral</i>	<i>Standing Item</i>
3 DRAFT MINUTES FROM 8 FEBRUARY 2023*	<i>Minutes</i>	<i>For approval</i>
4 REVIEW OF ACTION POINTS FROM PREVIOUS MEETING (of 8 February 2023)	<i>Paper</i>	<i>For info</i>
5 MATTERS ARISING FROM PREVIOUS MINUTES	<i>Oral</i>	<i>Standing Item</i>
6 PRESENTATION ON THE ECONOMIC CONDITION OF CROFTING SURVEY (by Research Resource and RESAS)	<i>Presentation</i>	<i>For info</i>
7 DRAFT BUDGET 2023-2024	<i>Paper</i>	<i>For discussion</i>
8 MEDIUM TERM FINANCIAL PLAN 2023-2028	<i>Paper</i>	<i>For discussion</i>
9 WORKFORCE PLAN 2023	<i>Paper</i>	<i>For approval</i>
10 REGULATORY CASEWORK UPDATE	<i>Paper</i>	<i>For discussion</i>
11 REGULATION – LINES OF ENQUIRY	<i>Paper</i>	<i>For discussion</i>
12 ANNUAL REVIEW OF STANDING ORDERS	<i>Paper</i>	<i>For decision</i>
13 CIS RELEASE GOVERNANCE	<i>Paper</i>	<i>For decision</i>
14 DIGITAL APPLICATIONS AND PAPER FORM REVIEW	<i>Paper</i>	<i>For discussion</i>
15 COMMISSION VISIBILITY IN CROFTING COMMUNITIES	<i>Paper</i>	<i>For discussion</i>
16 REPORT ON MEETINGS WITH SPONSOR DIVISION	<i>Paper</i>	<i>Standing Item</i>
17 DATE OF NEXT MEETING 10 May 2023 – St Kilda, Great Glen House		
18 ANY URGENT BUSINESS		
19 EXCLUSION OF THE PRESS AND PUBLIC		

**Not included in public version*

APOLOGIES – ORAL

DECLARATIONS OF INTEREST – ORAL

CROFTING COMMISSION MEETING

22 March 2023

Report by the Chief Executive

Review of Action Points from 8 February 2023

ITEM	ACTION	RESPONSIBLE OFFICER	DEADLINE	Date completed	Comments
1	Provide Convener with update on Action Points 4-10 of previous list by 10 Feb	CEO	10/02/23	10/02/23 + more on Comms to follow	Board emailed by CEO on 10 Feb. Work being completed on revised Comms Plan, to be circulated to Commissioners before March Board meeting
2	Revise format in Board Minute for displaying Action Points, to show date of completion and any relevant details	Head of Compliance & Board Support	14/02/23	10/02/23	
3	Investigate whether a portal can be set up for the Board housing information on training	Head of Compliance & Board Support	Investigate by 28/02/23	07/03/23	Commissioner's page on Sharepoint updated to provide this facility.
4	Decide whether the Commission requires a Project Governance group to oversee IT projects, rather than a Steering group	CEO	By 22 Feb	March Board	On March Board meeting Agenda
5	Items S5 and S6 discharged from SRR with agreement of Board	Director of Corp Services	17/02/23	17/02/23	
6	Carry out a Risk Identification Review after Risk Management training	Executive Team	By end May	Booked with On-Board training 28/02/23. Details circulated.	'Effective Board Management of Risk' training booked for 12/04/23. All Board members + 2 Executive Management team invited.
7	Confirm to sponsor target of 500 grazings committees in office stands in new Corporate Plan	CEO	By 17/02/23	16/02/23	
8	Put together form of words to forward to sponsor explaining positive ambition of Corporate Plan tempered by what can reasonably be achieved. Circulate this to the Board	CEO	By 17/02/23	16/02/23	Email was circulated to Commissioners before response to sponsor division

ITEM	ACTION	RESPONSIBLE OFFICER	DEADLINE	Date completed	Comments
9	More work needed on draft Business Plan. Bring full document back to Board	CEO	May	May Board	Business Plan is on May Board draft agenda
10	Commissioners to email FB with views on type of presence at agricultural shows, e.g. marquee or walkaround	FB	Finlay to chase up by 28/02/23	20/02/23	Response received from 4 Board members. Finlay will set out plan for mixed approach
11	Draft paper on visibility of Commission in crofting communities, looking at mixed offer	CR	March Board	03/03/23	Paper on March Agenda
12	Assessor panel recruitment to go ahead on basis of 3-year term with review	Head of Development	March	06/03/23	Recruitment goes live on 06/03/23 and runs until 31/03/23
13	Put proposal set out in paper on 'Correcting errors' to Bill team	Solicitor	End of February	13/02/23	Completed
14	Put proposal set out in paper on removing/modifying functions to Bill team	Solicitor	End of February	14/02/23	Completed

MATTERS ARISING FROM PREVIOUS MINUTES – ORAL

**PRESENTATION ON THE ECONOMIC CONDITION OF
CROFTING SURVEY (by Research Resource and RESAS)**

Economic Condition of Crofting Survey 2019-2022

RESAS

Rural & Environmental Science
and Analytical Services

Lorna Shaw – Research Resource



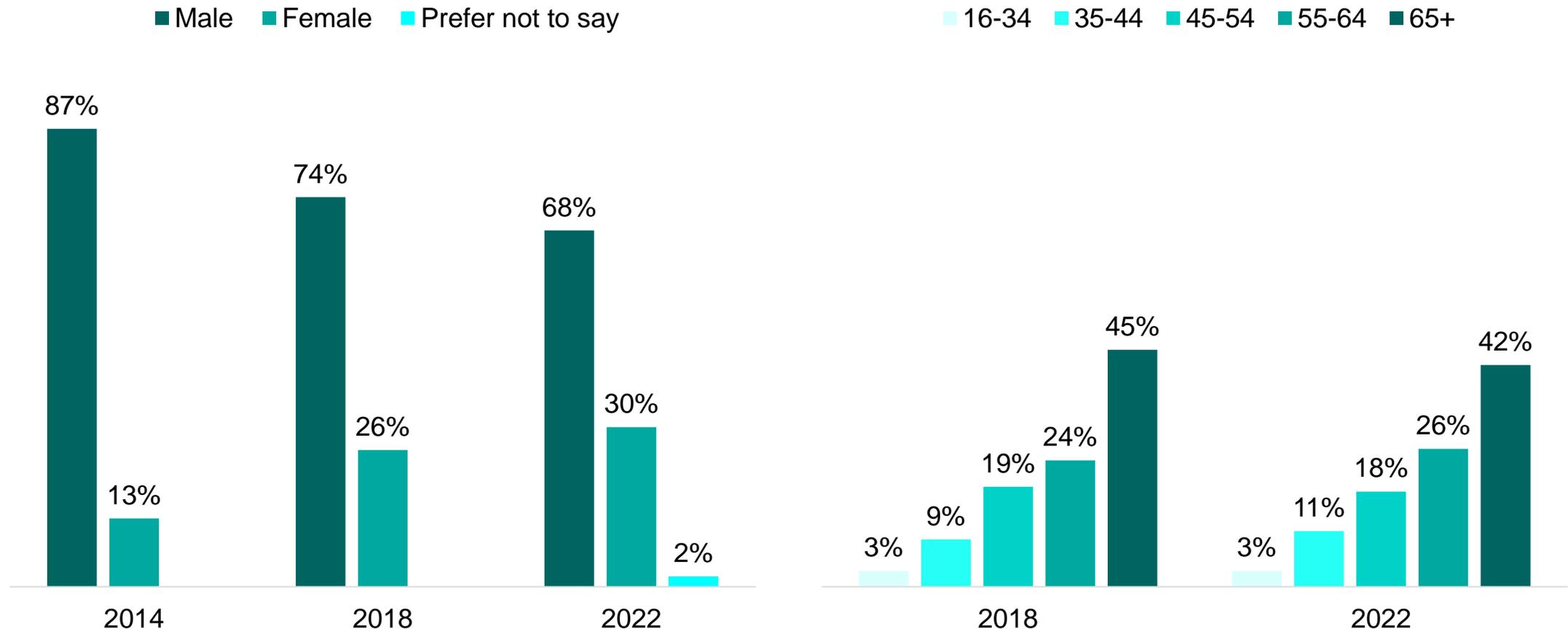
Background

- Every four years, the Scottish Government is required to submit a report to the Scottish Parliament on the economic condition of crofting, in line with Section 51 of the Crofting Reform (Scotland) Act 2010.
- Previous reports were published in 2014 and 2018.
- This 2022 research builds on previous surveys and cover the years between 2019 and 2022.
- The survey covered a range of social and economic conditions relating to crofting:
 - Demographic composition of crofting households
 - Activities on crofts
 - Employment status of crofters
 - Investments made and income derived from crofting
 - The outlook of crofting households
 - Support and information
 - Future of crofting
 - Peatland restoration, biodiversity activities and forestry/ woodland creation (new topics).

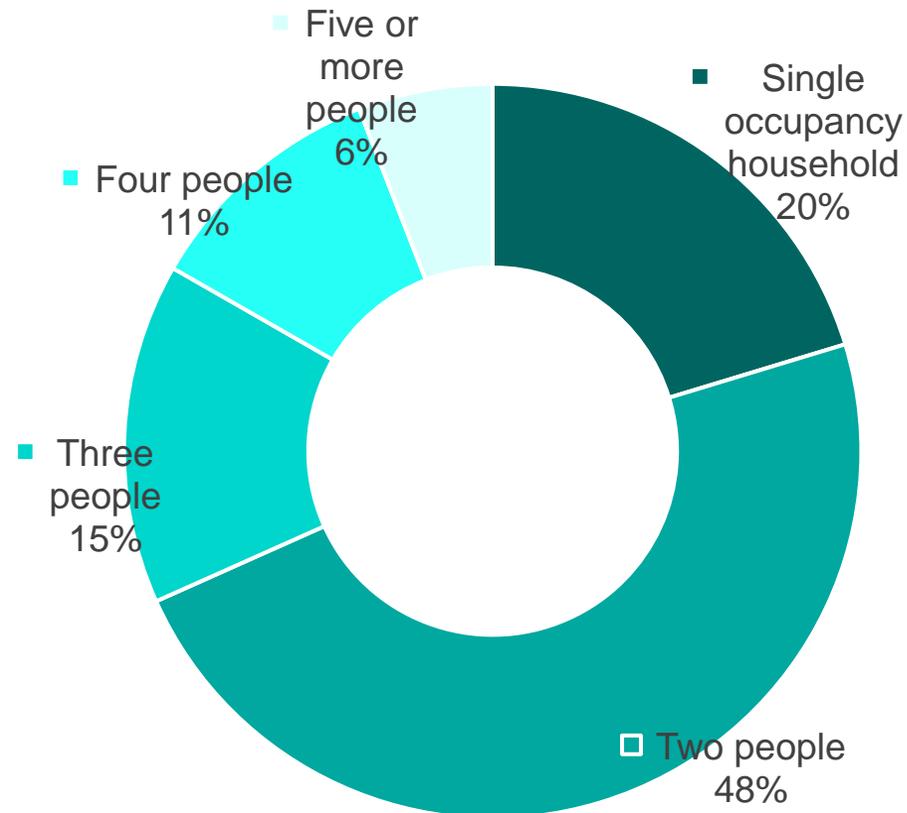
Methodology and response

- The Crofting Commission's Register of Crofts was used as our sample frame. This showed there were 16,785 registered crofters in Scotland, of these we had reliable contact information for 12,409.
- 4,000 crofters were selected at random and invited to participate in a self-completion survey either by email and/ or post. Postal invitations also included a link to an online version so that responses could be done in that way, if desired. A small number of telephone interviews were also carried out.
- Fieldwork took place between the 11th of July and the 26th of September.
- A total of 942 surveys were submitted, representing a 24% response rate, and providing data accurate to +/-3% at the overall level.
- The response profile was representative of the population of contactable crofters in terms of age, tenure and region. No information on sex or gender is contained in the Crofting Commission's Register of Crofts and so it cannot be stated whether the data is representative of sex.
- Please note that previous surveys were carried out using an exclusively postal methodology. The achieved response of 24% this time is an increase of 6% points compared to the previous survey.

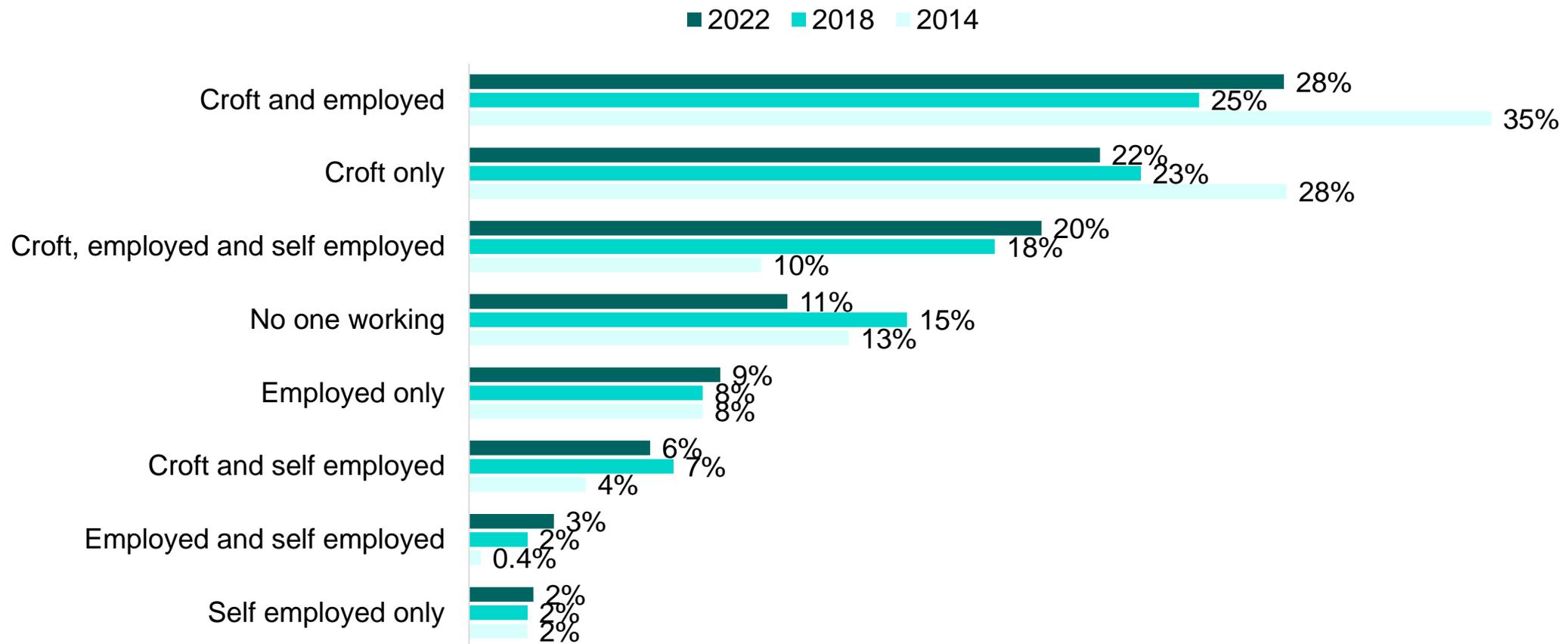
Crofters are more likely to be male and older, although the proportion of females and younger crofters are increasing



Crofters most commonly lived in 2 person households

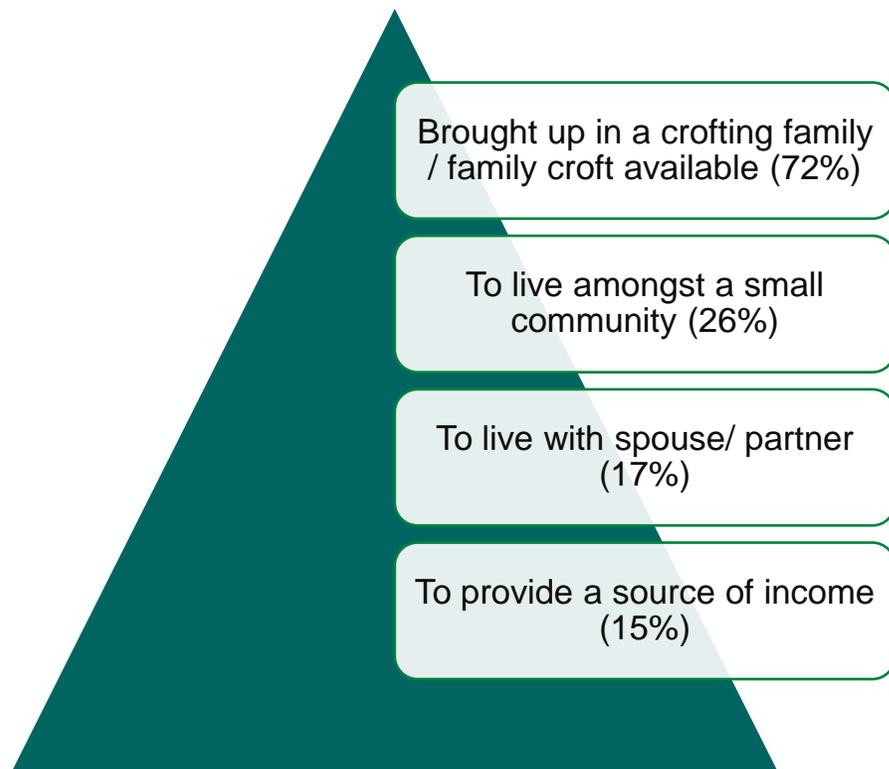


Crofters are typically employed as well as working on the croft

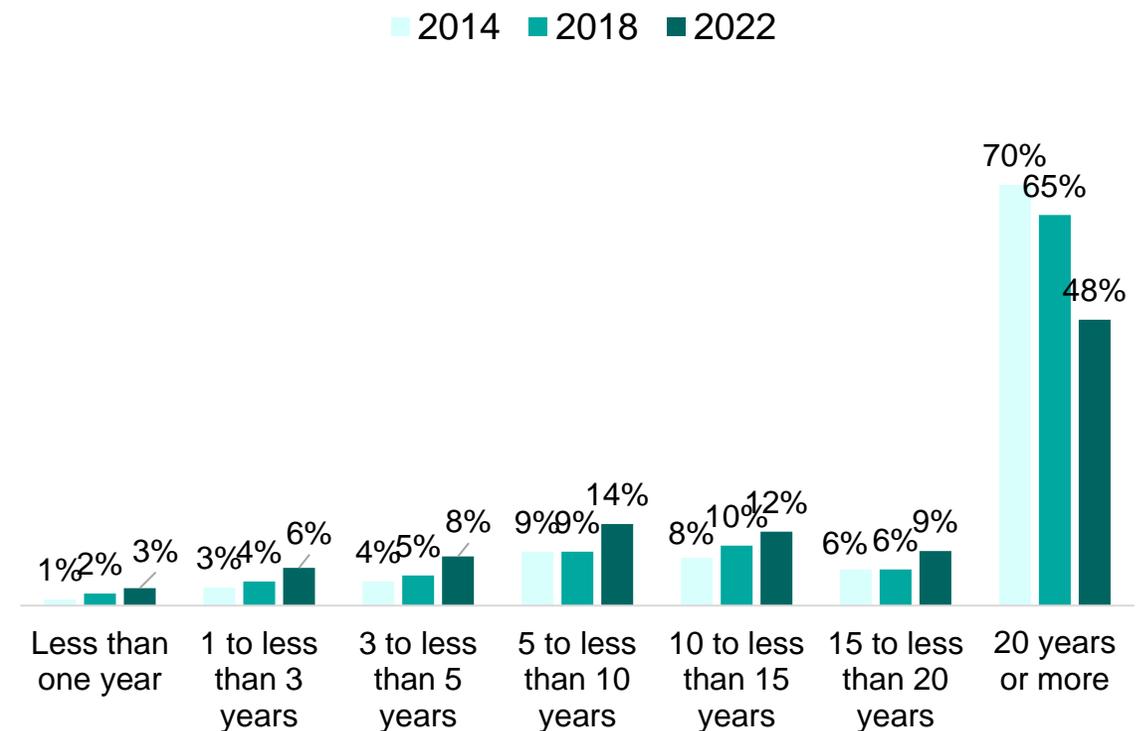


Crofters were likely to have been involved in crofting for 20 years or more and were brought up in a crofting household

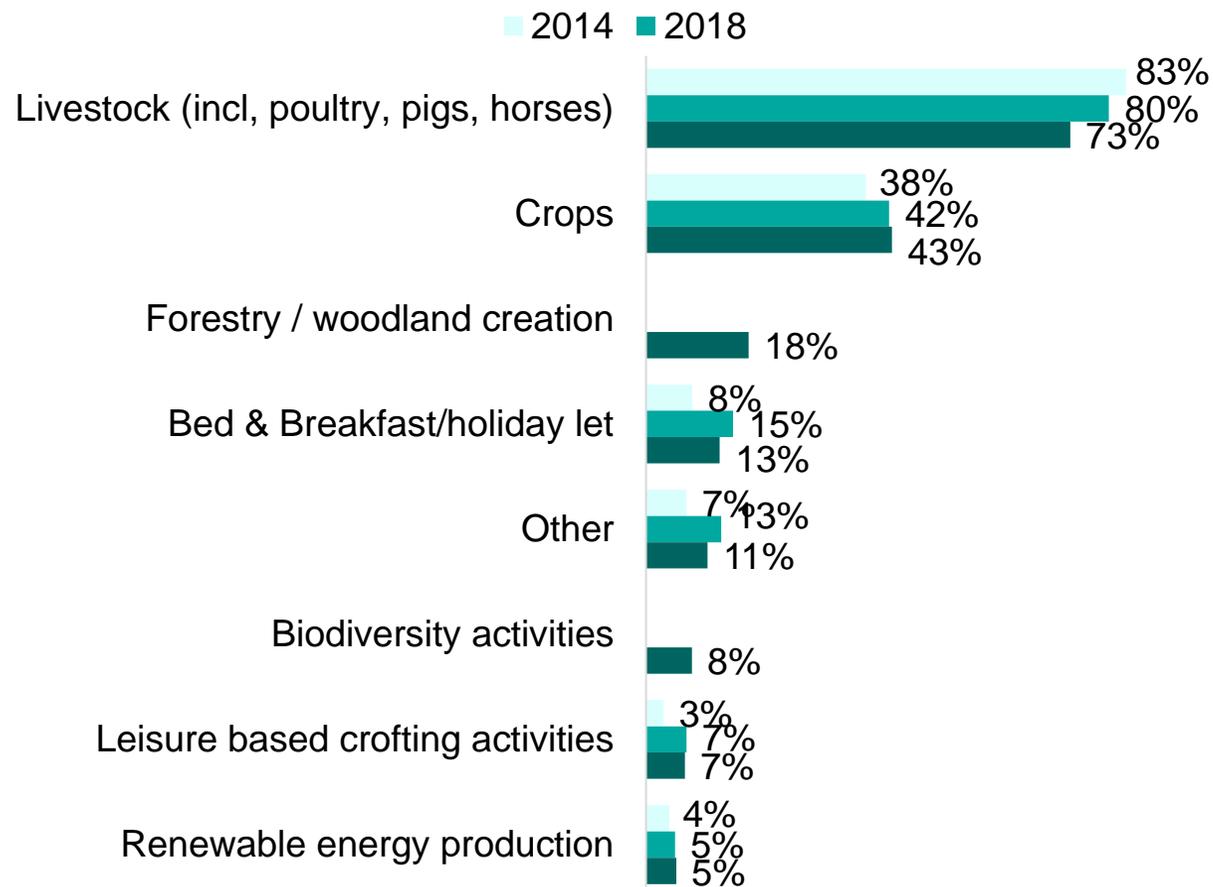
Main reasons for becoming a crofter



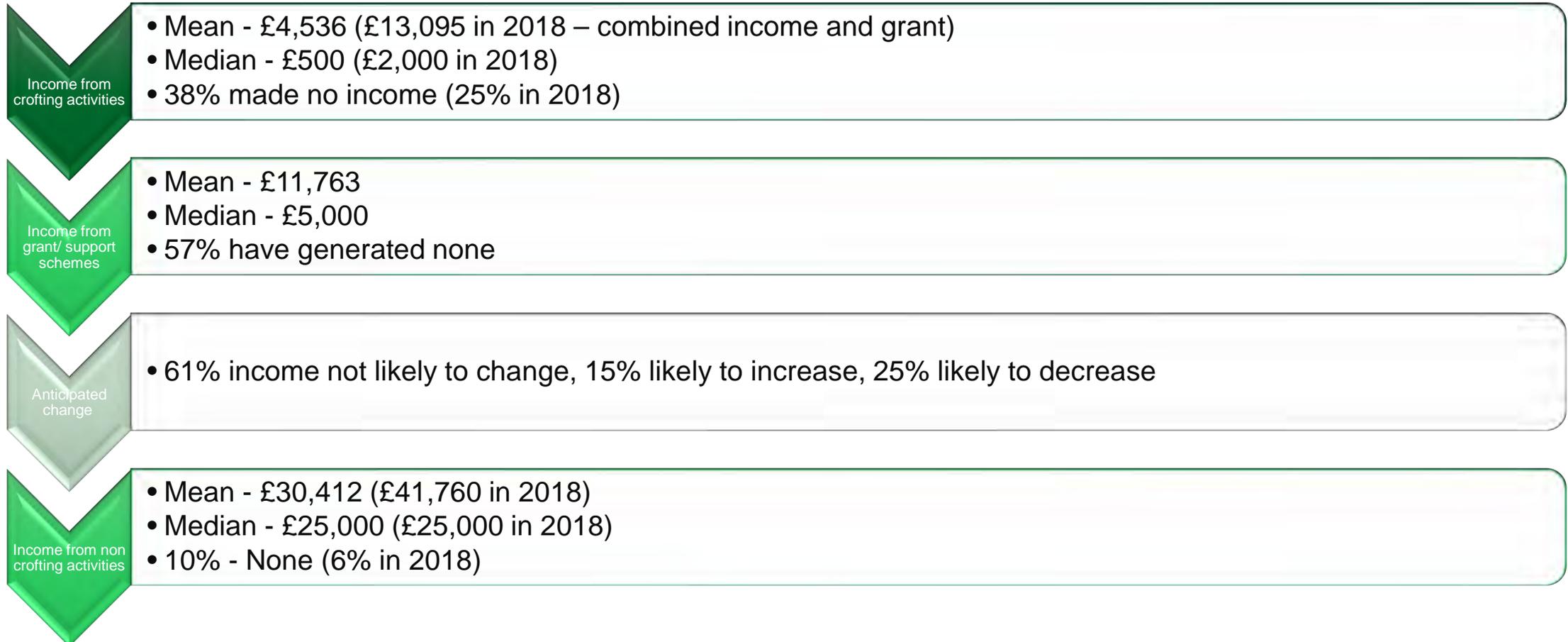
Length of time being a registered crofter



Livestock continues to be the most common crofting activity

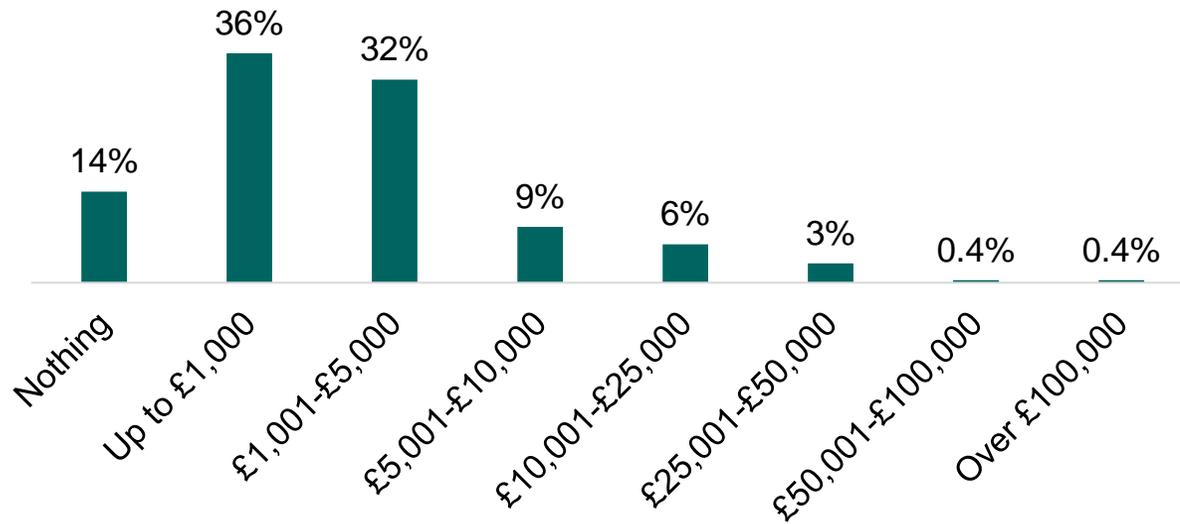


An increasing proportion make no income meaning the majority supplement their income from non crofting activities

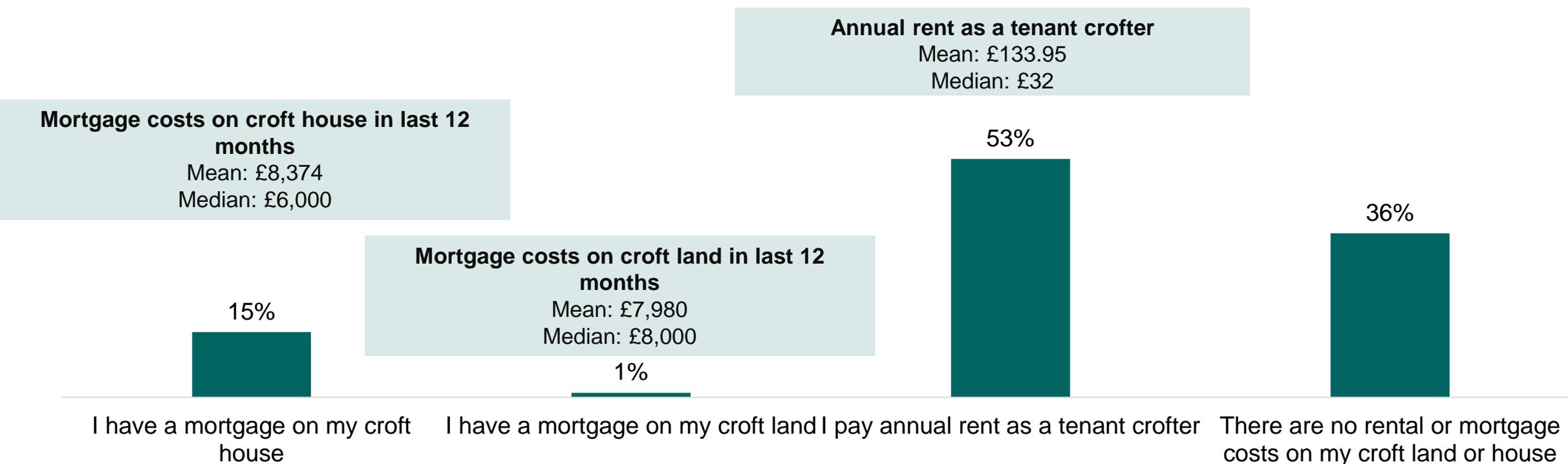


The majority (82%) reported no running costs or running costs of under £5,000

Business running costs related to crofting activities
Mean: £5,145 (£8,385 in 2018)
Median: £1,100 (£1,000 in 2018)



Rental costs for tenant crofters are low and 36% pay no rent or mortgage costs on their croft



The majority (99.6%) are investing their own money in their croft whereas a much smaller proportion (39%) are investing from grants or support schemes

Investment in croft 2019-2022

■ Own money ■ Grant money/support schemes

Amount invested from own money

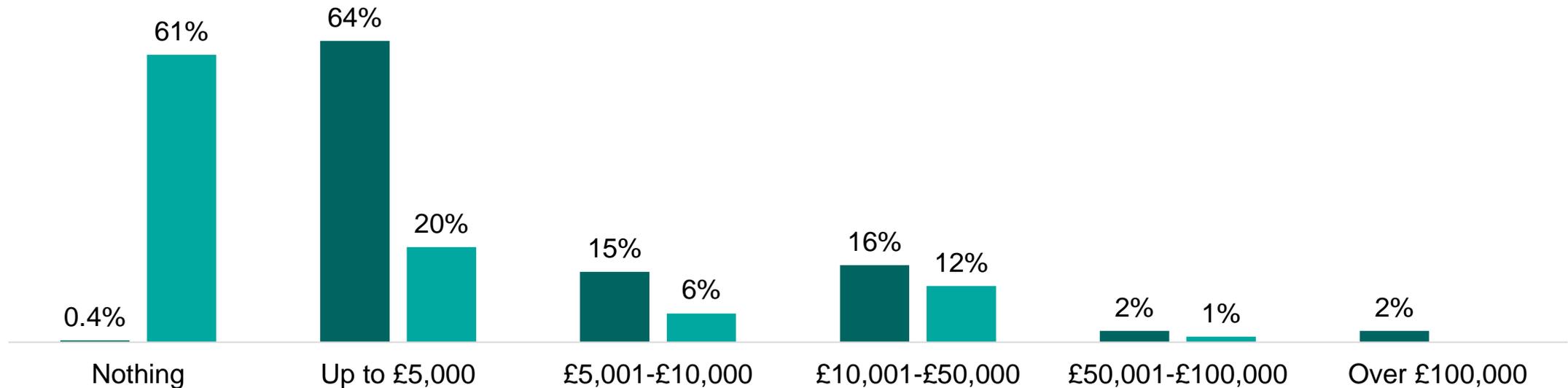
Mean: £12,832 (£20,007 in 2018)

Median: £3,350 (£5,000 in 2018)

Amount invested from grant money/ support schemes

Mean: £4,612 (£6,554 in 2018)

Median: £5,000 (£1,000 in 2018)

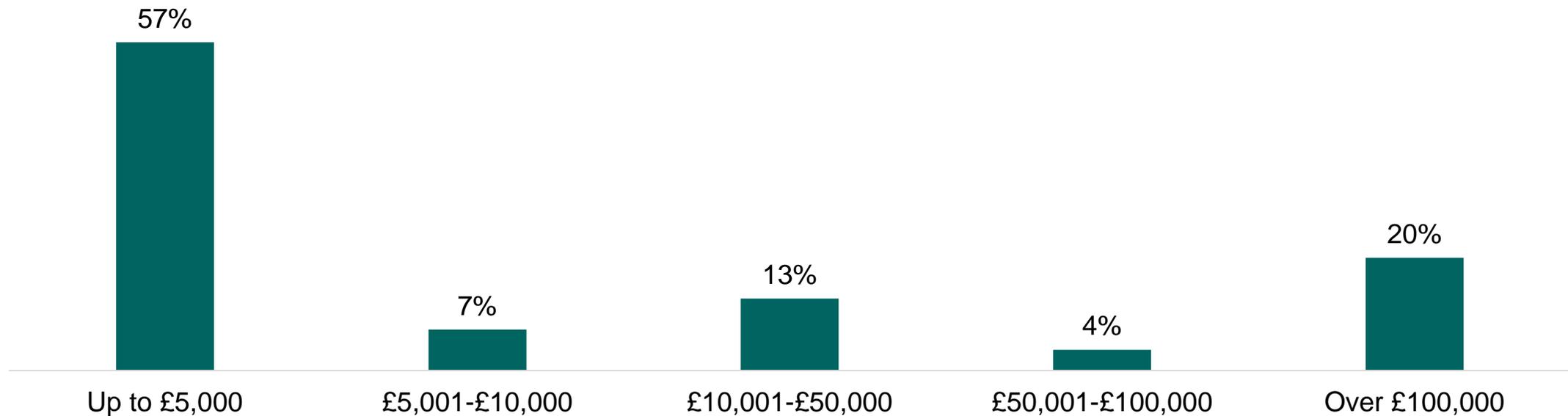


Just 10% of those who invested reported additional income received as a result of this

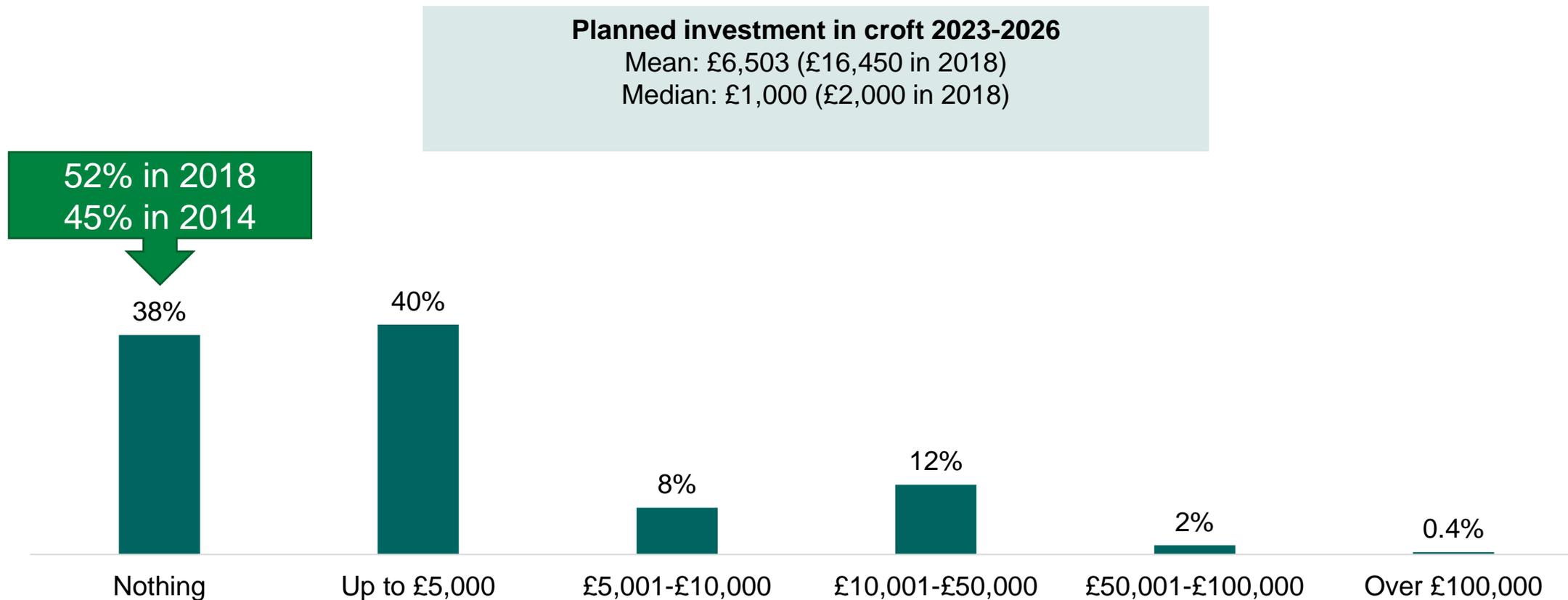
Additional income received as a result of investment

Mean: £13,035 (£6,219 in 2018)

Median: £1,000 (£1,500 in 2018)

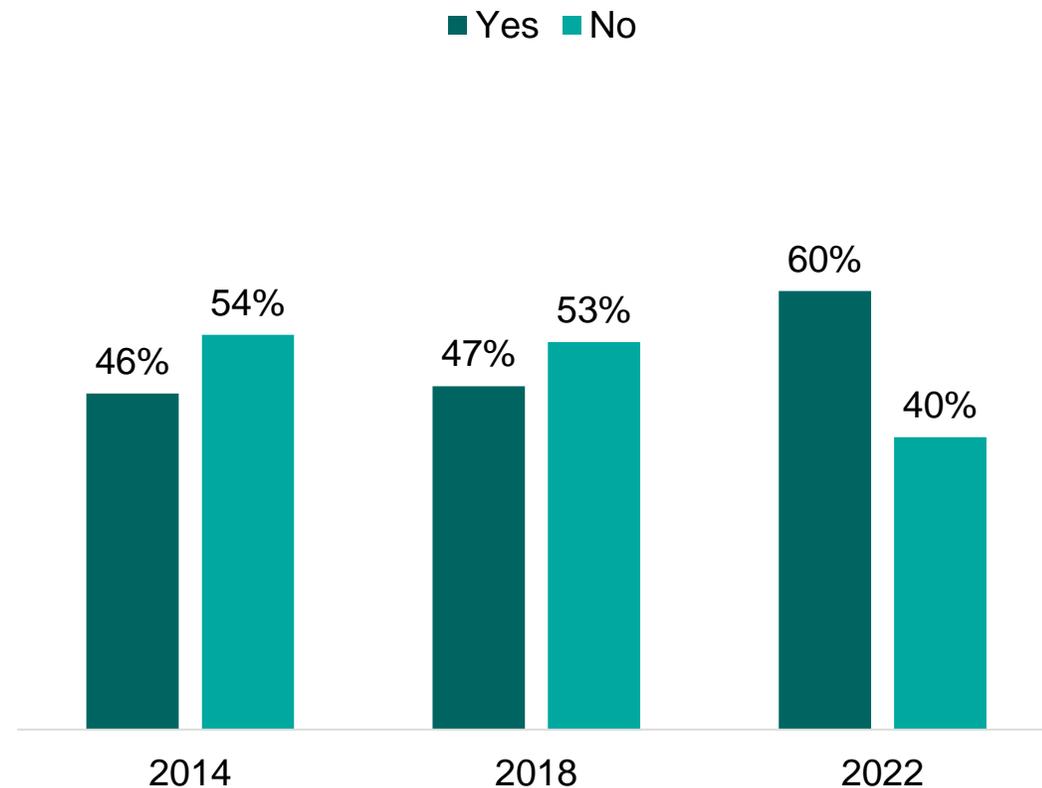


An increasing proportion of crofters planned to invest in their croft, although the value of investment was lower than previously



An increasing proportion of crofters have a succession plan in place

60% have a succession plan

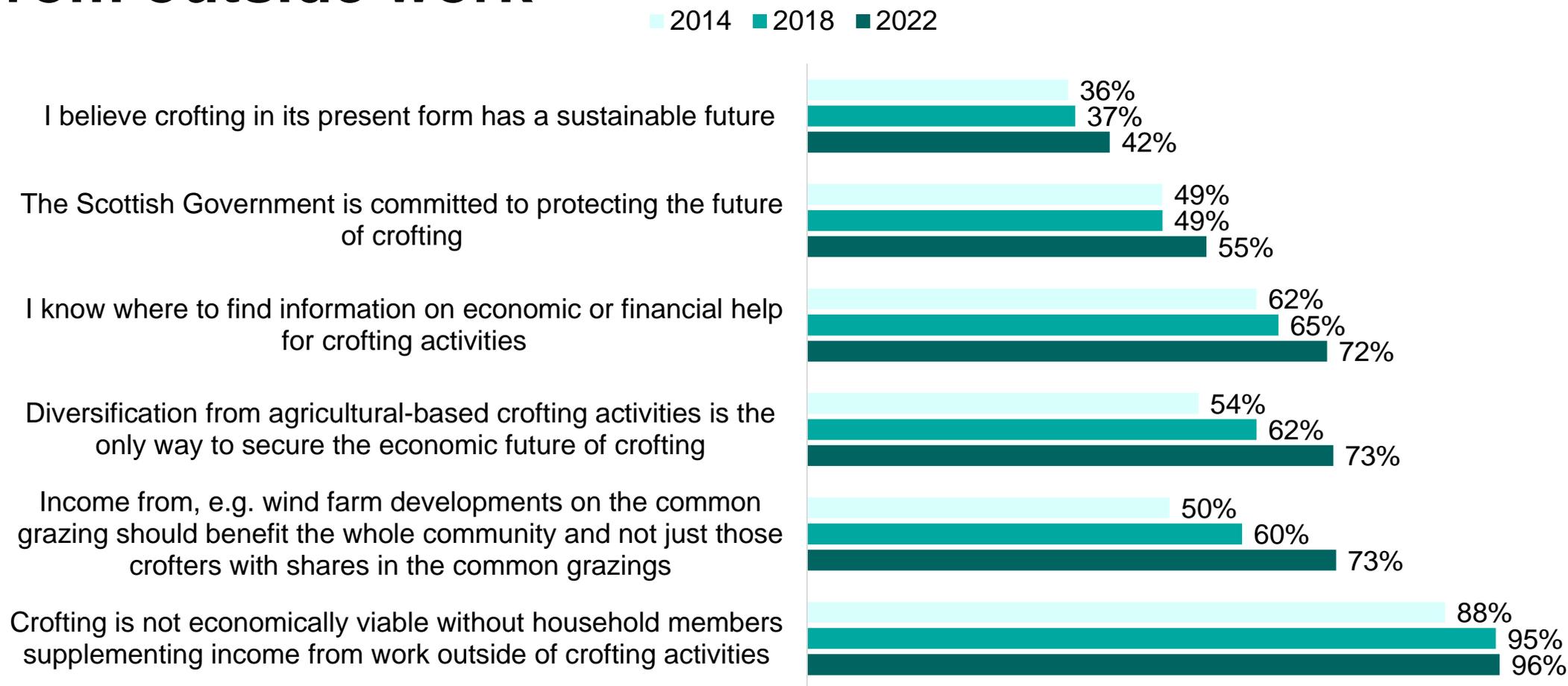


Reasons for not having a plan

- 33% No potential successor
- 18% Children/ successor not interested in crofting
- 18% no interested in making a succession plan
- 16% unsure/ haven't considered it yet.

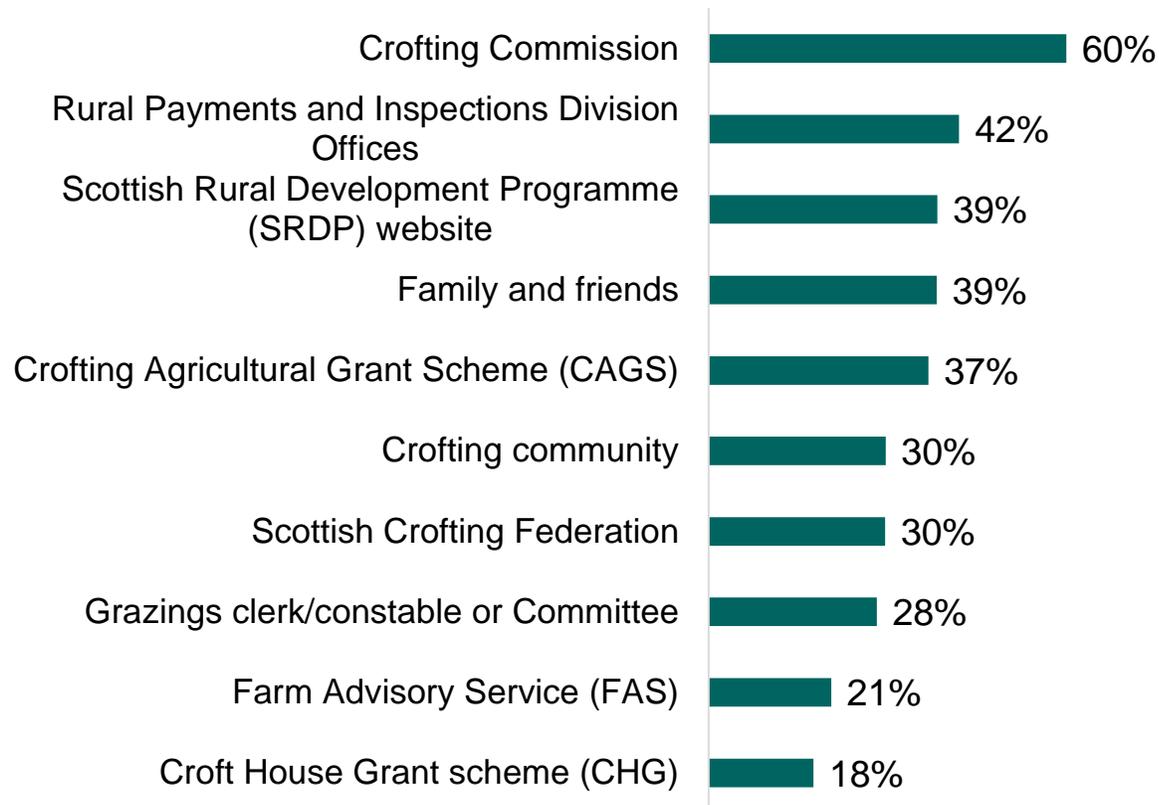


Crofters most commonly felt that crofting is not economically viable without supplementing income from outside work

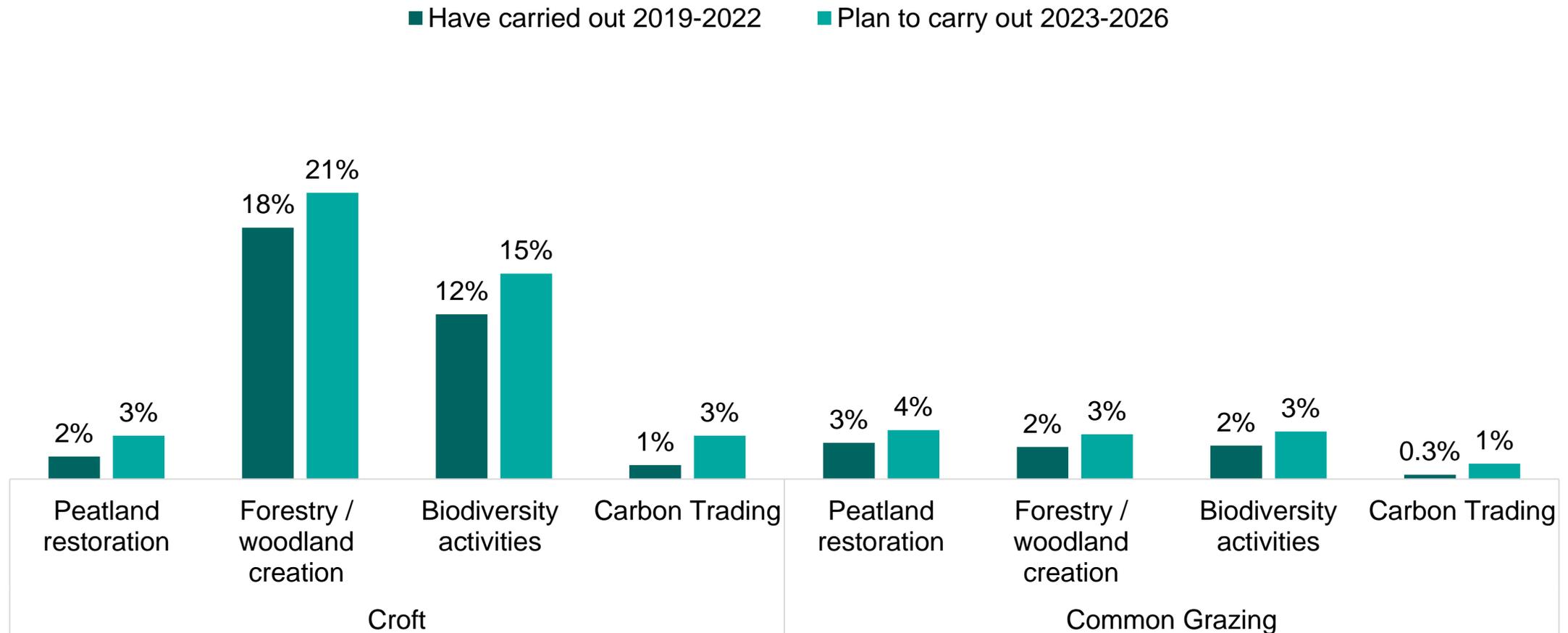


The Crofting Commission was the source that most would use for advice and support on crofting activities

Top 10 sources would use



28% have carried out peatland restoration, biodiversity and forestry or creation activities and 34% plan to in the next 3 years



Key changes 2018 to 2022 – crofting profile

- The proportion of female crofters has continued to increase since 2014 (13%), to 26% in 2018 and 30% in 2022.
- 48% of crofters have been a registered crofter for more than 20 years, this is a marked decrease from 2014 (70%) and 2018 (65%).
- The proportion of respondents who have been crofting for less than 5 years has increased from 8% in 2014 to 11% in 2018 and 17% in 2022.
- The majority of crofting activities traditional livestock and crops – a similar picture to 2014 and 2018. However, new activities of forestry and woodland creation (18%), biodiversity activities (8%), glamping/ camping (3%) and peatland restoration (1%) were all noted in 2022. These new activities were more likely to be carried out by younger crofters (aged under 65).



Key changes 2018 to 2022 – economies of crofting



- An increasing proportion of crofters made no income from crofting (up to 38% from 25% in 2018).
- The median combined revenue from both crofting and non-crofting activities, minus business running costs was £29,810, marginally higher than the result from 2018 survey (£29,000).
- An increasing proportion of crofters (62%, up from 48% in 2018) said that they planned to invest in their croft in the next four years, most commonly on livestock (52%).
- Although planning to invest in the future, 92% of crofters agreed that crofting is not economically viable without household members supplementing income from non-crofting activities.
- An increasing proportion of crofters have a succession plan in place, rising from 46% in 2014, to 47% in 2018 to 60% in 2022.

Acknowledgements

- We would like to thank all those who freely gave of their time to complete the survey questionnaires. We would also like to thank members of the Research Advisory Group who guided this research.

Any questions?

CROFTING COMMISSION MEETING

22 March 2023

Paper by the Director of Corporate Services

2023/24 Draft Budget

SUMMARY

The Scottish Parliament has approved a Crofting Commission Grant-in-Aid award of £4.170m for 2023/24.

The proposed allocation of funding between Staff and Non-Staff costs was considered by the Commission's Audit and Finance Committee on 2 November 2022 and subsequently on 25 January 2023.

The Audit & Finance Committee is content to forward the proposed budget to the Board and recommends approval.

CURRENT POSITION

The basis of the elements of the proposed **£4,170,000** budget are as follows:

Item	Budget basis	Risk
Salaries (including Board) 85.8% of cash budget	<p>All current vacancies filled.</p> <p>Estimating a 2% Staff Churn in 2023/24.</p> <p>Assumption of a 5.5% uprate for salaries < £31,500 (top of B1 scale) and a 5% uprate > £31,500. The corresponding increase in national insurance and pension contributions for 2023/24 have also been factored into calculations.</p> <p>Colleagues progressing through pay steps within their paygrade.</p>	<p>Staff churn & recruitment timing is unpredictable: the exact costs incurred during the year may vary.</p> <p>The original assumption was based upon a 3% churn rate for 2023/24, which has subsequently been revised down to 2% given the current recruitment freeze within the Scottish Government – which limit CC staff's opportunities for moving elsewhere within the SG.</p> <p>Civil Service/Union pay negotiations are likely to be adversarial in 2023/24 (PCS Union rejected 2022/23 pay award). Any pay agreement above our current estimate will likely have to be met from our original grant allocation.</p> <p>The exact staff skills required may change to ensure delivery of the Commission Corporate Plan. The Employer NI and Pension Uprates are estimates of Commission Finance Team as data is not currently available from Scottish Government.</p>

Item	Budget basis	Risk
Running costs – “fixed” 13.2% of cash budget	Relatively predictable running costs to support the organisation as a whole. There is limited room for discretion from year to year. The margin for flexibility has been reduced with the cuts identified when setting previous year’s budget.	All these costs can vary to some degree year to year for reasons outside our control or where there are significant step changes to activity. An unpredictable factor for 2023/24 will be T&S costs. One specific uncertainty relates to legal costs which historically have varied significantly but have been relatively stable in recent years. These costs are viewed as low risk.
Running costs - Delivery of Crofting Census & IS Link to Registers of Scotland 0.6% of cash budget	These items are usually reported within the main running cost headings in the management accounts, but for clarity have been separated out in the attached budget report.	Costs may vary from year to year to some degree but are viewed as relatively predictable and low risk. Significant savings delivered with the move to a ‘digital only’ census.
Capital expenditure 0.4% of cash budget	At present this is solely IT hardware.	Could be affected by unexpected equipment failure in any given year.
Depreciation Non-cash	The cost of capital items is written off through the accounts during their useful economic life. This is not part of the Scottish Government cash allocation.	Only varies significantly with major acquisition or disposal of equipment.

CROFTING COMMISSION 2023-24 BUDGET SUMMARY - £000s

2023-24 NOTES

DRAFT
BUDGET BUDGET
2022-23 2023-24

Salaries/Remuneration

Commissioners	106	99
Former Commissioner pensions	13	13

Staff Salaries	3,160	3,466	Pay award for 23/24 unlikely to be confirmed prior to Q2 23/24.
Total salaries	3,279	3,578	

	BUDGET	DRAFT
	2022-23	2023-24

Core Running costs

"Fixed" costs

Great Glen House - cost of occupation	145	147
Great Glen House - supplies & services	40	31
Legal fees	15	6
Information systems	155	185
Training	19	13
Communication	28	24
Statutory Regulatory Advertising	35	31
Travel & subsistence - staff	23	20
Travel & subsistence - Commissioners	33	21
Audit fees & bank charges	42	46
Other running costs:	45	29

Subtotal	580	553
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Census & RoS direct costs

Crofting Census Hard Cost of Delivery	18	21
Commission Service Link to RoS	3	3

Subtotal	21	24
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Capital expenditure

Hardware	20	8
Software	-	7

Subtotal	20	15
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TOTAL	3,900	4,170
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Grant-in-Aid (Cash) allocation from Scottish Government

3,900	4,170
3,900	4,170

Non-cash items

Depreciation		
Hardware	37	40

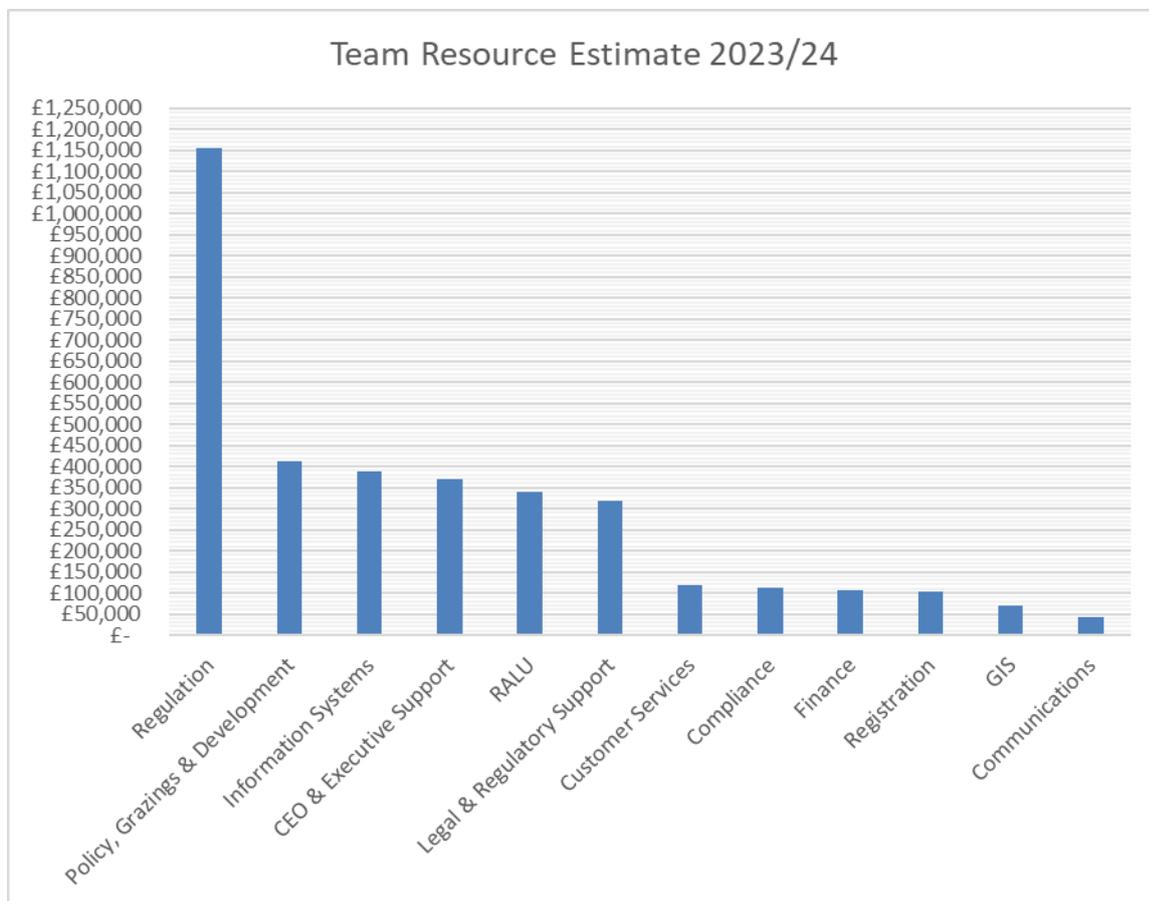
Software	28	25
	65	65

Salary Resource Analysis by Operational Area

It should be noted that this reflects colleagues 'home' teams. There is considerable resource overlap between teams.

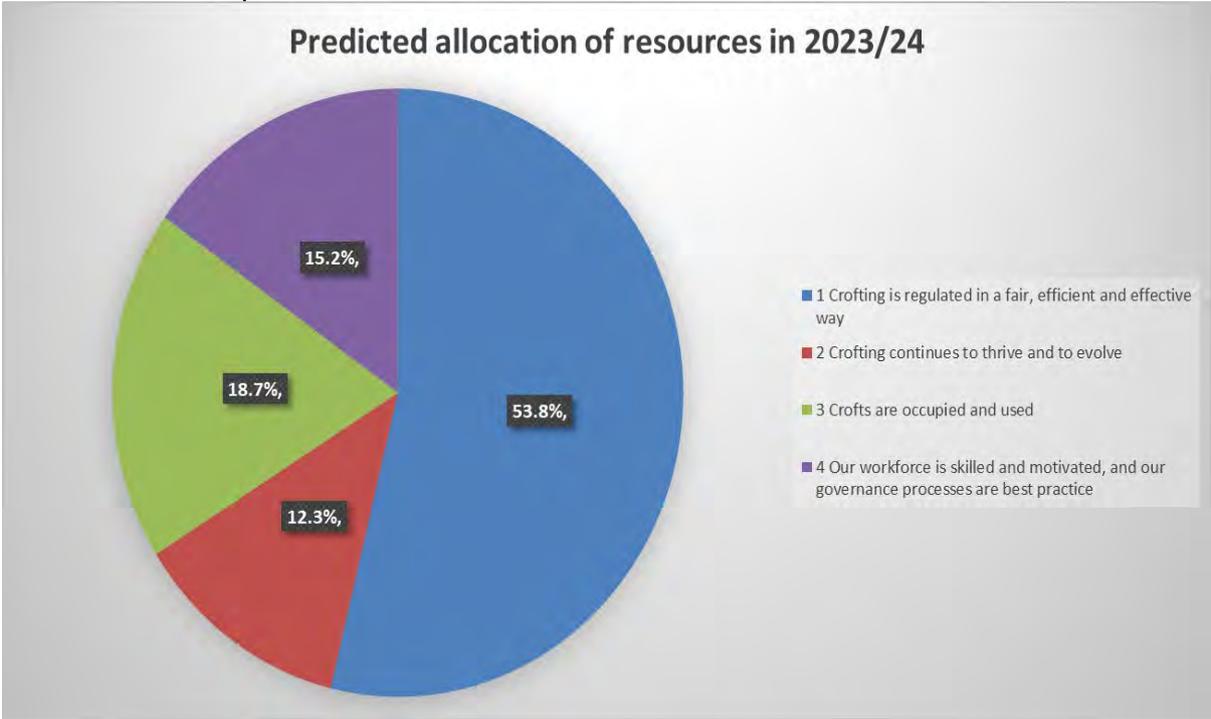
Team	Full Time Equivalent	% of Staff Budget
Regulation	27.84	32.69
Policy, Grazings & Development	8.5	11.67
Information Systems	6.76	10.94
CEO & Executive/Board Support*	4.29	10.43
RALU	7.52	9.60
Legal & Regulatory Support	4.50	8.98
Customer Services	3.40	3.34
Compliance	2.30	3.16
Finance	1.85	3.04
Registration	2.61	2.91
GIS	1.65	1.99
Communications	1.00	1.24
Total	72.22	100.00

*For presentational purposes the Director of Corporate Services and the Director of Operations & Policy are included within this team.



Linking Budget to the Corporate Plan

The following provides a broad estimate regards how resource would be allocated within the Commission's Corporate Plan Outcomes.



RISKS

- The Commission Finance Team underestimate the pay award for 2023/24.** While the Head of Finance is confident of the calculations adopted by the Commission, they are based upon uprate assumptions. As the 2022/23 pay award was rejected by PCS Union the 2023/24 forecast payroll costs should be treated with caution.
- Staff churn is overestimated.** Finance Team is assuming a 2% staff churn, equating to £71k in efficiency savings due to recruitment lead in times.
- Significant Issues.** The current and short/medium term economic climate is not encouraging. The Scottish Government will continue to prioritise funding to front line services. The Commission's Medium Term Financial plan will be refreshed with reference to the latest Workforce Plan to ensure that the Board and Executive have updated financial data regards the potential funding required to deliver the aims of the Corporate Plan for future years.

Impact:	Comments
Financial	The 2023/24 Budget Paper is the tactical financial plan that sets out the Commission's spending priorities for the forthcoming financial year which is linked to the Commission's Business Plan.
Legal/Political	Section 6 of the Commission's Standing Financial Instructions highlights that the Commission should have an approved budget prior to the start of a financial year. This is in line with established best practice. The Public Finance and Accountability (Scotland) Act 2000 details the budgetary responsibilities for the Commission's Accountable Officer.
HR/staff resources	Allocation of staff resources is detailed within the 2023/24 Budget Paper. The Commission Finance Team monitors and co-ordinates all the Commission's financial responsibilities in terms of the Scottish Public Finance Manual (SPFM).

RECOMMENDATION

We recommend that Board Members approve the draft budget allocation of £4.170m for 2023/24.

Date 30 January 2023

Author Neil Macdonald, Head of Finance

CROFTING COMMISSION MEETING

22 March 2023

Paper by the Director of Corporate Services

Medium Term Financial Plan 2023-2028

SUMMARY

The Board is invited to comment on the Commission's Medium Term Financial Plan that was presented at the Audit & Finance Committee's November 2022 meeting and subsequently adjusted based upon various recommendations (see Annex A).

BACKGROUND

The Head of Finance has comprehensively reviewed and updated the Medium-Term Financial Plan (MTFP) incorporating recommendations and observations made by the Commission's Audit & Finance Committee's review in November 2022. A material adjustment has been incorporated into the Commission's financial scenario planning as the initial November draft was viewed as potentially too optimistic given recent inflationary pressures.

CURRENT POSITION

As approximately 85% of our estimated budget for 2023/24 is related to salaries and Scottish Government Grant-in-Aid is the only source of income, future awards that do not keep pace with salary inflation would have an immediate and profound impact on the achievement of outcomes detailed within the Commission's 2023-28 Corporate Plan.

The Board's attention is specifically drawn to pages 23 and 26 of the MTFP which outlines the options and tactical opportunities available to the Commission to optimise its income and effectiveness/efficiency.

A key focus of the Audit & Finance Committee was that the Executive Team should continue the pursuit of identifying and implementing efficiencies within the organisation (operational working practices/transformation).

The Committee views this as a crucial operational requirement as it should then enable the Commission to profile sensitivity analysis into the MTFP relating to various operational parameters, such as the time it takes to process an average regulatory application.

Impact:	Comments
Financial	This MTFP attempts to summarise, in one place, all the factors that may affect the Commission's financial position over the next five years. It brings together a range of assumptions on future income and expenditure over a five-year period which allows us to identify where, and when, we can expect to face financial pressures.
Legal/Political	The MTFP forms the pivotal link to translate the Commission's ambitions and constraints into deliverable options for the future. While it is produced by the Commission Finance Team, it should be owned by the wider organisation, especially by strategic and operational decision makers.
HR/staff resources	Allocation of staff resources is summarised within the MTFP.

RECOMMENDATION

We recommend that the Board approves the refreshed Medium-Term Financial Plan.

Date 25 February 2023

Author Neil Macdonald, Head of Finance, Crofting Commission

MEDIUM TERM FINANCIAL PLAN 2023-2028



CROFTING COMMISSION COIMISEAN NA CROITEARACHD

Presented to Crofting Commission Board: 22 March 2023

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1 Introduction

The Crofting Commission

The Crofting Commission (Commission) has a range of statutory functions both within the Crofting Acts and other legislation. In common with other public sector bodies, the range of statutory obligations for the organisation has increased over time. Obligations relating to matters such as Freedom of Information, public reporting, financial control and governance, have to be met by small bodies as much as by larger ones with more extensive resources.

The Commission's strategic functions are set out in the 1993 and 2010 Acts and are summarised in our organisational Purpose – “to regulate the crofting system fairly, and to protect and strengthen it for future generations” - set out in our Corporate Plan.

Our Corporate Plan 2023-2028¹ sets out 4 outcomes that the organisation seeks to deliver:

- Crofting is regulated in a fair, efficient and effective way
- Crofting continues to thrive and to evolve
- Crofts are occupied and used
- Our workforce is skilled and motivated, and our governance processes are best practice

The Crofting Acts set out in considerable detail the responsibilities of the Commission for regulating crofting (the first of the above bullets). As well as responding to regulatory applications, this includes maintaining the Register of Crofts, and certain responsibilities in support of the Crofting Register, which is held by the Registers of Scotland (RoS). The greater part of the regulatory function is a demand-led service, in which the Commission responds to applications from crofters for assignation, sublet, decrofting, apportionment, or other changes.

The Commission's role in protecting and strengthening crofting for future generations (essentially, the 2nd and 3rd bullets) is less precisely defined, but no less important to the Scottish Government, the Commission's Board, and crofting stakeholders. It includes proactive regulatory activity to enforce crofters' duties, direct support for the system of common grazings committees, and advising the Scottish Government on the issues facing crofting and how it can be strengthened for the future.

¹ At the time of writing our Corporate Plan has been submitted to the Scottish Government for the Cabinet Secretary for Rural Affairs and Islands consideration.

Purpose of this Plan

A Medium-Term Financial Plan (MTFP) is a key component of effective financial planning in any organisation. We live in an uncertain world, and in 2022/23 we have had to contend with extraordinary levels of uncertainty caused by an on-going global pandemic, inflation hitting its highest levels since the early 1990s, and conflict within the Ukraine.

Our MTFP is a key document within a wider suite of plans and strategy documents that collectively seek to define our ambition, strategic priorities and operational plans over a common, five-year period.

This MTFP attempts to summarise, in one place, all the factors that may affect the Commission's financial position over the next five years. It brings together a range of assumptions on future income and expenditure over a five-year period which allows us to identify where, and when, we can expect to face financial pressures. In a time when resources are scarce, and becoming scarcer, we will need to adapt to new ways of working and change the way we will deliver services. This trend is already apparent as the Commission's policy on Hybrid Working continues to evolve, the move towards cloud hosting for our information systems infrastructure and the introduction of digital regulatory applications.

Our MTFP provides the framework for our annual budget-setting cycle, and will help us focus our resources on the priorities we identify through the wider suite of planning documents:

- Policy Plan
- Corporate Plan
- Annual Business Plans
- Structural Review Recommendations
- Workforce Plan.
- Hybrid Working Policy
- Annual Budget

For ease, we have summarised our key financial planning assumptions in section 3 of this document, with further detailed information contained in Annex A. In section 4, we have translated our assumptions and financial modelling into three different scenarios:

- An optimistic, upside scenario
- A central, most likely scenario, and
- A pessimistic, downside scenario

It is important to note that these scenarios are intended to illustrate the potential financial impact on the Commission and the scale of the challenge we may face, based on the fiscal environment in which we operate. They should not be treated as a budget, but rather as the frame of reference against which we should be aiming to demonstrate how we achieve financial sustainability.

Within 6 months of the Crofting Commissioner elections held on 18 March 2022, the Commission had to submit a Policy Plan to the Scottish Ministers for approval¹. The plan sets out the Commission's "*policy on how they propose to exercise their functions*". The Policy Plan is probably the most important document that the Commission must agree. It informs decision making at both a micro and macro level, from casework and crofter applications to major initiatives and strategies.

This key document has a large potential financial impact as the policy plan sets out how the Commission wishes to exercise its various statutory functions. This in turn influences the Commission's Corporate Plan, which is effectively a roadmap that lays out our medium-term objectives and measures for success.

The process of updating the MTFP is as important as the document itself. As a living document, we expect our assumptions will need to change over time to reflect the latest information from the approved Policy Plan and as more clarity becomes available. To that end, we will review our MTFP each autumn, in advance of our annual budgeting cycle. This will help ensure we are always looking ahead with due regard for longer term financial implications in our decision-making and budgeting processes.

There is no way to disguise the fact that there will be pressures relating to Commission financial stability over the next 5-year period, as approximately 85% of our costs are on salaries.

This MTFP sets out the scale of the challenge that lies ahead.

¹ Approved by the Scottish Government December 2022.

2 Economic and Fiscal Outlook

To develop realistic assumptions for our MTFP, it is important to understand the wider economic and fiscal environment. The performance of the UK economy has a very significant effect on UK public finances in the short and medium-term, which will ultimately affect the core funding we receive from the Scottish Government.

The Scottish Government's Medium-Term Financial Strategy sets out the challenging financial climate for the Scottish public sector and identifies a number of Scottish Government priorities such as health, education and policing. The outlook for the economy and public finances has been upended. The Scottish Government faces the intractable challenge: to balance the competing demands of increased public spending, reduced tax income and the pressing need to support citizens and businesses. The challenges we faced pre-pandemic are also still with us: the need to tackle climate change, the desire to invest in our public services and the efforts to build a wellbeing economy.

What does this mean for us?

All of the Commission's income comes from the Scottish Government in the form of Grant-in-Aid. Given the economic challenges it cannot be assumed that the Scottish Government will increase future funding to the Commission, or for that matter retain the grant award at its current level. It is clear that the Scottish Government's focus is ensuring there is sufficient funding for front line national priorities¹.

One of the key recommendations of the Commission's wider scope audit review report of May 2021 was that "*The Commission should engage an independent review into the optimal workforce structure for the organisation*", to inform a revised Workforce Plan. The text of the report made clear that this review should analyse the workforce 'needs' of the Commission as well as 'structure'.

Following a competitive process, the contract for producing this report was awarded to Glen Shuraig Consulting in September 2021, and a report was submitted to the Commission in November 2021 which made recommendations for substantially enhanced staffing in a number of areas, especially front-line regulatory staff and the Senior Management Team.

The Chief Executive and Convener of the Crofting Commission reviewed the report with the Scottish Government and urged that it was taken into account when setting the grant award for 2022/23 and 2023/24. The Commission submitted a Business Case based upon a £3.9m budget to the Scottish Government on 22 February 2022, which was approved by the Cabinet Secretary for Rural Affairs and Islands on 5 April 2022.

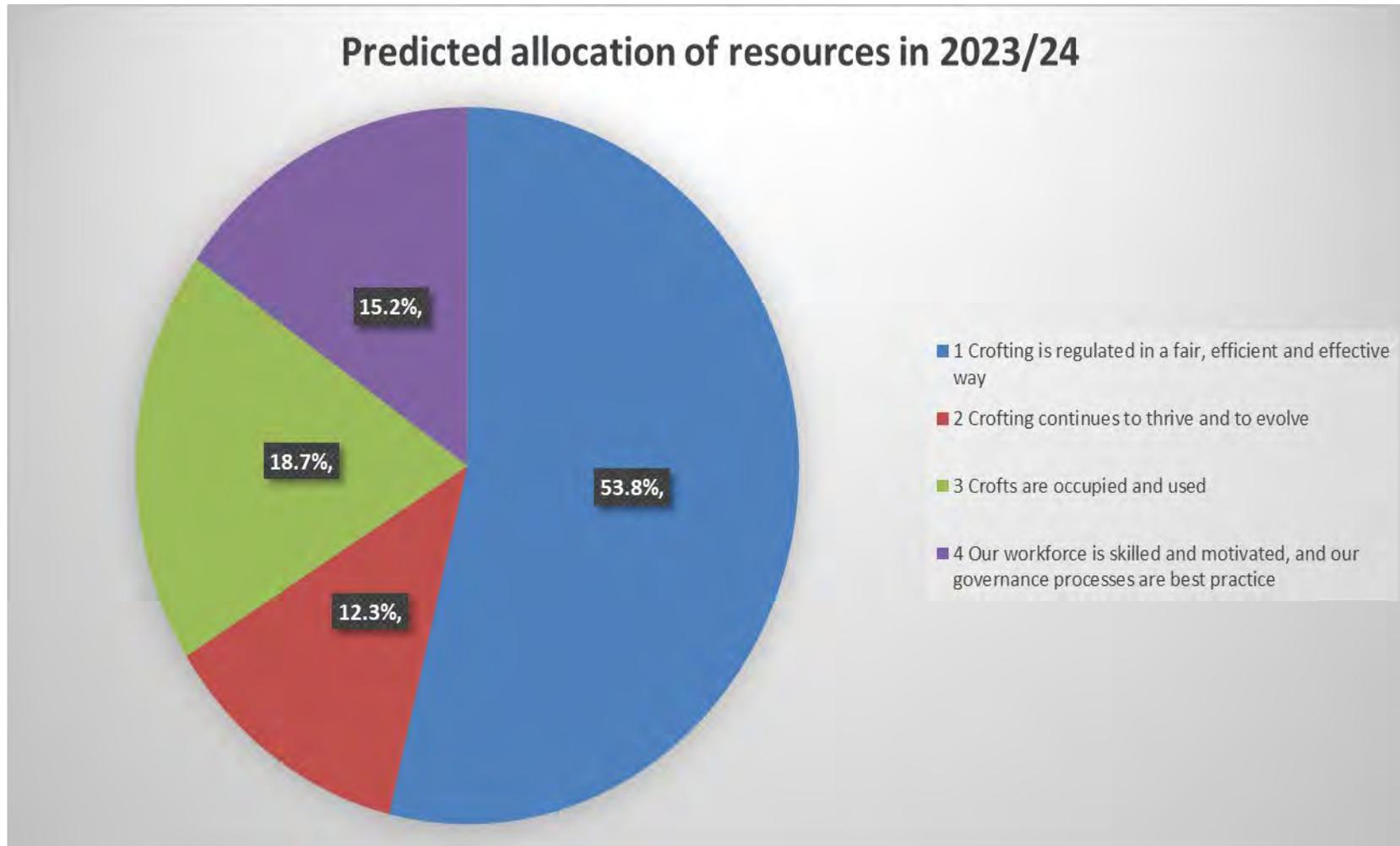
¹ The pressures placed on Scottish public finances are summarised within Audit Scotland's briefing '[Scotland's Public Finances: Challenges and Risks](#)' published in November 2022.

Crofting Commission Medium Term Financial Plan 2023-2028

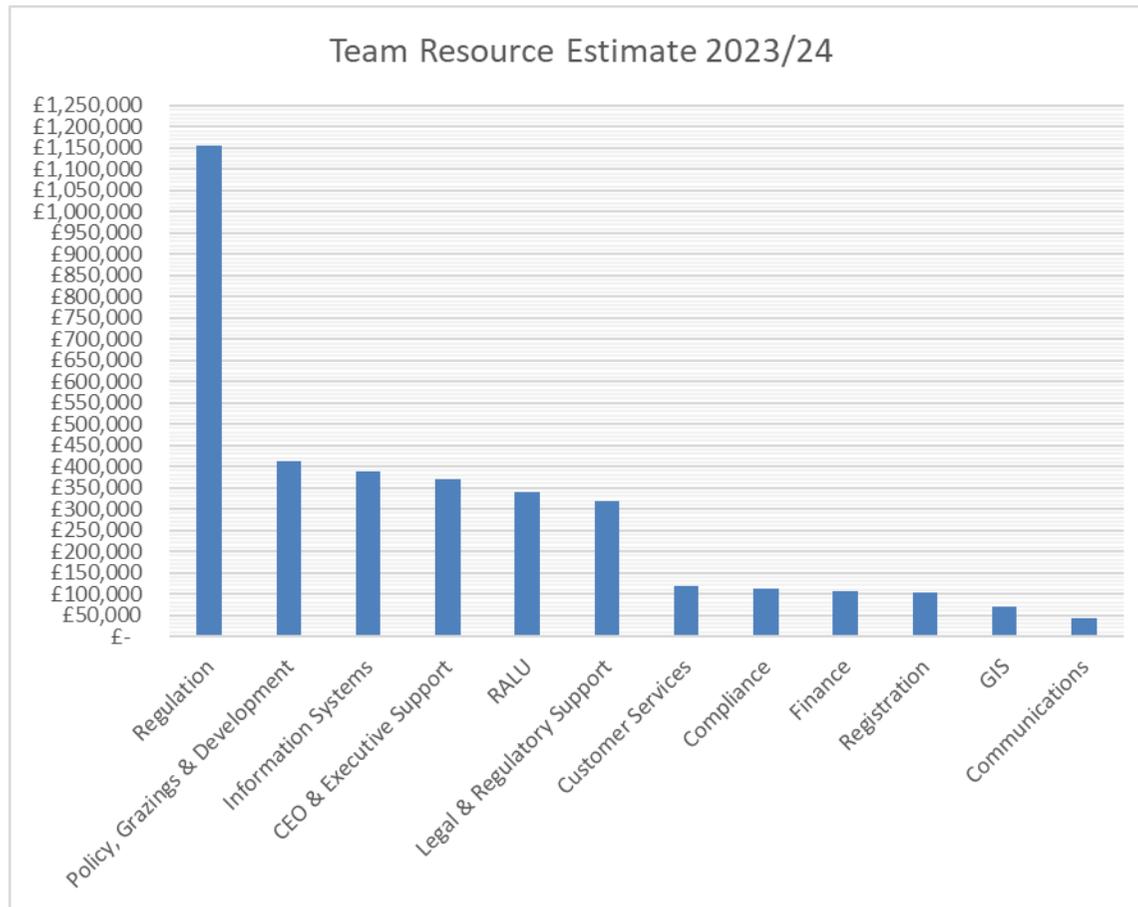
The Commission's mainstream budget rose from £3.9m in 2022/23 to a provisional £4.17m for 2023/24 to support its revised structure outlined to the Scottish Government in February 2022.

The following data table and chart provide a high-level indication regards how resources will be allocated to Corporate Plan Outcomes:

1	Crofting is regulated in a fair, efficient and effective way	53.8%	£ 2,242,893
2	Crofting continues to thrive and to evolve	12.3%	£ 512,467
3	Crofts are occupied and used	18.7%	£ 778,943
4	Our workforce is skilled and motivated, and our governance processes are best practice	15.2%	£ 634,577



The following chart provides a high-level Salary Resource Analysis by Operational Area¹.



¹ It should be noted that this reflects colleagues 'home' teams. There is considerable resource overlap between teams. In addition, the 'Director of Corporate Services' and 'Director of Operations & Policy' have been included within the 'CEO & Executive/Board Support'. No account has been taken of staff turnover within this resource analysis.

Crofting Commission Medium Term Financial Plan 2023-2028

The following table provides an analysis of the staff budget and FTE resource within the Commission Teams based upon a full complement of staff.

Team	Full Time Equivalent	% of Staff Budget
Regulation	27.84	32.69
Policy, Grazings & Development	8.5	11.67
Information Systems	6.76	10.94
CEO & Executive/Board Support	4.29	10.43
RALU	7.52	9.60
Legal & Regulatory Support	4.50	8.98
Customer Services	3.40	3.34
Compliance	2.30	3.16
Finance	1.85	3.04
Registration	2.61	2.91
GIS	1.65	1.99
Communications	1.00	1.24
Total	72.22	100.00

3 Our Financial Planning Assumptions

To help us plan for a range of possibilities in this MTFP, we have developed a set of assumptions covering different aspects of our income and expenditure. In this section, we explain the key assumptions and describe the variations to those assumptions that apply in the three different scenarios we outline – the central (most likely), upside (optimistic) and downside (pessimistic) scenarios.

Annex A provides more detailed data that underpin the assumptions used in each scenario.

Our Income

Scottish Government funding

Our only source of funding is provided by the Scottish Government by way of a Grant-in-Aid allocation which is confirmed by our Scottish Government Sponsor Branch. Grant-in-aid is normally provided in monthly instalments to the Commission on the basis of updated actual and forecast spend profiles. Payment is not made in advance of need and the Commission (in line with the Scottish Public Finance Manual) is not authorised to build up excessive cash reserves during the financial year. Grant-in-Aid not drawn down by the end of the financial year will lapse.¹

The budget allocation from the Scottish Government is currently awarded on an annual basis. A multi-year approach to resource budgets, with the ability to retain operating efficiencies as a reserve would greatly assist the Commission in delivering its outcomes. The current ‘use it or lose it’ annual budget cycle is an inefficient and an uncertain process with regard to managing relatively long lead in times for staff recruitment and investing in training.

There has been discussion within the Scottish Government to provide 3-year financial settlements to NDPBs, which would help provide more certainty, but this has not yet come to fruition, and is viewed as an unlikely outcome during this MTFP cycle.

As we have set out in the Economic Outlook section, public finances will be under pressure in the short to medium term. We have therefore based our planning on £4.17m funding for 2023/24, followed by three potential funding scenarios of:

- Funding from the Scottish Government will remain flat in subsequent years
- A year-on-year increase of 2.5%
- A year-on-year increase of 5.00%

¹ Annex C provides recent trends in Grant-in-Aid awards

The Commission has created a comprehensive and detailed financial data pack that can be adjusted to meet changing circumstances. It is also acknowledged that there are a range of potential cuts/increases that could be introduced by the Scottish Government over a five-year period, and financial models will be updated as information is confirmed.

Our Expenditure

Pay

As the Commission's principal functions are regulating crofting, re-organising crofting, promoting the interests of crofting and keeping under review matters relating to crofting, pay is the most significant element of our annual expenditure. We allocate almost 85% of our budget on pay every year.

All permanent and fixed-term Commission staff are Scottish Government employees and are recruited to the Commission via the Scottish Government HR process. This is for largely historic reasons that pre-date the Commission's establishment as an NDPB. On its establishment, When the Crofters Commission effectively was renamed the Crofting Commission, it retained its experienced complement of staff on the same employment conditions.

The Commission considers that this arrangement is to its advantage as it avoids potential difficulties associated with a two-tier employment structure within the organisation, which could arise from staff being a mixture of those that the Commission has directly employed and Scottish Government employees. It also avoids the expense of the Commission setting up separate HR and Payroll Functions. In practice, Commission vacancies are advertised internally within the Scottish Government. Scottish Government staff working for the Commission can equally apply for other vacancies that arise in the Scottish Government¹.

The Commission also recruits staff on agency terms, partly because this is much faster than recruitment through the Scottish Government, and also so that we can offer posts as homeworking options, broadening the field of applicants available to the Commission. Agency staff pay is pegged to similar grades and responsibilities of permanent staff².

Pay is centrally negotiated, and permanent and fixed-term staff are part of the Scottish Government main collective bargaining unit for the determination of salary. Due to the cost-of-living crisis the 2022/23 pay award was revisited in September 2022³, with a 'Full & Final' pay award of an approximate 5% uprate for all staff (with a minimum increase of £1,800 on a FTE contract).

¹ At the time of writing there is a recruitment freeze within the core Scottish Government departments

² At the time of writing the Commission has one agency contract

³ Scottish Government Main Bargaining Unit: Full and Final Pay Offer 2022, published September 2022

The civil service unions rejected this pay offer, and a day of industrial action was undertaken on 1 February 2023. It is anticipated that there is the potential for industrial action over subsequent months, and increased pressure on the Scottish Government to improve a 2023/24 pay deal offer.

The Scottish Government does not provide detailed data to assist with staff salary forecasts as it relies upon salary band averages. As a relatively small salary uprate can have a significant impact upon the Commission's budget, the Commission Finance Team calculates salary forecasts based upon an analysis of each employee's band grade and pay progression step.

There is no clarity on the direction of future pay awards, for a single year or otherwise. However, with recent inflationary pressures it is apparent that conditions for pay negotiations have changed and the Commission anticipates continued robust and meaningful dialogue between the trade unions and the Scottish Government regards future awards. In our scenario planning, we expect pay to increase in 2023/24 but given the challenges the Scottish Government must manage in order to balance budgets over the coming years, expect it to be constrained, with a focus upon employees at the lower end of the pay scale¹. Should it become apparent that pay will begin to closely track forecast inflation the Commission will adjust the pay uprate calculations within its scenario planning.

Pensions

Almost all our permanent staff are automatically enrolled in the Principal Civil Service Pension Scheme: Employer contributions are set by the scheme's respective administering authority. Employer contribution rates are linked to salaries which are expected to increase, as set out above.

Non-Pay costs

Non-pay inflation covers the impact of inflation on a variety of services that we need to purchase for us to deliver our objectives. The Commission has reviewed non-pay costs at an individual budget line level considering recent and planned efficiency savings, such as:

Digital Applications

The Commission has designed, planned and built a digital application system, including customer portal, which allows its customers to make applications online digitally which then transmit and open in the Croft Information System (CIS) automatically. It is anticipated this will reduce the resource and material cost of postal services in the medium to long term and paves the way for greater automation of CIS information population in the future. The first application types went live in January 2022, with further application types rolled out throughout 2022/23.

¹ The UK government has recommended a 3.5% pay increase for public sector workers in England for 2023/24. Pay review bodies can suggest a higher settlement, but the final decision will be down to the UK government. In comparison the Scottish Government has recommended an average pay uplift of at least 6.5% for NHS workers.

Digital only census

The Commission has successfully planned and implemented a digital return only annual notice (census). This means that although the census must still be posted due to legal reasons, there is no requirement for a full questionnaire generating significant savings in staff resource, production cost, and return postage. This move has also reduced the Commissions carbon footprint by introducing a paper savings equivalent to 4 A4 sheets of paper per each of our 18,000 records.

COVID-19

Looking ahead we know that dealing with COVID-19 is now 'the norm'. The majority of one-off costs to move from a primarily office-based environment to hybrid working model were largely met in 2021/22. Additional costs associated with home working, have been largely offset by the Commission reducing its office space requirements for 2022/23 and beyond.

Hybrid Working

For the last three years, under varying degrees of lockdown restrictions and very limited availability of our offices, most Commission staff have been working wholly or predominantly from home. After the initial weeks when digital and physical support for home working was being established, it appears to have worked well. Surveys of staff consistently show that a strong majority would prefer to continue working from home for most if not all of the time.

The Scottish Government is encouraging hybrid working, not least as a means of reducing the carbon footprint of commuting. However, at the time of writing, all staff on SG terms and conditions (which includes all permanent and fixed term Commission staff) are required to have a designated office base for contractual purposes and T&S claims. The SG has not introduced any new home-working contracts, though this position could change.

The Commission has negotiated with Nature Scot to reduce the size of our floorplate in Great Glen House to 36 desks, with the Commission adopting a hot-desking principle.

The Board and management of the Commission are keen to see Commission staff working and living across the crofting counties, because this will contribute to the availability of secure jobs in these communities, some of which are vulnerable because of their remoteness. In addition, it will also provide the Commission with a larger 'pool of talent' to draw upon for recruitment purposes¹.

¹ Crofting Commission – Policy on Hybrid Working: March 2022.

Brexit

As a regulatory public body, the Commission itself has been little affected by Brexit, but we are very conscious of the resultant pressures within the Scottish Government who we are dependent upon for our funding.

Climate Change

The potential impacts of climate change are extensive and pervasive. The Commission will continue to assess and develop processes and related controls when identifying potential risks arising from Climate Change. At the time of writing there are no identified risks that would potentially have a material effect upon the MTFP.

The Commission shares an office space (Great Glen House) with Nature Scot, who carries responsibility for the building, and so the Commission is only able to address internal factors such as resource usage, travel and awareness. While the Commission can make modest steps to reduce emissions, mainly through travel, on a larger stage it has contributed to developing greater awareness of the importance of climate change and the loss of biodiversity to crofting and the potential contribution crofting can make to help reach the Scottish Government's net zero targets through collaboration with stake holder agencies.

4 Scenario Planning

We have developed a financial model that allows us to quantify the financial impact of changes in the external environment over the next five years. To illustrate the uncertainty we face, we have used scenario planning to model the impact of the key assumptions, in three different scenarios:

- an optimistic, upside scenario,
- a central, most likely scenario, and,
- a pessimistic, downside scenario.

We have used our 2023/24 forecast budget¹ as the baseline starting position for developing financial forecasts for each scenario, along with the following principles that guide the development of future budgets:

- we will set balanced budgets, so we can live within our means
- we will continue to seek efficiency savings within our staff and non-pay costs and ensure value for money
- we will continue to focus upon Best Value by ensuring that there is good governance and effective management of resources, with a focus on improvement, to deliver the best possible outcomes
- Based upon 2022/23 we have assumed a staff turnover (churn) rate and associated lead in recruitment time of 2%² of the overall staff budget within the MTFP
- Based upon the workforce business case submission to the Scottish Government, the MTFP assumes a similar staff structure throughout the 5-year period. However, this assumption will be revisited dependent upon efficient working practices/transformation practices that are introduced by the Commission Executive Management Team
- The Commission Finance Team will endeavour to provide clear and concise financial monitoring reports to the Executive Management Team, Audit & Finance Committee, Board and Scottish Government Sponsor, flagging risks as appropriate
- The MTFP will identify the likely level of resources and expenditure in order for us to develop and adapt plans in line with the Commission's Policy Plan and Corporate Plan aspirations.

¹ Estimating a 2023/24 Pay Award of 5.5% up to B1. 5% B2 upwards

² The Commission Audit & Finance Committee agreed that the original estimate of 3% be reduced to 2% at the November 2022 review given the current recruitment freeze within core Scottish Government departments.

The scenarios outlined in this section provide an illustration of the possible financial position over the next five years based upon the Commission delivering upon its business case for enhanced staffing that was approved by the Scottish Government.

The purpose of this is to demonstrate budgetary pressure points we are likely to face if we do not change what we do and how we do things. Even the most optimistic scenario with favourable funding settlements indicates potential overspend risks if not addressed.

The Central (most likely) Scenario

Our central scenario reflects the most probable outcome, or the mid-case estimate of our likely financial position. Excluding the effect of any major change in the Commission's Corporate Plan, this scenario anticipates an additional £295k of expenditure in 2024/25 compared to the 2023/24 baseline. The increase primarily relates to an assumed annual underpin of a 4% pay uprate across all staff grades, plus colleagues progressing through pay steps within their grade.

The chart on page 20 highlights the future budgetary pressures based upon three scenarios of a Grant-in-Aid award being either flat, 2.5% uprate or 5.00% uprate over consecutive years. In reality it could be a variation of all three scenarios.

Further detail about the planning assumptions and financial forecasts from this scenario can be found in Annex A.

The Upside (optimistic) Scenario

Our upside scenario reflects an optimistic, or best-case estimate of our likely financial position if these circumstances transpire. Excluding the effect of any major change in the Commission's Corporate Plan, this scenario anticipates an additional £258k of expenditure in 2024/25 compared to the 2023/24 baseline. The increase primarily relates to an assumed annual underpin of a 3% pay uprate across all staff grades, plus colleagues progressing through pay steps within their grade.

The chart on page 20 highlights the future budgetary pressures based upon three scenarios of a Grant-in-Aid award being either flat, 2.5% uprate or 5.00% uprate over consecutive years. In reality it could be a variation of all three scenarios.

Further detail about the planning assumptions and financial forecasts from this scenario can be found in Annex A.

The Downside (pessimistic) Scenario

Our downside scenario reflects a pessimistic, worst-case scenario where the cards are stacked against us. Excluding the effect of any major change in the Commission's Corporate Plan, this scenario anticipates an additional £341k of expenditure in 2024/25 compared to the 2023/24 baseline. The increase primarily relates to staff being in post from the start of the financial year, a minimum annual underpin of a 5.5% pay uprate for staff earning up to £31,500, and a 5% pay uprate (4% from 2025/26) above this threshold, plus colleagues progressing through pay steps within their grade.

Hard decisions would require to be taken regards the workforce structure of the Commission as it is unlikely that the gap between funding and expenditure could be bridged by purely managing efficiency savings.¹ The chart on page 20 highlights the future budgetary pressures based upon three scenarios of a Grant-in-Aid award being either flat, 2.5% uprate or 5.00% uprate over consecutive years. In reality it could be a variation of all three scenarios. Further detail about the planning assumptions and financial forecasts from this scenario can be found in Annex A.

Reduced Budget

In light of the recent focus upon the Commission being adequately resourced to fulfil its functions and recently approved business case for enhanced staffing, there has been no indication from the Scottish Government that they wish the Commission to plan for a sustained downsizing, and it is hoped that if the Government did intend this, they would give ample notice so that planning could begin for the necessary management and personnel changes. A reduction of budget would run the risk of the Commission becoming unable to deliver its statutory responsibilities in any satisfactory way.

In the event of a reduced budget, or the financial unsustainability of the Commission based upon its downside scenario the Commission would have to reduce its workforce. All of the Commission's teams are essential for the fulfilment of our statutory functions, whether it be our regulation team, registration, regulatory support, residency & land use, grazings, policy, development, GIS (mapping), compliance, finance, communications, or customer services. It is therefore not possible to discontinue any of these teams entirely. Instead, we would need to see substantial reductions spread across most of the teams.

¹ Potential approaches are detailed within the Commission's Workforce Plan.

For reference purposes the annual cost to the Commission (including employer national insurance and pension contributions) of permanently contracted staff at the **top** of their pay step is as follows for 2022/23¹:

Grade (77 posts in total)	£1,000 (Rounded)
C3	115
C2	111
C1	92
B3	69
B2	52
B1	44
A4	38
A3	33

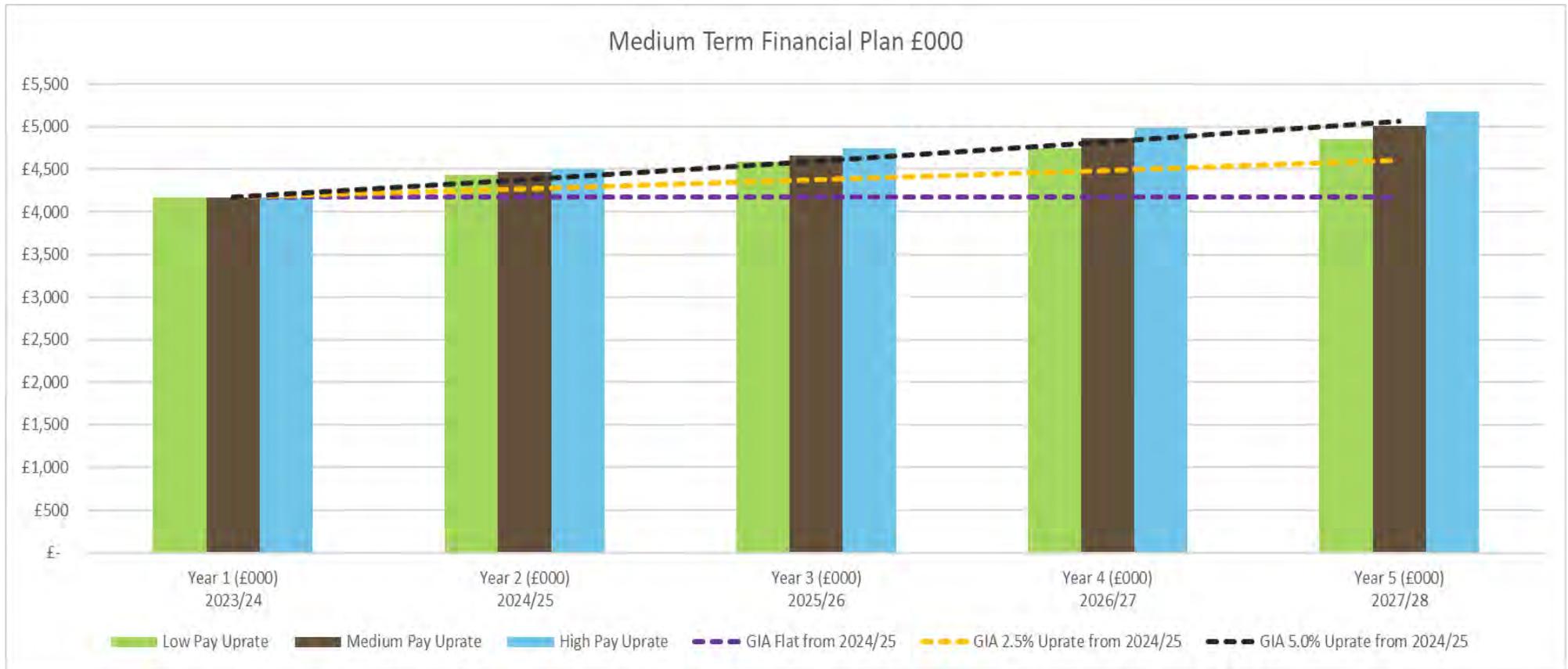
Annex B provides a snapshot of the current organisational workforce structure of the Commission as at February 2023.

The Commission is wholly dependent on the Scottish Government for its funding, and future budget levels are uncertain. The Commission therefore needs to be prepared to adapt to any eventuality, which in practice will mean adjusting the size of its workforce, up or down.

Summary of scenario planning

The scenarios are intended to illustrate a range of possible outcomes, based on an up-to-date interpretation of the external environment and how the economic and fiscal outlook will affect our likely financial position in the future. The following chart provides a summary of the range of outcomes that we have modelled under each scenario.

¹ Based upon the Scottish Government pay award policy published in September 2022.



Effective public financial management cannot be achieved in a vacuum, and as mentioned in the introduction, this MTFP forms part of a wider suite of documents that collectively define what we seek to achieve over the next five years and how we will go about it. This suite of planning documents include:

- **Policy Plan:** Sets out the Commission policy on how we propose to exercise our functions. The Policy Plan informs decision making at both a micro and macro level, from casework and crofter applications to major initiatives and strategies.
- **Corporate Plan ‘Our Ambition’:** Lays out where we will focus our work over the next five years. The Commission’s current Corporate Plan sets out how the Commission’s work contributes to the Scottish Government’s objectives as set out in the National Performance Framework.

- **Annual Business Plans:** Sets out the Commission’s key objectives for the coming year and is a tool for monitoring our progress and to assist in managing our staff, finances and other resources, to achieve the desired outcomes.
- **Workforce Plan:** describes our current workforce structure and how we want this to develop over the next 5 years. It also describes how we will support, develop and deploy our workforce to deliver the commitments we make in our Corporate Plan.
- **Hybrid Working Policy:** The next period, at least for 2023/24, should be seen as a trial period for different working models. Managers, teams and individual staff are invited to try out different combinations of home working and office working, and to record any pros and cons that they note. This is part of a Scottish-Government-wide decision that the current period should be seen as a time for piloting hybrid working rather than hurrying to new norms.
- **Annual Budgets:** Is the tactical financial plan that sets out our spending priorities for the forthcoming financial year.

The suite of strategies and plans will enable us to consider our priorities from a range of different perspectives and should facilitate a holistic approach regards regulating the crofting system fairly, and to protect and strengthen it for future generations.

Bridging Funding Gaps

Scenario		Year 1	Year 2	Year 3	Year 4	Year 5
		2023/24	2024/25	2025/26	2026/27	2027/28
		£000	£000	£000	£000	£000
Budgetary deficit/(surplus)	UPSIDE (5% increase on Grant Award Year on Year)	-	50	(10)	(82)	(219)
	UPSIDE (2.5% increase on Grant Award Year on Year)	-	154	207	255	246
	UPSIDE (0% increase on Grant Award Year on Year)	-	259	418	576	679
	CENTRAL (5% increase on Grant Award Year on Year)	-	86	66	37	(56)
	CENTRAL (2.5% increase on Grant Award Year on Year)	-	191	283	374	410
	CENTRAL (0% increase on Grant Award Year on Year)	-	295	494	694	842
	Downside (5% increase on Grant Award Year on Year)	-	133	148	156	104
	Downside (2.5% increase on Grant Award Year on Year)	-	237	364	493	570
	Downside (0% increase on Grant Award Year on Year)	-	342	575	814	1,003

The above noted table demonstrates the various scenarios predictions regards **Deficit/(Surplus)** over a 5-year period. **In practice it is likely that there will not be such straight-line extremes as pay policy and grant award are likely to fluctuate dependent upon circumstances year to year.** What the table does demonstrate is how sensitive the Commission's financial stability is with regard to minor changes in salary uprates. If it was apparent that the Commission was faced with the Downside Scenario in 2024/25, corrective action would have to take place rapidly as Year's 3, 4 & 5 demonstrate how the deficit would increase exponentially.

Options

1. Grant-in-Aid

A reduction in Grant-in-Aid, or an award that does not keep pace with salary inflation would have an impact on the achievement of outcomes. This could range from:

- a. Scale back certain areas where this is possible
- b. Achieve less within the existing outcomes/priorities
- c. Reduce the number of outcomes/priorities targeted

Tactical Opportunities

The relationship between the Commission and the Scottish Government is actively managed on an ongoing basis with the Commission ensuring that it focuses upon the National Performance Framework across a number of outcomes. If it is apparent that current funding was insufficient this would have to be flagged within the Commission's Strategic Risk Register, along the following lines:

As a result of on-going reductions in public expenditure there is a risk we may receive significant reductions in our Grant-in-Aid settlement. This could result in an inability to adequately resource delivery of agreed priorities, leading to failed outcomes and reputational damage.

Ensuring the continued support of the Cabinet Secretary for Rural Affairs and Islands will be critical. As the largest risk and opportunity for the Commission outlined in this plan, Grant-in-Aid funding is being actively managed by the Chief Executive and Convener of the Commission, involving regular, open, and transparent discussion with the Scottish Government.

2.Income Generation: Fees and Charges

Following discussion with the Scottish Government and the Commission Audit & Finance Committee in Autumn 2019, it was concluded that there was no advantage to be gained by instituting charging to applicants for the processing of regulatory applications.

The chief reason for this is that most crofting regulatory requirements are placed on crofters for the common good and for the good of the community, rather than for the benefit of the crofter themselves. For example, the requirement to apply to the Commission to assign or sublet one's croft place a legal financial burden on crofters which are not shared by other tenants or property owners. It would therefore be inappropriate to ask crofters to pay for these processes and if we were to do so, there might be widespread resentment.

There are some application types, such as decrofting and apportionment, in which the applicant stands to gain financially if the application is approved, and in theory a charging system could be introduced for these types of applications. However, the numbers of such applications are small in any given year, especially if we omit decroftings of house sites and garden ground, which are a crofting right. Unless the charges imposed were very substantial, it is likely that the costs incurred in administering the system would outweigh the cost recovery.

A factor in this decision is the existing charges imposed on crofters, specifically for Registers of Scotland registration, but also the unknown but often significant additional costs resulting from the requirements of crofting law. In the Commission's judgement, the great majority of crofters are already bearing a reasonable share of the costs of maintaining the crofting system for the public good.

Tactical Opportunities

None.

3.Transformation

Transformation in relation to organisational development and the workplace are two areas that have a significant bearing on the financial forecast over the term of this MTFP. The recent independent structural review's remit was:

- to understand and summarise the key operational requirements for the Commission based on the Board's vision for the future in line with the National Development Plan for Crofting, looking ahead as far as possible and at least to 2025;
- to build a model of the workforce needed to meet the future operational requirements and to address the current backlog of work;
- to propose a target staff and senior management team structure to address those future needs that takes account of professional capability, including legal and IT; Scottish Government grades and pay scales; and staff locations; and
- to provide a phased and costed outline plan for the transition from the current staffing and management structure to the new structure.

A business case, subsequently approved by the Scottish Government, sets out the findings from the review along with conclusions, recommendations and a phased and costed outline plan for a transition to a new workforce structure.

A continual review whether business outcomes can be achieved within the revised headcount and changing working practices could represent an opportunity (in financial terms) for the Commission.

Payroll costs are a particular focus as the Commission's largest area of expenditure. The central scenario assumes an annual underpin of a 4% pay uprate for all staff from 2024/25, plus colleagues progressing through pay steps within their grade. Delivering on the outcomes for the Commission within these projected costs will therefore be a key financial priority.

Tactical Opportunities

The current MTFP model has a 2% turnover of staff built into the projections.

With the Scottish Government approach of no compulsory redundancies, the main potential actions for achieving payroll savings are minimising additional external recruitment¹ and careful management of agency contracts. Natural turnover of staff can provide opportunities for redeployment and for efficiency savings. When staff do leave, the Commission's management will continue to consider whether this provides opportunities for changes that would secure an overall increase in the efficiency of how we deliver our functions, with the objective of creating as much budget headroom as possible. The option of not replacing the member of staff is always considered as part of such a review.

A key priority for the Executive Management Team will include identifying the baseline costs for the processing of regulatory application types for future operational planning purposes, and identifying more simplified workflows that still adhere to statutory requirements.

As a worst-case scenario, the Commission would have to explore redeployment options if there was an insurmountable gap in funding. This would require dialogue with the Scottish Government. This is viewed as a last resort given that the complexity of the legislation and the range of regulatory applications which the Commission must handle mean that training new staff takes considerable time. Staff dealing with casework have not only to know the legal requirements but to be able to apply them to the specific circumstances of each application, including following up with applicants where information provided is incomplete or raises questions. It takes around 6/12 months for a new member of staff to reach a good level of competence to handle most of the more common types of application, and staff will continue to learn and build confidence for another year or even longer, particularly in relation to the less common types of application. The transition to hybrid working reflecting the increase in colleagues working from home may result in efficiencies in

¹ Outwith the Business Case submitted to the Scottish Government in February 2022 for enhanced staffing.

office accommodation and travel and subsistence. This is already apparent with the Commission relinquishing a third of its office space within 2022/23. Non-Pay efficiency savings will be factored into the MTFP as these are identified.

4 Highlight Archaic Practices Within Existing Legislation for Scottish Government

The changes to the way the Commission conducts its business as a result of the pandemic are largely about how effectively the Commission can operate on a digital basis, with staff working remotely from an office base. Accordingly, the lessons to be learnt from the coronavirus pandemic are applicable across a wide variety of different situations as the Commission moves to a digital operation.

The business of the Commission could operate on a largely (but not exclusively) digital basis if primary legislation were to be amended.

Tactical Opportunities

The Commission should ensure this is a standing agenda item within a Scottish Government Sponsor meetings into the priorities for crofting law reform. The Commission should, in the event of crofting law reform, ensure that the implications of proposed reforms are realistically costed to assist with defining future resource requirements should they be implemented. The Scottish Government has invited the Commission to think again about whether there are changes to regulation that would make it easier for us to deliver our tasks efficiently and more quickly. The Board have also requested the Commission to broaden this question and consider what changes could make life easier/simpler for the crofter as well as for the Commission.

5 Risk Management

Having reviewed the Operational and Strategic risk registers, there are a number of risks and opportunities not raised to corporate level that would have a direct bearing on the MTFP:

The Scottish Government Pay Policy for 2023/24. The MTFP is based upon a baseline of £4.17m for 2023/24. The Commission Finance Team has modelled the MTFP on the Pay Policy published by the Scottish Government in September 2022. The Scottish Government advised that discussions with the recognised trade unions on a pay review for 2023/24 are underway and will communicate further once timescales for reaching an outcome are clearer. *“While it is not possible at this stage to confirm when that will be, all parties are mindful and aware of the pressures that colleagues will be facing in relation to increases in the cost of living. As such, we will be jointly aiming to reach a conclusion as soon as practicable while balancing the need to ensure that discussions are as comprehensive as they need to be to ensure that all relevant issues can be fully considered and discussed”.*

As the majority of the Commission’s costs are wage related, even a modest uprate above ‘The Central Pay Scenario’ from the pay policy published in September 2022 would significantly stress the budget. The Commission Finance Team will keep a watching brief on events with a view to quickly calculating the impact upon the 2023/24 budget and MTFP when pay review negotiations have concluded. **In reality this is unlikely to conclude prior to the start of the 2023/24 financial year.**

The Commission Finance Team underestimate the Employer NI and Pension Contributions relating to a pay award for 2023/24. While the Head of Finance is confident of the calculations adopted by the Commission, they are based upon uprate assumptions. The Commission Finance Team has had to estimate Employer NI and Pension contribution costs as the Scottish Government Finance Pay Policy Team does not have the data at this time.

Grant-in-Aid award does not keep pace with inflationary pressures. There are ongoing negotiations between trade unions and the Scottish Government regards securing an above inflation pay uprate. It comes at a time of fierce debate that many members are being hit by the cost-of-living crisis, including the highest rate of inflation in 30 years and more than a decade of below-inflation pay rises and freezes. As the Commission’s salary costs account for approximately 85% of the budget an above inflation pay uprate would immediately place the Commission in an unsustainable financial position without securing additional Grant-in-Aid.

Recruitment¹

The Commission needs to move swiftly on recruitment to ensure that key personnel with the correct skill sets are in place to deliver the aspirations outlined within the Commission’s enhanced staffing business case. Experience has shown that recruitment via Scottish Government is a protracted process. Delay will result in potential underspend scenarios and associated reputational issues.

¹ At the time of writing the Commission is entering 2023/24 with a near full compliment of staff.

Workforce Plan

The Commission's Workforce Plan has been refreshed as a result of the extraordinary levels of financial uncertainty faced by the Commission¹. We are perhaps shielded to a degree by the Scottish Government's recent approval of an enhanced staffing business for the Commission, but it is by no means certain that funding will continue at the levels that the Commission would require to support the current organisational structure in future years. A section of the Workforce Plan refers to 'Options for a Reduced Budget' regards how we adjust staffing levels in the event of a funding deficit.

Sustainability

The MTFP is currently based upon an enhanced staffing structure (based upon previous years) with associated levels of funding and pay inflation. It would be a useful exercise within the Workforce Plan to consider and identify potential medium term resource efficiencies as the Commission transitions to online digital regulatory applications and introduces other improved working practices.

¹ Presented to the Commission's Audit & Finance Committee January 2023 meeting.

6 Next Steps

The Commission's attention has been focussed upon delivering our business plan for enhanced staffing throughout 2022/23. The March 2022 crofting elections and subsequent September 2022 Scottish Government appointments have resulted in multiple changes to the Commission's Board membership. The Commission now has to deliver its Corporate Plan for 2023-2028 based upon its policy plan that was approved by the Scottish Government in the latter part of 2022

Budget-setting 2024/25 and beyond

It is crucial that the Commission engages at the earliest opportunity with Scottish Government Sponsor Branch to ensure that the budget award keeps pace with a significantly expanded workforce.

Link to the Crofting Commission Workforce Plan

This MTFP is, by its nature, heavily focused on the financial resources that we are likely to have at our disposal over the medium term. Our finances are not the only precious resource we have available. We would not be able to function without significant human resources – our staff. The Workforce Plan is effectively the MTFP equivalent for our people and is focused on making sure that we have the right people in the right the place to deliver our key priorities.

The Workforce Plan was reviewed in January 2023 taking into account Board discussions, audit recommendations and the Glen Shuraig independent workforce review report.

The workforce plans will help inform the assumptions used to estimate overall pay costs in future iterations of this MTFP.

Keeping this MTFP up to date

Having an MTFP in place to inform future budgeting and to guide decision-making is an important component of effective financial management. But keeping the MTFP updated is just as important as the MTFP itself. This ensures the Commission remains forward-looking and is aware of potential changes in the external environment or what may be lurking over the horizon.

We intend to review the financial planning assumptions and financial modelling contained in this MTFP on an annual basis, to help inform the development of future budgets. We will present an updated MTFP to the Audit & Finance Committee each autumn ahead of the annual budget-setting cycle. This will mean we can always be looking five years ahead, and to develop future budgets that consider any progress, or lack of, towards achieving financial sustainability.

Conclusion

The MTFP highlights significant potential financial risks at an early stage and outlines options to mitigate these. With the recent approval by the Scottish Government of the Commission's workforce restructuring proposals we have the tools to enable us to meet the challenges ahead, with a full suite of planning and strategy documents that set out our priorities. The Commission will continue to keep the MTFP under review given the high degree of uncertainty surrounding future funding and inflationary pressures on public sector pay policy.

Annex A: Illustrative Budget Requirements

All figures in £000s

		Pay Inflation Low	Pay Inflation Medium	Pay Inflation at High
Year 1	2023/24			
Salaries/Remuneration		3537	3537	3537
Commissioner Salaries		99	99	99
Former Commissioner Pensioners		13	13	13
Non-Staff Operational Costs		592	592	592
EFFICIENCY SAVINGS: STAFF TURNOVER/LEAD IN TO RECRUITMENT 2% of Staff Budget		(71)	(71)	(71)
Total		4170	4170	4170
Year 2	2024/25			
Salaries/Remuneration		3748	3786	3833
Commissioner Salaries		110	110	110
Former Commissioner Pensioners		13	13	13
Non-Staff Operational Costs		632	632	632
EFFICIENCY SAVINGS: STAFF TURNOVER/LEAD IN TO RECRUITMENT 2% of Staff Budget		(75)	(76)	(7)
Total		4428	4465	4511
Year 3	2025/26			
Salaries/Remuneration		3897	3974	4057
Commissioner Salaries		110	110	110
Former Commissioner Pensioners		13	13	13

Crofting Commission Medium Term Financial Plan 2023-2028

		2023/24	2024/25	2025/26	2026/27	2027/28
Salaries/Remuneration						
Commissioners		99	110	110	112	112
Former Commissioner pensions		13	13	13	14	14
Core Running costs: Non Staff Detail						
<u>"Fixed" costs</u>						
Great Glen House - cost of occupation		147	153	159	165	172
Great Glen House - supplies & services		31	33	34	33.1873	33.25479
Information systems		185	189	192	201	206
Training		13	14	14	14	14
Communication		21	26	26	26	26
Statutory Regulatory Advertising		31	32	32	32	32
Legal Fees		6	10	10	10	10
Travel & subsistence - staff		20	21	21	21	21
Travel & subsistence - Commissioners		21	26	26	26	26
Audit fees & bank charges		46	51	52	55	55
Other running costs		29	31	32	33	33
Subtotal		550	586	599	616	629
<u>"Discretionary" costs</u>						
Assessors conferences/meetings		3	8	3	7	2.5
Subtotal		3	8	3	7	3
<u>Census & RoS direct costs</u>						
Crofting Census Hard Cost of Delivery		20.5	20.5	21	21.5	21.5
Commission Service Link to RoS		3	3	3	3	3
Subtotal		23.5	23.5	24	25	25
Capital expenditure						
Hardware		8	15	15	15	15
Software		7	0	6.5	7	0
		15	15	21.5	22	15
Total Non-Staff Detail		592	632	646	670	671

Annex B: Current Workforce Structure

Crofting Commission Organisational Structure: February 2023

C3	Chief Executive plus PA											
C2	Solicitor											
C1			Director of Operations and Policy				Director of Corporate Services					
B3	Head of Regulatory Support		Head of Development & Policy (part-time, temp)	Head of Grazings & Planning (TRS)	Head of Operations		Head of Digital			Head of Business Support & Compliance	Head of Finance	
B2	1	2	3	vacant	4		2	1		-	-	1
B1	7		1	2	1	9	-	3	2		1	-
A band staff		½	1	½	2	14					4	
	RALU	Regulatory Support	Development, Policy & Comms	Grazings & planning	Registration	Regulation (the split between these two is flexible and porous)	IS (coding etc)	IS (other)	GIS	Records Management (some resource from Reg support)	Compliance, Board Support & Customer Services	Finance

Annex C: Grant-in-Aid Trends

The Commission draws all of its funding from Grant-in-Aid from the Scottish Government, and its budget is set annually by the Scottish Government with the agreement of the Scottish Parliament. The recent history of the Commission's main budget is shown in the following table:

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Core budget (£m)	2.447 (initial) +0.335(added) ¹ =2.782	2.397 (initial) +0.410(added) ² =2.807	2.797³	2.697 (initial) +0.061(added) ⁴ =2.758	2.697 (initial) +0.325(added) ⁵ =3.022	3.250⁶	3,900
Grant-in-Aid draw down	2.666⁷	2.772⁸	2.796	2.758	3.022	3.250	3,900
% change in draw-down (cash)	-	+4%	+1%	-1%	+10%	+7%	+17%
% change (real terms ⁸)	-	+3%	-2%	-7%	+7%	+4%	TBC

¹ 2016/17 Additional £0.335m consists of authorization to draw down £0.310m in pressure funding provided to help deliver the additional functions the Crofting Commission gained under the crofting legislation that was passed in 2010 and £0.025m to assist with resourcing requirements arising from the delivery of the 2017 Crofting Elections.

² 2017/18 Additional £0.410m consists of authorization to draw down £0.310m in pressure funding provided to help deliver the additional functions the Crofting Commission gained under the crofting legislation that was passed in 2010 and £0.100m to assist with resourcing requirements regards specific records management project.

³ The former 'pressure funding' was incorporated into the Commission's core budget from 2018/19 onwards.

⁴ 2019/20 Additional £0.061m represents pressure funding to meet some of the additional employer pension costs resulting from an actuarial valuation of the civil service pension scheme. Although an ongoing resource commitment, the Scottish Government could not guarantee additional funding for future years.

⁵ 2020/21 Additional funding of £0.325m with respect to the Scottish Government's expectation regards the delivery of additional and enhanced crofting development activities.

⁶ £50k related to additional in-year funding provided by Scottish Government to meet Crofting Election costs.

⁷ 2016/17 & 2017/18 added funding was ring fenced for specific purposes, therefore we were unable to utilize full allocation by year end.

⁸ Inflation in pay and other costs that the Commission must meet, was around 1% in 2017/18 but ran at around 3% per annum between 2018/19 and 2020/21, and about 2% in 2021/22. In addition, in 2019/20 the Commission faced additional employers' pension costs which added around a further 3% to its overall cost inflation that year.

Links to Current References

[Scottish Government Medium Term Financial Plan](#)

Crofting Commission Governance Documents

[Policy Plan](#)

Corporate Plan¹

[Business Plan](#)

Budget²

Workforce Plan³

Available on request from Chief Executive

[Independent Workforce Review 2021](#)

[Enhanced Staffing Business Case to Scottish Government 2022](#)

[Scottish Government Pay Policy 2022/23](#)

¹ At the time of writing with the Scottish Government for approval. Link will be updated when authorised.

² A link will be created once the Board approves the 2023/24 budget (scheduled for March 2023 meeting).

³ A link will be created once the Board approves the Workforce Plan (scheduled for March 2023 meeting).

CROFTING COMMISSION MEETING

22 March 2023

Report by the Chief Executive

Workforce Plan 2023-2028

SUMMARY

The Board is invited to approve the attached draft of the Commission's Workforce Plan. The Plan was considered by the Audit & Finance Committee at its January 2023 meeting and has subsequently been adjusted based upon the AFC's recommendations.

BACKGROUND

The Workforce Plan is updated annually. It describes the Commission's approach to the management and development of its staff, and links to the Medium-Term Financial Plan in regard to the possibilities of future budget and staffing expansion or contraction.

CURRENT POSITION

The Workforce Plan was substantially revised in January 2023 to take account of the latest staffing position and the budget provision for 2023/24. AFC considered the document at its meeting on 25 January and asked for the document to reflect the top priority being given to addressing the backlog and improving efficiency and productivity. This has been added as a new section on "Current Priorities". The remainder of the document is largely as seen by the AFC in January. The Board is now invited to approve the document.

Impact:	Comments
Financial	The Workforce Plan sets out in broad terms, how the Commission might respond to a reducing or increasing real-terms budget in the coming years.
Legal/Political	The Workforce Plan is part of a suite of governance documents required of the Commission as an NDPB.
HR/staff resources	The Workforce Plan sets out a wide range of activities to help secure a strong, well trained and motivated workforce.

RECOMMENDATION

The Board is invited to approve the Workforce Plan for 2023-2028, with the next review to follow in the coming Winter.

Date 13 March 2023

Author Bill Barron, CEO

DRAFT WORKFORCE PLAN 2023-2028



CROFTING COMMISSION **COIMISEAN NA CROITEARACHD**

Version 0.1

Last Review	June 2022 (Approved by Board)
Next Review	March 2023

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Our purpose is “to regulate the crofting system fairly, and to protect and strengthen it for future generations”

Purpose of this Plan

This is our 2023 Workforce Plan which is designed to sit alongside our Corporate Plan, our annual Business Plans, and our Medium-Term Financial Plan as the key documents setting out the Commission’s forward strategy. [\[add hyperlinks to these documents\]](#)

In particular, the Medium-Term Financial Plan (MTFP) includes scenario planning for the future size and grading of our workforce, and addresses how we will deploy our staffing to achieve the Commission’s objectives and contribute to Scotland’s National Outcomes. The current iteration of the MTFP anticipates the possibility of future grant allocations which fail to keep pace with pay inflation, illustrating the effect of sustained reductions of up to around 5% per annum, and considering how the Commission might respond to those eventualities. This Workforce Plan is written in the same financial context, but considers possible future scenarios in more general terms. As well as considering how the Commission would respond to budget constraints, it also allows for the possibility that Scottish Government might wish to *increase* its investment in the Commission, to better deliver its goals for crofting and for the Highlands & Islands. (The Medium Term Financial Plan’s most optimistic scenario envisages 2% per annum real growth the Commission’s budget.)

This Workforce Plan describes our current workforce structure and how we want this to develop over the next 5 years. It also describes how we will **support, develop and deploy our workforce** to deliver the commitments we make in our Corporate Plan.

The Crofting Commission

The Crofting Commission’s functions are set out in the 1993 and 2010 Acts and are summarised in our organisational Purpose, set out in our Corporate Plan and quoted above.

The Acts set out in considerable detail the responsibilities of the Commission for regulating crofting, including the registration of crofts and crofters in the Register of Crofts and the Crofting Register. The greater part of the regulatory function is a demand-led service, in which the Commission responds to applications from crofters for assignation, sublet, decrofting, apportionment, or other changes.

The Commission’s role in protecting and strengthening crofting for future generations is less precisely defined, but no less important to the Scottish Government, the Commission’s Board, and crofting stakeholders. It includes proactive regulatory activity to enforce crofters’ duties, direct support for the system of common grazings committees, proactive interventions by the Commission’s development team, and advising the Scottish Government on the issues facing crofting and how it can be strengthened for the future. It includes 20 Action points set out in the Scottish Government’s *National Development Plan for Crofting* (March 2021) in which the Commission has responsibility to lead or to contribute.

The Commission draws all of its funding from Grant-in-Aid from the Scottish Government, and its budget is set annually by the Scottish Government with the agreement of the Scottish Parliament.

Our Corporate Plan

Membership of the Board of the Crofting Commission is subject to substantial change every five years, given the quinquennial elections for two thirds of the Commissioners. The Commission develops and publishes a 5-year Corporate Plan after each election, which is then subject to annual review. Following the elections of March 2022 and two appointments in September 2022, the Board submitted its draft Corporate Plan for 2023-2028 to the Scottish Government in December 2022.

The draft plan sets out 4 outcomes that the organisation seeks to deliver, each of which has workforce implications as set out in the following table:

Corporate Plan 2023-28 Outcome	Priorities for Workforce Plan
Crofting is regulated in a fair, efficient and effective way ¹	<p>A workforce review in 2021 observed that turnover of front line staff was a major threat to the work of the regulatory team, and that the team should be substantially expanded to compensate for turnover and to prevent casework backlogs. Many more front-line staff have been recruited in 2022-23 and training is ongoing.</p> <p>More resource has also been allocated for Improvement work, with a new role created for Operational Improvement Manager. This allows for dedicated time to be prioritised for developing the governance and processes for the main casework system (CIS) and to improve the quality and efficiency of case processing.</p>
Crofting continues to thrive and to evolve	<p>Since 2019, the Commission's small grazings team has seen more grazings committees in office, reversing an historic decline. The Commission would like to expand this team in the coming 5 years, to support more active townships and more active use of common grazings land.</p> <p>In 2021, the Commission recruited two Development Officers based in the Western Isles. A further Development Officer, based in Inverness, was recruited in 2022. An ambition for the next five years, if resources permit, would be to recruit Development Officers in other parts of the crofting counties.</p>
Crofts are occupied and used	The Residency & Land Use Team has been expanded since 2019. A further expansion, bringing the team to 7 officers and a manager, will take place in 2023.
Our workforce is skilled and motivated, and our governance processes are best practice	In 2022, the management of the Commission was strengthened with the creation of a new Executive Team.

¹ For business planning purposes, including for this Workforce Plan, this outcome refers to the *responsive* regulatory work, assessing and taking decisions on regulatory application by crofters. However, other aspects of the Commission's work, including the residency and land use duties enforcement, and much of the work on common grazings, is also part of the Commission's regulation of crofting. The aspiration to regulate *fairly* applies to all the regulatory work of the Commission.

Our Workforce

Our workforce is by far our biggest resource with over 80% of our budget allocated to staffing.

The Crofting Commission has the right either to draw its staffing from the Scottish Government or to recruit its own staff on its own pay and conditions, or a mixture of the two. However, the Commission has never chosen to recruit its own staff, as both management and staff see benefit in being part of the Scottish Government for all HR purposes. This means that all established CC staff are Scottish Government staff, appointed to work for the Commission, and the whole range of SG Human Resources policies (on pay, conditions, welfare, recruitment, promotion etc) applies to the staff of the Crofting Commission as to other SG staff.

SG Human Resources policies therefore have a direct effect on the way the CC manages its workforce.

The Crofting Commission supplements its established staff with temporary staff on agency terms. Normally we keep this to a minimum, to avoid the premiums payable to the agency, but the use of agency staff provides flexibility to take people on at short notice or for specific purposes that cannot easily be covered by staff on SG terms and conditions. A recent example is that in Spring 2022, the Commission recruited seven administrative staff¹ to work from home across the crofting counties, for up to 23 months, in response to the urgent need for more regulatory staff, and taking account of temporary difficulties in recruiting permanent staff.

Locations and hybrid working

Prior to 2020, all Commission staff were based in Great Glen House, Inverness with a few staff authorised to work partially from home. As with other organisations, the covid-19 pandemic in 2020 and 2021 required the Commission to enable all staff to work from home where possible. In addition, in July 2020, the Commission agreed a Scottish Government request to recruit 4 permanent staff in the Western Isles. Commission staff are now permitted to use SG offices across the highlands and islands as an office base. Consequently, the Commission will now have a number of office locations, and a variety of arrangements for home working.

In accordance with the Commission's and the SG's policies, the Commission is now maintaining a policy for 'hybrid working' – i.e. a mix of office and home working. The size of floorplate in Great Glen House has been reduced in anticipation that no more than 36 CC staff will use the building at any one time.

Benefits of working at the Commission

Being part of the Scottish Government gives our employees a strong set of working conditions and support. The Crofting Commission already holds a [Living Wage Employer](#) accreditation. Commission employees benefit from all the benefits of working for the Scottish government with generous sick pay, maternity pay etc. The Commission is also very accommodating for staff who want to work on a part time pattern, which means that the Commission is an attractive place to work, especially for staff with children or other caring responsibilities. Flexi time is also used within the Commission for staff on permanent and fixed term contracts, to the benefit of employees and the employer. Now that access to Great Glen House is re-established, Inverness-based employees can again benefit from being located in a modern, award-

¹ One of those seven has since left the Commission; the other six successfully applied for permanent positions at the Commission, later in 2022.

winning building with access to pleasant open spaces, changing rooms and showers, a gym, a locked bicycle shed and a café, all of which makes for a good working environment.

Current and future staffing structure

Current Priorities

Timely processing of regulatory casework is the Commission's first priority, but periodic delays and backlogs in casework have been a feature of the Commission's work for some years, most recently in the period since 2021. To address the current backlog and prevent any recurrence, the Commission is focusing on the efficiency and productivity of its casework handling, including its risk appetite and its operational processes and systems. Decisions about staff deployment have been driven by the need to address the current backlog as quickly as possible. The Commission is therefore prioritising recruitment, training and deployment of staff to all the teams involved in handling casework, in particular the Regulation & Registration, Regulatory Support and GIS teams.

Alongside the drive to address the current backlog, the Commission is also investing in future efficiency, through our Information Services team in particular – while not neglecting the teams that work directly on the second part of our organisational purpose – to protect and strengthen the crofting system for future generations: Residency & Land Use, Grazings and Development.

Glen Shuraig Report

In Spring 2021, two audit reports recommended action in respect of the Commission's staffing. A report by internal auditors Azets recommended enhancements to our planning, control and delivery of improvements to our case processing system, CIS. At the same time a report by external auditors Deloitte recommended an independent review into the optimal workforce structure for the organisation.

To fulfil the latter recommendation, in Autumn 2021 Glen Shuraig Consulting undertook a study of the Commission's workforce. They identified weaknesses and vulnerabilities in the Commission's staffing and recommended that improvements in the following areas should be priorities for the period 2022-2024:

- 8 additional regulation/registration posts to put the responsive regulatory work onto a secure footing
- 2 C band posts to form a new leadership team along with the CEO and Solicitor
- 2 new posts for administrative support to the Board and SMT
- 2 new posts to focus on improvement of processes and systems
- Reassessment of the grading of certain posts and/or other initiatives to reduce turnover of junior staff

Glen Shuraig also acknowledged that there could be a case for expanded staffing in development, grazings or RALU teams but advised that consideration of these should be held back until Autumn 2023. They commented:

We have considered whether additional staff are needed for these areas of work. At this stage, there are some uncertainties which make this difficult to assess. The Commission has recently recruited staff to two additional development posts, and the impact of this increased capacity is not yet fully understood. In addition, it is difficult to know what the full benefit will be if the Commission does not have to disrupt the work of staff in these teams in a reactive way to tackle regulatory casework. For these reasons, we are not proposing that further additional posts should be added for development and duties work at this stage – not because we don't see the importance of this work, but because we think the Commission needs to prioritise the clearing of the regulatory case backlog and the bedding in of the recently-added posts first before assessing what capacity is required. We are proposing that there be a formal review point in autumn of 2023 when the Commission would assess and discuss with SG how successful the steps it has taken have been and what further changes to staff structure would be required to ensure the Commission's future success.

The Commission's workforce objectives

Building on the Glen Shuraig report, the Commission developed a Business Case for enhanced staffing, which was approved by the Scottish Government in April 2022, and implemented over the remainder of 2022/23. Following these changes, the Commission's staffing complement at January 2023 is as follows.

Crofting Commission Organisational Structure, January 2023

Showing permanent staff positions only, and also the temp B3 post

C3	Chief Executive plus PA											
C2	Solicitor											
C1			Director of Operations and Policy				Director of Corporate Services					
B3	Head of Regulatory Support		Head of Development & Policy (part-time, temp)	Head of Grazings & Planning (TRS)	Head of Operations		Head of Digital			Head of Business Support & Compliance		Head of Finance
B2	1	2	3	vacant	4		2	1		-	-	1
B1	7		1	2	1	9	-	3	2		1	-
A band staff		½	1	½	2	14					4	
	RALU	Regulatory Support	Development, Policy & Comms	Grazings & planning	Registration	Regulation (the split between these two is flexible and porous)	IS (coding etc)	IS (other)	GIS	Records Management (some resource from Reg support)	Compliance, Board Support & Customer Services	Finance

Further enhancement of the Commission's workforce will only be possible with a further increase in resources and/or efficiency savings in other parts of the organisation. However, if resources permit, the Commission has agreed the following ambitions for further enhancement of our capacity:

- A second new post on improvement¹
- A second new administrative post¹
- An additional part time or full time GIS post
- Further expansion of the RALU and/or development and/or grazings teams, in accordance with the policies of Board of the Commission, and in the light of any further external review as proposed by Glen Shuraig.
- A second communications post.

Options for a reduced budget

For the longer term, the Commission needs to be prepared for whatever budget the Scottish Parliament sets for it. Beyond 2023-24, the level of workforce that is affordable may continue to increase or may level off; but given the pressures on the economy and the Scottish Government's budget², the most likely scenario is that it could reduce.

Should this transpire, it is unlikely that there would be any scope for finding new sources of income. The reasons for this are set out in our Medium Term Financial Plan. Instead, The Commission would need to examine its budget to consider where resource savings could be made with minimum negative impact on achievement of our objectives. Our strategy would focus on the following 4 options for resource savings, in this order:

1. **Identify productivity improvements.** Work is under way to look at all aspects of the regulatory processing operation, including possible legislative change to streamline the functions required, as well as improvements to IT systems, operational processes, and management information.

It is likely that some posts may not continue to be required. In 2022/23 the regulatory team is being expanded to a size sufficient to rapidly reduce the backlog of casework that built up in 2020 and 2021. Once the backlog is eliminated, we may not need as large a team. Similarly, it is possible that when most applications are made electronically, there could be some resource saving because scanning and checking of applications received may be avoided or streamlined. We continually examine the scope for process simplifications, which could be a further potential source of efficiencies. Any posts no longer required for such reasons could be redeployed elsewhere or if necessary, removed.

¹ These posts were recommended by Glen Shuraig but alternative priorities were pursued by the Commission in 2022, notably the recruitment of a second coder.

² See the recent SG Resource Spending Review at <https://www.gov.scot/news/resource-spending-review/>

2. **Identify efficiency savings in the non-staff budget.** We have already achieved savings in non-staff budgets in recent years, but as technology and work practices develop there may be scope for further savings in IT provision and connectivity, travel, etc. It is also possible that a future Crofting Bill will create scope for savings by e.g. removing the need for a census every year, or giving more flexible options for regulatory advertising.
3. **Identify any spare management capacity.** The introduction of 2 new Senior Leadership posts in 2022 was necessary. The deficiency of our leadership structure had been highlighted by external audit, and the need for two additional posts was a key recommendation by Glen Shuraig, and was agreed by the Commission's Board and the Scottish Government as our funders. Nevertheless, it represented a substantial additional investment in the management tier. Should there be the need for staff savings in future, how these new posts have complemented and dovetailed with the need for staff savings in future, how these new posts have complemented and dovetailed with existing management roles at B3 and B2 would be closely examined, and it is possible that some spare capacity could be identified within these grades.
4. **Reduce capacity in crofting development or RALU.** If further reductions are required after the above three options have been exhausted, we would unfortunately require to make reductions in our front-line teams. These reductions could not be in the Regulatory, Registration, GIS or Customer Services teams which are essential for responding to regulatory applications and avoiding future backlogs¹. Instead, they would have to be in the areas of development, RALU or possibly grazings. While the work of these teams is no less a statutory function, they are less demand led.

We understand that some public sector bodies have chosen to see **all** voluntary exits by staff as an opportunity for budget savings, with the presumption that recruitment to replace them will take place only in exceptional cases. For the Commission, given the priority currently being given to crofting and the Commission's work, such an approach would be inappropriate. *However, when staff do leave, the Commission's management will continue to consider whether this provides opportunities for changes that would secure an overall increase in the efficiency of how we deliver our functions, with the objective of creating as much budget headroom as possible. The option of not replacing the member of staff is always considered as part of such a review.*

Key challenges for our Workforce Planning

Budget level and uncertainty

The Crofting Commission was created in 2012 as a successor body to the Crofters' Commission, taking on a range of new or increased duties in relation to the registration of crofts and common grazings, the annual census, and a substantially redesigned system for enforcing residency and land use. The Glen

¹ The alternative, as noted by external auditors, would be for the Commission to accept lengthier turnaround times as the norm; but this would not be acceptable to the Commission or their clients.

Shuraig report of 2021 was the first major (though incomplete) attempt to identify the staffing required to fulfil these functions, and it concluded that the previous staffing level had been insufficient. It is anticipated that the increase in resources to permit an increase in the regulatory team in 2022/23 will substantially resolve the issue of resource for regulatory casework, but other historic tensions look set to continue.

Moreover, in common with other public sector bodies, the Commission is normally notified of its budget for the next financial year, in December of each year. As a result, the Commission has to be ready to adapt at short notice should there be any unexpected change in the level of our budget.

Unpredictable workload

The greater part of the Commission's work is demand-led. The Commission has little control over the number of regulatory applications made, nor the processes which the law requires us to follow in responding to them.

Skills and specialisms

The vast majority of posts in the Crofting Commission require the post holder to have a high level of skill. Although it is several years since an assessment of the grading of Commission posts was made, it is believed that the demands on the majority of CC posts may be towards the upper end of the normal requirements for the pay band across the Scottish Government. If so, this may account for the fact that more CC staff succeed in securing promotion into the rest of SG, than are promoted from SG into the CC.

Even more significant is the high level of specialist knowledge required in several of our posts, ranging from the knowledge of crofting law required of our regulatory, regulatory support, registration, grazings and RALU staff, to the technical/professional skills required of our Finance, IS, GIS, comms and compliance staff. This degree of specialism poses a challenge for flexibility within the organisation – the ability for people to cover for each other, and an additional degree of difficulty for moving between posts (either to meet the needs of the organisation or to broaden their experience as an aid to progression). For the most specialised and critical skill sets, it imposes on management a need to consider retention and succession planning for individual posts.

Introduction of Executive Team

Changes made at SMT level since spring 2019 resulted in a flat top management structure which had a large number of managers reporting directly to the CEO. In 2021, Glen Shuraig noted that the structure was not working well. The lack of a tier between the CEO/Solicitor and the B3 team leaders meant that senior management and operational leadership was very stretched, with governance roles that would normally be carried out by Directors split between them, and consequently an over-reliance on one individual in several key posts.

In 2022, a new Executive Team was created, with two new C band Director posts complementing the existing CEO and Solicitor positions. This has resolved the structural deficiencies noted by external audit and Glen Shuraig, but bedding in the new posts will lead to significant changes in the way the Commission's top management works, with implications for the CEO, the B3s, and staff across the organisation.

Staff turnover

The perceived high level of turnover of staff has been a concern for the Board, management and staff for some time. Exceptions have been 2020 (there were very few staff departures during the critical phase of the pandemic) and 2022, when turnover has again been low. However, as a small and specialist organisation, the Commission remains vulnerable to staff losses.

The rate of turnover for A band and B1 staff has been of particular concern. In the calendar year 2021 eleven permanent staff left, six on a level transfer or to higher paid posts within the Scottish Government in Inverness, one to the UK civil service fast track scheme, and four retirements. Each departure represented a loss of skills that are important to the organisation – for example, it takes up to 12-18 months for new staff to become proficient with the complexities of regulatory casework. Where the former postholder is replaced by someone from within the organisation, the knock-on consequences may be that several teams lose an experienced pair of hands.

Staff absences

In 2021/22, our average working days lost through sickness absence was 7.8 days per person (slightly over the Scottish Government average of 7.3). Further analysis highlights that 60% of the 7.8 days relates to colleagues on long term absence. Given the relatively small size of the Commission, longer term absences put additional pressure on the remaining staff.

Individual line managers continue to liaise with those affected and identify whether there are any work-related issues arising from any particular individual's sick leave. This is reported back to the Executive Team who identify whether it is necessary to make any changes to working practices.

Staff satisfaction

The Commission takes part in a staff survey in October each year, as part of the survey of all Scottish Government staff. Until 2021 we also undertook an additional one in the spring when some of the questions were tailored to focus on particular issues facing the Commission.

The survey results for October 2021 were less favourable, reflecting the strain on the organisation from 18 months of growing backlog pressure and the disorientation caused by the pandemic. However, the results for October 2022 show a marked improvement, presumably as a consequence of the Glen Shuraig report, the Government's increased investment in the Commission's workforce, and the Board's and management's plan to tackle the backlog of casework.

Priorities for Staff Wellbeing

Health and Safety

The Commission has a statutory responsibility for the Health & Safety of its staff, which is discharged by the Director of Corporate Services, supported by a Health & Safety Officer and a Health & Safety Committee. This work has increased in scope since the arrival of the covid-19 pandemic, and now includes a focus on supporting the wellbeing of staff working alone at home. The DCS reports regularly to the Audit & Finance Committee on developments, progress and the organisational response.

Support

The Board and management team of the Commission are fully committed to the wellbeing of our staff, and ***we will continue to work with staff, particularly through the Staff Engagement Group and Trade Unions to improve the experience of working for the Crofting Commission and to resolve any issues.*** The Staff Engagement Group meets regularly; these meetings have generated initiatives such as regular training hours and wellbeing events, and SEG works with managers to address the concerns raised in the staff surveys.

We will continue to use annual staff surveys to gather systematic feedback from staff on issues, concerns and morale, and ***when staff leave we will continue to invite them to give an exit interview to gather further feedback. In addition, we offer private interviews with continuing members of staff,*** so that we do not have to wait until they leave to invite their considered thoughts.

Priorities for Workforce Development

Integrating multiple sites

In 2021, the Commission appointed 4 new staff to be based at offices in the Western Isles though initially they, like many Inverness-based staff, are working mostly from home. The island posts and home working both present challenges for the cohesion of the team, and also opportunities for different ways of working and greater proximity to crofting communities.

In 2022 we have appointed more staff based in remote locations and working from home.

The Commission has taken care to support staff working at home, both with practical IT support and also a range of business-related and social initiatives designed to retain connectedness across all staff.

The Commission has a written policy on hybrid working, but this will require continual review as post-covid working practices evolve. The Commission will be guided by the HR policies of the Scottish Government, but adapting them where necessary and permissible, to reflect the Commission's unique role and composition.

Induction

In recent years, the majority of our recruitment has been to the A3 grade. We now have a well-established method of external recruitment to this grade, with fair and open competition to take up permanent A3 positions, in the regulatory, registration or corporate services teams. Once they have passed probation, staff are able to compete for level transfer or promoted posts anywhere across the Scottish Government. We believe recruitment into the Commission on these terms is a very attractive option for skilled people wanting to work in the public sector, and this is evidenced by the high number of quality applicants that these recruitments attract.

The creation of non-Inverness posts and the greater use of home working have implications for the induction of new recruits. In 2021 we reviewed and updated our Induction Pack to ensure it meets the needs of new recruits in all teams and all locations.

Training

Training was highlighted within the 2019 staff survey as a key area of frustration for staff. In 2020 we made improvements to our procedures to address these concerns: we continue to promote Personal Learning for all staff as a responsibility of staff, supported by their line manager and by the Commission's Local Learning & Development Support Officer; and we have reviewed and strengthened job-specific training, particularly for Regulatory staff. For regulation, the training offered is a combination of briefings by Regulatory Support colleagues, application-based training delivered by the Regulatory training officers, instruction by IS in the use of the IT systems, and peer-to-peer training.

Career progression

The Commission is a fairly small body which means that opportunities for career progression within the organisation can be limited. In recent years there have generally been many opportunities to progress through our administrative grades to executive positions at B1, but progression to B2 and beyond has proven difficult as there is a much slower change in staffing at this level. The expansion of the Commission in 2022 has brought some welcome opportunities for promotion above B1, but in the long term the structural issue will remain.

Furthermore, the B1 posts which come available have tended to require particular skills and knowledge, so it is very often easier for those already working in the same area to secure the promotion.

A number of colleagues have been promoted into other parts of the Scottish Government, and while this is a loss to the Commission it is of benefit to the individuals as well as to the teams they join. Conversely, we know that other staff regard the Commission as their long term employer and wish to continue here.

In order to enhance Commission staff's prospects for progression, we continually consider whether we can broaden the opportunities for staff to gain experience by taking on different posts, or different roles, within the Commission. We also support staff who wish to gain experience through secondment to other organisations, especially those with connections to crofting.

In addition, we expect line managers to give their staff personal support when competing for a promoted post whether within the Commission or not.

Performance management

The Commission uses the Scottish Government's performance management system, as all our permanent staff are on Scottish Government terms and conditions. Operating within this system, ***we will set out clearer expectations on the behaviours and skills that will support delivery of the new Corporate Plan; focus on continuous improvement; and provide a clearer link between performance management and individual development.*** This will strengthen an environment where our staff know that their development is encouraged and valued.

Equalities

The Commission undertakes to develop all staff, and positively values the different perspectives and skills each brings to our work. Our Equality and Diversity Plan (available on our website www.crofting.scotland.gov.uk) outlines our continued commitment to delivering our functions in a manner that encourages equal opportunities and aims to eliminate unlawful discrimination and other conduct prohibited by equality legislation.

Resilience and flexibility

The small and specialised nature of the Commission means that resilience is a very important consideration especially in the face of limited budgets. This has become very apparent in recent years when the Commission has had to deal with challenging situations with backlogs of work and staff have had to be temporarily reallocated to address this. The size of the organisation means that our specialist teams are also small, and key skills and knowledge may only be possessed by limited numbers of staff. The continuity of key skills and knowledge is an important consideration to ensure that the organisation is equipped to deliver its functions.

Equally, as a small organisation, we need our staff to be able to take on diverse roles. An example is our commitment to create an Environment Team within the Commission during 2023/24, which will meet quarterly and spearhead the Commission's response to the climate and biodiversity emergencies. This team will be drawn from existing staff from various teams.

Skills Development and Succession Planning

Some of the posts in the Commission are so specialised that, should a postholder leave, it is highly likely that we would need to recruit a replacement externally. Examples include the Commission solicitor, DevOps Engineer and finance professional. In 2021, we also used external recruitment to secure postholders in the Western Isles, and a communications officer, and in 2022 we used external recruitment as part of our strategy to increase the number of B1 caseworkers, and for recruiting a new Head of Digital.

From time to time we have also secured incoming staff at all levels from the Scottish Government, other government departments or externally.

However, for most of our posts, a substantial knowledge of crofting and its regulation is important, and very often the successful candidates for such posts are from within the Commission. Thus, although we are a small organisation, it is important to have a strategy for skills development of existing staff, to enable them to compete for and successfully progress to promoted and specialist posts within the Commission.

Some of the key skill sets required at a senior level within the Commission are set out in the following table, with comments on how staff are able to develop these skills.

Regulatory Support (i.e. regulatory decision making in difficult cases)	The Commission needs a chief regulatory decision-maker, currently the Head of Regulatory Support. Several Commission staff have the opportunity to work on complicated casework, and there are several B2 posts in Regulatory Support, Regulation, RALU and Grazings.
Operational management	While RALU and Grazings managers have operational responsibility, by the greatest operational management challenges are the B3 and B2 posts overseeing the regulatory work. A restructure of the management roles for this work, including the creation of an additional B2 post to focus on CIS product ownership and improvement, is strengthening the team and providing more opportunities for developing the skills. In addition, <i>B band staff wishing to strengthen their operational management skills will be supported to undertake relevant training courses.</i>
IT strategy and delivery	Since the re-establishment of a full-time Head of Digital role in 2019, the IS team has progressed a broader range of projects than before (including remote working, cloud-based systems, online applications, digital census, as well as CIS and workflows). The Head of Digital has strongly encouraged development and training for all members of the team. The leader of the team requires the ability to lead a broad digital service for the organisation and the members of the team are exposed to this type of work as far as possible.
CIS Product Owner and Business Analyst	These two posts are critical to the Commission's ability to develop CIS, and they require a strong combination of technical skills and a detailed knowledge of regulatory processes. Appointment to these posts has been by identifying existing staff with regulatory knowledge and the technical aptitude needed for the role, and then bespoke training for them. However, should either postholder leave or move, there would be a substantial training requirement to replace them, and a likely delay to future CIS releases.
GIS team	GIS team members need a combination of regulatory knowledge and GIS skills. In the past both recruitment options have been used – recruiting staff with GIS skills and training them in regulation, or recruiting caseworkers and training them in GIS skills. In theory, resilience could be provided by ensuring that there are a number of regulators with GIS skills who are able to cover this work when necessary. At the present time the team is recognised to be small and pressured, so this is a priority to resolve.

Crofting policy and development	<p>The current Board has emphasised the importance of strengthening crofting for future generations, focusing on the RALU team, grazings team and development officers. Many officers in the Commission, in these teams and elsewhere, have a good knowledge of crofting policy issues and the challenges the crofting system faces. They have opportunities to deepen their knowledge through engagement with commissioners, assessors and other crofters, and through internal seminars about the work of the various teams. There is likely to be a restructuring of the teams in this area when the temporary Head of Policy and Development leaves the Commission, and closer collaboration between development, grazings and RALU staff would help individuals in all those teams to broaden their knowledge.</p> <p>In addition, there is a policy skill set – how to influence changes through public sector organisations and Government – which relatively few in the Commission have direct experience of. This may need to be strengthened through the expanding work of the development team, SG-based training courses, and occasional secondments.</p>
NDPB Governance	<p>For some years the Commission has relied heavily on two people, the Head of Business Support and Compliance and the Head of Finance, to keep on top of all the legal and constitutional requirements of an NDPB and to promote good practice. It will be desirable for more staff to have exposure to this work, although the skill sets can if necessary be brought in through external recruiting.</p>

It is a difficult balance to strike between encouraging staff to specialise and retaining flexibility so that one team can help out another that is under pressure. Therefore, ***we will develop the range of opportunities that are offered to staff in terms of training and working within different roles.***

Crofting Commission

March 2023

Action plan

Action	Target Date	Lead officer
<i>When staff do leave, the Commission's management will continue to consider whether this provides opportunities for changes that would secure an overall increase in the efficiency of how we deliver our functions, with the objective of creating as much budget headroom as possible. The option of not replacing the member of staff is always considered as part of such a review.</i>	ongoing	CEO
<i>We will continue to work with staff, particularly through the Staff Engagement Group and Trade Unions to improve the experience of working for the Crofting Commission and to resolve any issues.</i>	ongoing	DCS
<i>When staff leave we will continue to invite them to give an exit interview to gather further feedback. In addition, we offer private interviews with continuing members of staff.</i>	ongoing	Senior Management Team
<i>In order to enhance Commission staff's prospects for progression, we continually consider whether we can broaden the opportunities for staff to gain experience by taking on different posts, or different roles, within the Commission. We also support staff who wish to gain experience through secondment to other organisations, especially those with connections to crofting.</i>	ongoing	Executive Team
<i>We will set out clearer expectations on the behaviours and skills that will support delivery of the new Corporate Plan; focus on continuous improvement; and provide a clearer link between performance management and individual development.</i>	May 2023	DCS
<i>B band staff wishing to strengthen their operational management skills will be supported to undertake relevant training courses.</i>	July 2023	DOP
<i>We will develop the range of opportunities that are offered to staff in terms of training and working within different roles.</i>	ongoing	Executive Team

As most of the actions are 'ongoing', we will review progress of the actions in August 2023 to check that delivery of our aspirations is on track.

CROFTING COMMISSION MEETING

22 March 2023

Report by the Chief Executive

Regulatory Casework Update

SUMMARY

This paper provides the routine update on the numbers of regulatory applications discharged and received by the Commission each month and awaiting decision at the end of each month.

Throughput of Regulatory Applications

The number of applications discharged during the last three months up to the end of February 2023 is reported to be 374. The number of applications that will be discharged during the fourth quarter of financial year 2022-23 (Q4) is forecast to be 437, extrapolating the mean number of applications discharged each month this year. This compares with 441 for Q1, 496 for Q2 and 427 for Q3. The numbers discharged during December and January were noticeably lower than average for the year, which is partly a result of the holiday period.

Further details and analogous historic data are provided in **Figure 1**, below.

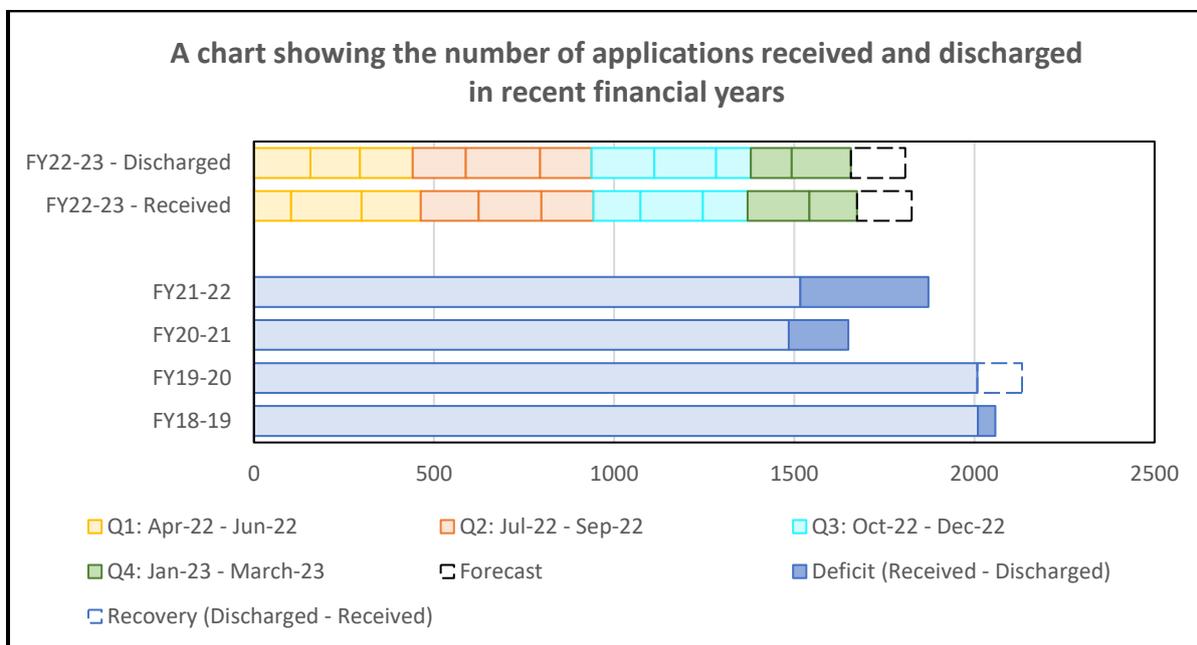


Figure 1 – The number of applications received¹ and discharged² in recent financial years. The solid blue bars represent the total applications received for each financial year. In addition to this the darker blue and dashed outline represents the deficit and surplus of applications discharged respectively.

¹ Some applications which become valid and complete at a date subsequent to the date of initial receipt have been double counted in the 'received' data shown in Figure 1, yielding over-estimation of deficits.

² An application is considered 'discharged' once a decision is taken to approve or refuse the application or when it is confirmed that a decision is no longer required because the application is withdrawn or invalid.

The outstanding balance of undecided applications at the end of February 2023 is reported to be 1034, yielding a three-month rolling average of **1042** for the estimated balance at the end of January. The historic trend is shown in **Figure 2**, below.

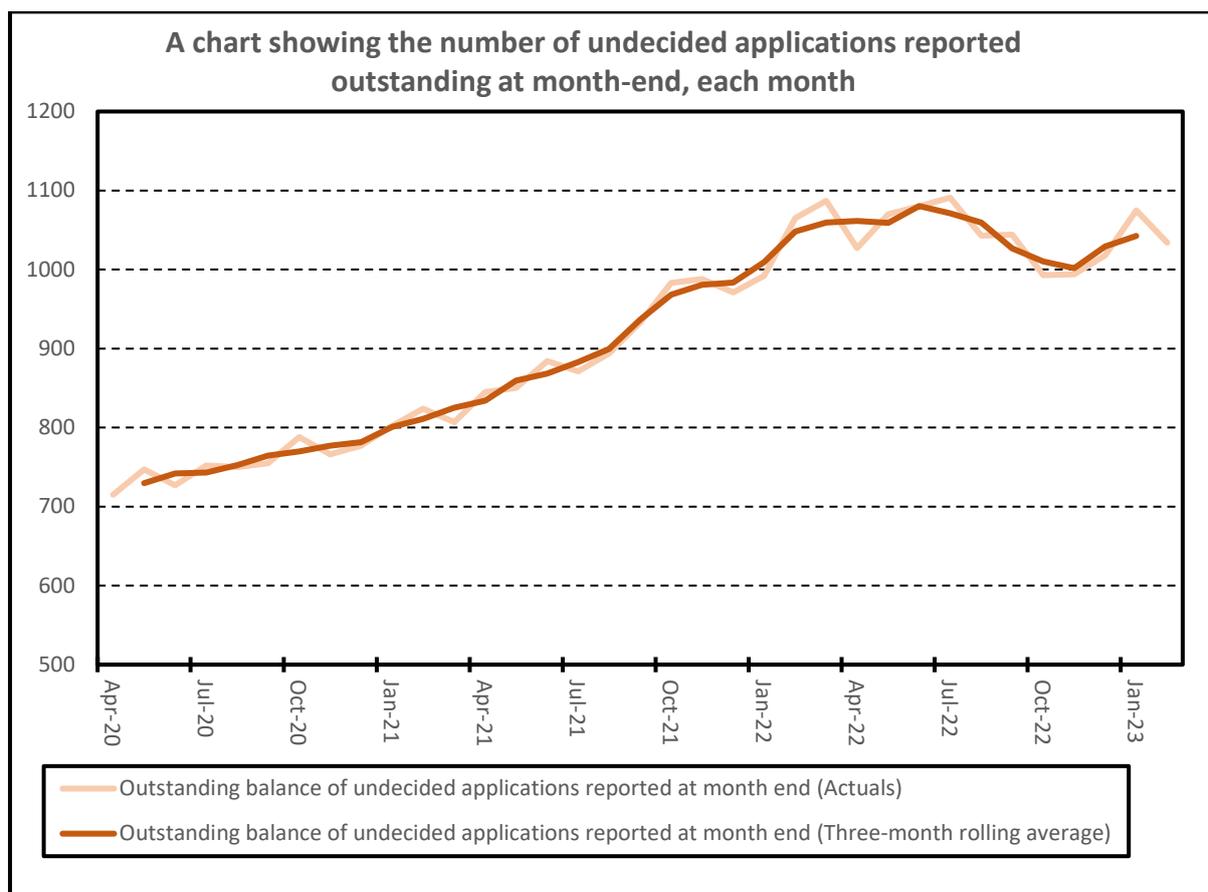


Figure 2 – The numbers of applications estimated¹ to be awaiting decision at month-end, as a three-month rolling average and as reported actuals.

Impact:	Comments
Financial	There will be an enduring requirement for higher staffing levels to deliver regulatory casework.
Legal/Political	Casework delays can have negative implications for the ease of regulatory decision-making and have reputational impacts for the Commission.
HR/staff resources	Sustained high volumes of outstanding regulatory casework mean ongoing pressure on staff resources in casework teams and beyond.

RECOMMENDATION

The Board is invited to note the latest iteration of the monthly statistics about the throughput of decision-making on regulatory applications, as of 3 March 2023.

Date 3 March 2023

Author Heather Mack, Head of Operations

¹ New applications must be assumed to be valid and complete, until they are assessed to be otherwise, creating uncertainty in the total number of valid, complete applications awaiting decision at any point in time. There can also be some variation in the number of applications waiting to be recorded as received at the end of each month so the three-month rolling average is thought to provide a more reliable indicator of performance than the reported actuals.

CROFTING COMMISSION MEETING

22 March 2023

Paper by the Director of Operations and Policy

Regulation – Lines of Enquiry

SUMMARY

This paper aims to:-

- Summarise, briefly, the context, origin, and status of the ongoing strategy to improve the rate of Commission decision-making on regulatory applications by increasing the resource allocated to casework;
- Consider some of the problems causing or underlying the casework challenge; and reflect on the feasibility of their rapid improvement or resolution in the immediate term;
- Set out the agreed '*lines of enquiry*', which aim to direct further exploration of the challenge and our responses;
- Outline development internally of a cross-cutting, formal plan setting out what performance improvement interventions will be made during the next year and beyond and specifying when they can and should be made; and
- Identify, at Annex A, some interventions that could be included in the plan – some of the interventions will already be underway, some will be proposed within the new plan, and some will require down-selection of competing options.

The Casework Challenge; and the Commission's Response so far

In response to a growing outstanding caseload of undecided applications and unresolved cases, in 2021 the Crofting Commission decided to increase its staff resource for responding to regulatory applications. That improvement strategy was recommended by Glen Shuraig Consulting in November 2021; and the requisite Scottish Government funding was made available from April 2022. Since then, the Commission has been recruiting and training additional staff. The additional recruitment is largely finished, with a further two staff members due to join in March 2023.

The organisation thereby aimed to increase the number of cases it completes from approximately ~1500 per annum during the pandemic to ~2000 in the financial year 2022-23 and to ~2500 in 2023-24 (as set out in the 2021 business case to Scottish Government). The organisation is expected to complete about ~1800 applications during the financial year 2022-23. In the last six months, the caseload of outstanding applications has stopped growing and appears now to be fluctuating at around 1000 cases. The caseload has shown some initial signs that it may be starting to decrease, although we will not be able to confirm a trend for several months.

The level of improvement achieved so far is short of the Crofting Commission's target; and lengthily delayed responses to crofters' applications are seen to be a serious customer service and reputational issue for the Commission; so the Board and Management Teams are exploring new options for making further improvements.

Potential Causes of the Casework Challenge and the Feasibility of Rapid Resolution

Demand is increasingly expressed for rapid intervention to reduce the outstanding caseload quickly. Arguments have been made questioning how impactful the majority of the Commission's regulatory activity really is – and therefore whether it needs to be delivered as thoroughly or as carefully as it is now, or at all. These arguments make assumptions around what the Commission is obligated legally to do; about how challenging those obligations should be to discharge; and about how beneficial they are when discharged.

There is a risk of false assumptions. The Crofting Commission reports that it refuses a very small number of applications; so far this year, the Commission has refused approximately 1% of the applications received. However, the absence of refusals does not mean that the majority of applications received by the Commission are approvable in their initial form. Anecdotally, those applications that can be approved in their first iteration are sufficiently rare that caseworkers advise that it is note-worthy when they receive one. Instead, caseworkers, at all levels, are supporting applicants to submit approvable applications, by helping crofters iterate their applications and plans, at various stages of the decision-making process and sometimes several times over the lifetime of a single case.

The duty to decide upon crofters' applications is defined in law and placed on the Commission by the Scottish Parliament and Government. There is, therefore, unlikely to be an immediate quick fix available to the Commission whereby it sheds its regulatory decision-making functions; or delegates those decisions below the point of scrutiny.

Instead, we are likely facing a longer-term challenge. However, the organisation does not have a structured medium- or long-term improvement plan; and is not assessing its progress against such a plan. Instead, the organisation has been taking an increasingly reactive approach, including in response to increasing appetite for a rapid, short-term correction. No such 'quick fix' has been forthcoming – so a reactive approach is likely to become counter-productive.

Recognising that challenge, the Commission is working to identify and better understand the various problems it faces; and to explore and identify new options for how to respond to them. In the afternoon session of the Board meeting on 8 Feb 2023, the Board discussed efficiency of the organisation. Various specific issues were highlighted, including the following:

- There is felt to be a lack of clear strategic direction as to what the regulatory casework is seeking to achieve – as to how crofting communities should be different as a result of casework decisions. It would therefore be difficult for staff to exercise more discretion over casework decisions, in the absence of clear guiding principles or a desired strategic outcome at which to aim.
- The organisation has tended, wherever possible, to support applicants to submit applications that the Commission can approve – the proportion of rejected applications in the last year has been as low as 1%. This means applications can take a long time to resolve.
- The Commission has designed casework processes that seek to move decision-making responsibility out of the hands of caseworkers and into the IT system, to ensure consistency of action by relatively junior staff. That approach limits the freedom of caseworkers to exercise discretion over how casework is done. Moreover, the approach also means that implementation of ambitious changes requires IT development, which has proven difficult to deliver.

- More experienced staff have adopted informal workarounds, including to free themselves from some of the constraints of the IT system. This tends to introduce other inefficiencies and has, over time, reduced scrutiny and oversight of the case handling process. It has also exacerbated problems with the quality of data and management information.
- Improvement activities are not being governed as if they are a change programme. The organisation does not have a plan of scheduled, timed interventions nor a description of its future operating model to target systemic changes. The organisation has not therefore been assessing formally and regularly its progress at a level below Board reporting or against milestones that are sufficiently planned and controlled to drive and measure progress. Furthermore, lines of accountability for the rate of decision-making on applications have been unclear and not always aligned with responsibility for delivery.

Lines of Further Enquiry

In discussion, the Board, on 8 Feb 2023, identified several 'lines of enquiry' to direct further exploratory work to better understand how to respond, including:-

1. The purpose of the crofting system and its regulation;
2. The proportion of applications refused;
3. Risk appetite, and options for streamlining the regulatory process;
4. Pressure points, including, currently, capacity in GIS and, potentially, at Tiers two and three;
5. Planning and programme management; and governance and reporting;
6. CIS and its design and development;
7. The future Operating Model for the Commission, including potential digital delivery of the regulatory application service.

Planning and Next Steps

The breadth of issues where there may be need for intervention, the magnitude of change sought, and the likely long lead times for implementing changes means there will need to be a timed plan of activities, to direct, coordinate and monitor our interventions. We will also need to understand and articulate the inter-dependencies between activities, including, in particular, dependencies on IT development and on legislative change. The Commission will therefore develop such a plan as an immediate next step. We may, in due course, find that we also need to build a programme structure around the organisation's improvement work, including to monitor and manage progress against the plan.

It has been and will be possible to initiate implementation of some interventions quickly – where the benefits and disbenefits are clear, the risks are well understood and managed, and there are not immediate barriers to progress. Where such opportunities have been identified already, they are being progressed. The organisation will maintain an agile approach and continue to look for opportunities to implement changes quickly, as it undertakes longer term planning.

However, we need to understand the problems well enough to identify and deliver the right long-term changes. Implementation is therefore not normally immediate. Instead, we aim to assess the problems, compare options for different interventions, and plan their execution. The proposed 'lines of enquiry' are being used to structure this thinking, which will be an iterative process. Proposals have been and will continue to be informed by views from caseworkers and from across the organisation. Suggestions and challenge are sought from the casework teams through set-piece discussions; engagement with and feedback from individuals; and through a structured process for gathering and prioritising innovative ideas for changes to CIS and case-handling processes.

Furthermore, even where the right course of action is relatively clear, many improvements will depend on long-lead-time work, like ambitious IT changes and legislative reform. The Board and management have a crucial role in building an organisational culture that facilitates realistic planning of deliverable solutions. Impartiality and openness about the challenges we face – and about the timescales for and likelihood of addressing them – are prerequisites to development of a deliverable plan.

The table at **Annex A**:-

- Suggests some ideas for interventions that could be made related to each ‘line of enquiry’, which may form part of the performance improvement plan being developed; and
- Sets out the interventions that are already underway.

Impact:	Comments
Financial	N/A
Legal/Political	N/A
HR/staff resources	N/A

RECOMMENDATION

The Board is invited to note that:-

- a) Officials are developing a comprehensive organisational improvement plan, across the ‘lines of enquiry’, which:-**
 - i. defines and drives a programme of specific interventions over the course of the next year and beyond; and**
 - ii. defines and agrees key milestones by which interventions will be delivered, including for monitoring progress against the plan;**
- b) A paper for the May Board meeting will set out:-**
 - i. a draft of the ‘improvement plan’, identifying the improvement activities agreed and scheduled so far; and**
 - ii. more specific proposals and options for further performance improvement interventions – and assessment criteria for comparing the options and/or for reviewing their impact; and**
- c) Officials will continue, in parallel, to progress implementation of improvements where it is possible to do so.**

Date 17 March 2023

Author Christopher Reynish, Director of Operations & Policy

The 'Lines of Enquiry', related activities that are underway, and ideas for further consideration

Issue	Immediate-term interventions	Potential options for further consideration
1. The purpose of the crofting system and its regulation		
<p>There is an expectation that the Commission will exercise discretion in its regulatory decision-making to shape land use in the interests of crofting. If they were to exercise more discretion over their regulatory decisions, caseworkers would need a clear and concise articulation of what the Commission aims to achieve by deciding on the regulatory applications it receives. They need to know how the world should look different as a result of their regulatory decisions.</p>	<ul style="list-style-type: none"> • A Board workshop to explore the issue. 	<ul style="list-style-type: none"> • Ensure decision-makers are familiar with a concise Vision statement about the impact regulatory decisions should have; articulate concisely, for caseworkers, the strategic aim to which regulatory decisions should contribute. • Develop simplified 'Guiding Principles' to inform regulatory decision-making. • Formalise the role of Tier 3 decision-making in defining Commission policy by deciding on contentious test cases. Assure that Tier 1 and 2 decision-makers become and remain aware of the conclusions of relevant test cases.
2. The proportion of applications refused		
<p>The Crofting Commission does not refuse many applications: so far this year, the Commission has refused approximately 1% of the applications received. It is understood that caseworkers are supporting applicants to submit approvable applications, by iterating their applications, at various stages of the decision-making process and sometimes several times over the lifetime of a single case. This approach is thought to be relevant to most cases rather than being an exceptional circumstance - but this is untested. The resulting positive impact for crofting communities is also unmeasured.</p>	<ul style="list-style-type: none"> • Change case handling procedures so that, where requisite information is missing, applications are rejected after two attempts to source the additional information from the applicant (made over a period of at least six weeks). • Analyse: what proportion of applications can be approved in their initial state on first receipt; how many times the most complex applications are modified; and the scale of the positive impact on crofters and crofting communities of Commission efforts to help crofters modify their regulatory applications and associated proposals. 	<ul style="list-style-type: none"> • Change case handling procedures so that, where requisite information is missing, applications are rejected immediately, with the onus on the applicant to address the issue and re-apply. • Change case handling procedures so that, when crofters remain unresponsive after a specified number of attempts to contact them about any issue that prevents a decision on their application, the application is rejected. • Change reporting methods to demonstrate clearly when applicants have revised their applications substantively in response to Commission intervention; and assess organisational performance accordingly, including by revising the methodology for measuring how long it takes to respond to applications.

Issue	Immediate-term interventions	Potential options for further consideration
3. Risk Appetite and opportunities for stream-lining the regulatory process		
<p>The Board has expressed intent to increase its risk appetite. It is not clear what this means in practice for regulatory decision-making or how it might accelerate decision-making. From a caseworkers' perspective, for example, refusing an application may be a higher risk option as it leads to challenge and scrutiny.</p>	<ul style="list-style-type: none"> • Assess the potential impacts of rejecting applications that cannot be approved, rather than helping applicants iterate their applications. • Public engagement activities to improve the quality of crofters' applications, including website development, communication through print and online media, and, potentially, workshops with crofters. • Create a series of instructional videos to be embedded in the digital application process to support crofters at each step in making good quality applications. 	<ul style="list-style-type: none"> • Conduct a feasibility study or pilot, with a small number of expert caseworkers, of a model where more decision-making responsibility is transferred to the caseworkers, by removing checks from the IT system. • Explore options for internal review of caseworkers' decision-making. • Extend tutorial videos to YouTube for non-digital applications
4. Pressure points and agile resourcing		
<p>As the throughput of casework is increasing, different parts of the decision-making process may come under strain. The organisation is monitoring the situation so it can take corrective action when needed. There may be a case for considering more formalised agile resourcing.</p>	<ul style="list-style-type: none"> • Immediate-term resource reallocation to respond to a growing caseload awaiting mapping work. • Review the effectiveness of the interface between Tiers 1 and 2, including: how we identify applications that require Tier 2 decisions; measures we take to encourage applications which can be decided at Tier 1, including triage of new applications; and structured provision of advice to senior caseworkers. 	<ul style="list-style-type: none"> • Explore agile resourcing models.

Issue	Immediate-term interventions	Potential options for further consideration
5. Planning, Governance, Reporting, and Programme Management		
<p>The organisation does not have a timed plan of interventions to deliver performance improvement. Improvement activities are not being governed as if they are a change programme. The organisation has not been monitoring progress in a way that initiates sufficient, well-targeted corrective actions when needed. The management information to do so is lacking in important areas and there are data quality issues.</p>	<ul style="list-style-type: none"> • Produce a clear, timed plan of improvement interventions. • Many interventions depend on delivery of changes to IT systems. A pre-requisite for scheduling meaningful milestones is, therefore, an understanding of how quickly those IT changes will be delivered in the future. The planning process will assess and predict how quickly and when IT changes will be delivered. • Develop internal governance structures to review progress against the plan and take corrective action. • Develop a clear statement of requirement for MI and reporting on regulatory decision-making, at several levels within the organisation, to inform planning and to understand progress against plans. • Change case handling and reporting processes to better reflect the differences between cases of different types, particularly those that are not created in response to correspondence from applicants. 	<ul style="list-style-type: none"> • Develop a programme management function. • Organisational restructuring to align lines of responsibility and lines of accountability.

Issue	Immediate-term interventions	Potential options for further consideration
6. CIS, in the short- and long-term		
<p>The Commission has designed casework processes that seek to move decision-making responsibility out of the hands of caseworkers and into the IT system. That approach has limited the freedom of staff to exercise discretion over how casework is done. The approach also means that delivery of improvements requires IT change, which has proven difficult to deliver.</p>	<ul style="list-style-type: none"> • A shift from V-Model to AGILE development moving forward, focussing on the ability to introduce controlled changes more rapidly. • Structured, caseworker-driven identification and prioritisation of requirements for improvements to casework processes and CIS. • Production of a list of the top-ten improvements that could be made to casework processes. 	<ul style="list-style-type: none"> • Develop high-level user-centric design principles defining what CIS aims to achieve and how it should achieve it. Develop a comprehensive set of user stories to define the holistic requirement.
7. The Future Operating Model, including potential digital delivery of the regulatory application service		
<p>The organisation has not defined how it would like to operate in the future to deliver its regulatory functions. Nor has it codified how it operates now. The organisation is therefore unable, currently, to describe an efficient long-term transition path to which its change initiatives should contribute.</p>	<ul style="list-style-type: none"> • Pilot restriction of access to offline forms. • Full external risk review of the digital applications process by Brodies solicitors, focussing on a Crofting and Cyber fraud perspective so that the risks can be fairly evaluated by the Board. • A horizon scanning exercise to formulate options for what service delivery should look like in three to five years. 	<ul style="list-style-type: none"> • Develop 'Guiding principles' to inform design of the future solution. • Develop an articulation of the current operating model for responding to regulatory applications. • Design a future operating model to work towards, including, where appropriate, interim operating models to describe the intermediate phases.

CROFTING COMMISSION MEETING

22 March 2023

Report by the Chief Executive

Annual Review of Standing Orders

SUMMARY

The Standing Orders governing Commission meetings were revised by the Board on 26 October 2022, in addition to the annual review in February 2022. They now come to the Board with one minor recommended addition for consideration.

BACKGROUND

Standing Orders represent one of the key governance documents in the Commission. They are shown at **Annex A** and were last revised in October 2022. The annual review offers an opportunity for the Commission to ensure every member of the Board is familiar with the details contained in Standing Orders and content with the working document.

CURRENT POSITION

During 2022, minor adjustments were made to Standing Orders following Board consideration in February and October.

The text at 3.10 relating to clearance of the minutes has, at the Board's request, been restored to an earlier version, requiring approval at a Board meeting, rather than allowing earlier clearance by email.

One further minor addition is recommended at Clause 5.1, to cover attendance at meetings, the recommendation being that any Board member sending Apologies should indicate their view on any major item on the meeting agenda to the Convener, prior to the meeting taking place.

Suggested revised text is highlighted in yellow in the document at **Annex A**.

The Board is also asked whether to revise the wording at 2.7 on the location of meetings (text highlighted for ease of reference).

Impact:	Comments
Financial	No financial implications.
Legal/Political	The Commission is required to adhere to Standing Orders as a Scottish Public Body.
HR/staff resources	The Standards Officer is responsible for ensuring the Board adheres to the provisions set out in Standing Orders.

RECOMMENDATION

The Board is recommended to include the addition of extra wording at Clause 5.1, as indicated by highlighted text in Annex A, in its annual review of Standing Orders and decide whether to revise wording at 2.7 to remove the reference to holding one of its meetings a year in the crofting counties.

Date 10 March 2023

Author Jane Thomas, Head of Compliance & Board Support



CROFTING COMMISSION

STANDING ORDERS **Relating to the Conduct of Meetings**

VERSION 1.4

Last Review: February 2022
Next Review: February 2023

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PART 1: PRELIMINARIES

- 1.1. The purpose of these Standing Orders is to ensure the orderly and effective conduct of formal meetings of the Crofting Commission and that of its constituted committees.
- 1.2. These Standing Orders apply and are effective from 24 June 2015.
- 1.3. The Standing Orders will be reviewed on an annual basis. Any amendments must be agreed by a majority of members present at a meeting of the Crofting Commission.

Amendment to these Standing Orders (other than at an annual review) shall be made only by resolution of which 14 days' notice has been given.

- 1.4. The Standing Orders may be amended by resolution carried by a majority of members present at a meeting of the Commission.
- 1.5. Where the word "**Convener**" is used in the Standing Orders, it includes any interim Convener appointed by the Scottish Ministers.
- 1.6. Where the word "**Chair**" is used in the Standing Orders in connection with a specific individual, it includes, as appropriate, the Convener (or any interim Convener) or any person appointed in terms of Standing Order 3.1 in place of the Convener to chair any meeting of the Commission or any of its committees.
- 1.7. "Public" means any person or organisation not a member of the Crofting Commission Board or a Crofting Commission official.

PART 2: CALLING MEETINGS

- 2.1. Generally, Notice of a meeting of the Commission will be given to every member of the Commission by, or on behalf of, the Chief Executive, at least 7 days prior to the date of the meeting. The Notice will be in written form and will provide the place, date and time of the meeting. The Notice will be delivered by post, fax or any accepted form of electronic communication to a member's usual place of residence or to any other address provided in writing by a member to the Chief Executive.
- 2.2. **Public Notice** of a meeting of the Commission will normally be given by posting a Notice on the Crofting Commission website at least 4 days before the meeting.

The Notice of Meeting will include:
 - a) The date, time and place of the meeting, and
 - b) Information on the availability of the Agenda and accompanying reports.
- 2.3. **Public Notice** will not be required where a **Special Meeting** is convened to deal with a matter of a particularly sensitive or urgent nature.

- 2.4. The Chief Executive will call a **Special Meeting** of the Commission when required to do so by the Convener of the Commission. A Special Meeting will also be called by the Chief Executive if in receipt of a written request stating the business of the meeting from another Member of the Commission and seconded by a majority of the Commission. The meeting will be held within 21 days of the receipt of the requisition by the Chief Executive.
- 2.5. Where a Special Meeting is called under Standing Order 2.4, the Chief Executive may call the meeting without giving the 7 days' notice normally required at 2.1 above where there is particular urgency, provided every effort is made to contact Members to give as much notice as possible prior to the meeting.
- 2.6. The Convener may wish to consult with the Board by holding an informal private meeting, for Board members only. He/she must inform the Chief Executive that such a meeting has taken place and the general nature of the discussion. Though no formal Minute will be taken, if there has been a substantive discussion involving a majority of the Board members, which could lead to an item being submitted to a future Board meeting, the Convener should draft a contemporaneous Note of the discussion, including who attended and forward this to the Chief Executive for saving. No Board decisions can be taken outside formal Board meetings.

Place of Meetings

- 2.7. Board Meetings of the Commission and meetings of its Committees will normally be held at the Crofting Commission headquarters, Inverness, on the days fixed by the Commission or by the Convener in consultation with the Chief Executive. Meetings may also be held at an alternative location or via video-link, tele-conference or other digital means. If this is the case, this will be clearly stated on the public Agenda and noted in the subsequent Minute of the meeting. Where practicably possible, the Commission will also hold at least one public meeting a year outwith Inverness in another part of the Crofting Counties, in addition to public Board meetings in Inverness.

Meeting Agenda

- 2.8. The Convener or Chief Executive will generally determine the agenda for a meeting of the Commission, but the decision of the Convener as to content of the agenda for such a meeting will be final. The agenda will be provided along with the Notice of Meeting. Anyone wishing to submit an item for the agenda of a Commission meeting must generally ensure that it is submitted in writing at least 14 days prior to the day of the meeting concerned, and by 5pm on the final day available. The agenda item must be communicated in writing to the Convener and copied to the Chief Executive. Where anyone submits an item for the agenda fewer than 14 days prior to the day of the meeting concerned, he or she must provide a reasonable explanation as to why the item was submitted fewer than 14 days prior to the day of the meeting concerned. The Convener and the Chief Executive will make reasonable endeavours to include any such submitted item on the agenda for a meeting of the Commission, but the decision of the Convener as to whether or not to include the item on the agenda will be final, seeking the advice of the Standards Officer as necessary. This is without prejudice to Standing Order 3.8 governing Commission decisions and voting.

Urgent Business

- 2.9. No business other than that specified on the agenda will be transacted at the meeting, other than that which the Convener or the Chief Executive has accepted as urgent in advance of the meeting (with the decision of the Convener on the matter being final). Any such accepted urgent items will be dealt with under the Any Other Business (AOB) agenda item. The circumstances for including such urgent business shall be recorded in the minute of the meeting.

PART 3: ATTENDANCE AT MEETINGS

Chair

- 3.1. The Convener must, if present, chair meetings of the Commission and any of their committees. If the Convener is not available to chair a meeting of the Commission or a committee, the Convener is to appoint another member of the Commission to chair the meeting.

Where the Convener is in attendance remotely and is suffering from digital connection issues, making acting as Chair impractical, the Convener may opt to be considered as not in attendance for the purposes of Chairing the meeting.

Where the Commission has nominated a Vice-Convener, he or she may chair meetings in the absence of the Convener where the Convener has not nominated another member of the Commission to chair proceedings. Where both the Convener and Vice-Convener are absent and no member has been nominated, the Chief Executive will preside over the nomination of another member to chair from the members present.

Quorum

- 3.2. A meeting of the Commission must consist of at least five members. Where there are three or more elected members, the quorum must include no fewer than three such members.

Meetings shall, subject to the presence of a quorum, start at the time set out in the Notice of the meeting. If a quorum is not present, the Convener may allow ten minutes before adjourning the meeting and fixing a time, then or afterwards, for it to take place. Where the Convener is not present and no other member has been nominated to chair the meeting, the Chief Executive, in consultation with members present, may adjourn the meeting or record that owing to the lack of quorum, no business could be transacted.

Whenever it is drawn to the attention of the Convener that a quorum may not be present, the Convener will halt proceedings to establish the situation, and only continue should the Commission be quorate.

No item of business can be transacted at a meeting of the Commission unless there is a quorum present.

Members of the Public

- 3.3 The majority of Board Meetings will be held in public, with members of the public able to attend in person, for physical meetings or online for virtual meetings (or a combination of both). Members of the public attend as observers only and cannot participate in the debate, unless expressly requested to do so by the Convener.

The Convener will make this position clear at the start of each Board Meeting where there are members of the public in attendance.

Members of the press and public are entitled to attend meetings of the Commission. However, the Commission may decide or determine that matters of a confidential or sensitive nature should be considered without the press and public in attendance. The agenda for a meeting of the Commission may contain items marked in advance for consideration in the exclusion of press and public, but any decision or determination of the Commission as to whether or not a matter is confidential or sensitive and is to be considered in exclusion of the press and public will be conclusive on the matter.

Members of the public, either as a whole or as individuals, may be invited to a private section of a Board meeting by the Convener, where a majority of the Board agree.

Conduct of Meetings

- 3.4 The person in the Chair must be respected by all members at a meeting of the Commission. The Chair has the authority to rule on any points of order or matters of procedure. It is the responsibility of the person chairing the meeting to ensure that members obtain a fair hearing and that order is preserved. In the event of any disorder, the Chair may adjourn the meeting for a suitable period.

In the event of any member failing to respect the authority of the person in the Chair or being guilty of obstructive or offensive conduct, the Chair may seek an apology or have a short adjournment. If necessary, a motion may be moved to suspend the member for the remainder of the meeting. The member will then be required to leave the meeting.

Sederunt

- 3.5 The Chief Executive or another officer will record the names of the members present at each meeting of the Commission, as well as those who have submitted apologies for their absence.

Order of Business/Adjournment

- 3.6 The business of the meeting of the Commission will normally be conducted in the order set on the agenda. However, where the members consent, the order may be altered for the benefit of the meeting. The Chair may, with the consent of the members, also adjourn the meeting to another time and date and place, if necessary. In the event of any disorder, the Chair has absolute discretion to adjourn the meeting, and his or her quitting the Chair in the event of such disorder will bring the meeting to an end.

Declarations of Interest

- 3.7 A member of the Commission, or any officer working on behalf of the Commission, who has a direct or indirect interest in a matter being considered at a meeting of the Commission or a committee of the Commission, must disclose the nature of the interest to the meeting. Members who are crofters are not excluded from taking part in discussions relating to crofting.

Any disclosure of interest must be recorded in the minutes of the meeting.

Anyone declaring an interest should not take part in any deliberation of the matter, unless that is confined to general principles, as opposed to the specifics of the case. Such deliberation on general principles should only be with the consent of the other members.

Anyone declaring an interest must not take part in any decision of the Commission or of any committee of the Commission in respect of the matter to which the disclosure relates. Consideration should also be given to removal from the room while the matter is being discussed and determined. Any removal from the room following a declaration of an interest, and at what stage in proceedings, should also be recorded in the minute of the meeting.

Commission Decisions and Voting

- 3.8 Whenever possible the Commission will seek to make decisions by reasoned debate and consensus. Only in situations where it is not possible to reach a conclusion in this manner will voting be required.

Where it is clearly understood what the members are voting on, formal motions from members will not be necessary.

Where an item of business that requires a decision has been given full consideration, and all members have had the opportunity to make their contribution, any member may propose a motion and seek a seconder. Any amendments to the motion must also be proposed and seconded. A member cannot move or second both the motion and amendment, or likewise more than one amendment.

Any motion or amendment to a motion must be written down and read out prior to any vote being taken.

Once moved and seconded, a motion or amendment will not be withdrawn without the consent of the mover or seconder.

Where there is a vote between the motion and amendment, the vote for the amendment will be taken first. If there is more than one amendment, the vote may be taken against each amendment, before being taken against the motion or, if determined by the Chair, each may be taken individually against the motion.

The vote of the Commission will normally be taken verbally or by a show of hands. If any member objects to the vote being taken in this manner, and a majority of those present and entitled to vote agree, the vote will be taken by ballot.

The person chairing a meeting of the Commission or any committee of the Commission has a casting vote.

For the avoidance of doubt, Standing Order 3.8 shall not apply to the provision of instructions to a solicitor (whether an in-house solicitor or an external firm of solicitors) unless the Chief Executive brings a particular matter for decision on which a specific instruction is required to be given to a solicitor/ solicitors acting on behalf of the Commission. The Chief Executive is required to set out the nature of the instruction that is sought or required before any decision is made to provide such an instruction.

Recording Dissent from Decision

- 3.9 A member may have his or her dissent to a decision of the Commission recorded, provided that such a member requests immediately (or as soon as reasonably possible) after the item is disposed of that such dissent is recorded.

Once a decision has been reached, all members have a corporate responsibility to recognise and accept the decision as that of the Crofting Commission. Corporate responsibility entails that members must adhere to and accept such a decision until it is otherwise altered.

Minutes of Commission Meetings

- 3.10 A minute of a meeting of the Commission will be taken on behalf of the Commission. The minutes will record the names of members in attendance and those apologising for their absence, and the business transacted at the meeting. A draft copy of the minutes will be circulated to members by email, for comment and suggested amendment. A final version of the draft minutes will be circulated to members with the papers for the next Board meeting and approved by that meeting. A copy of the approved Minute will be made available on the Commission website.

In between the dates of Board Meetings, to assist with administration and the efficient use of Commission time and resources, the Convener and Chief Executive may determine that routine papers can be circulated electronically or by post for Commissioners' comment, approval or rejection. It will be incumbent upon each Commissioner to respond within the agreed period of time, unless the Commissioner has already intimated his or her non availability. Where a Commissioner has not received an e-mail, it is permissible to request that the matter is discussed at a meeting of the Commission.

In the event that the Commissioners responding to the emailed/posted paper confirm their approval of any Recommendation(s) made in the paper, this will be accepted as the Decision of the Commission, with immediate effect. In order for the Commission to act with transparency, any Decision agreed in this way will be intimated at the next Public Board Meeting, to allow the Decision to be recorded in the Minute of the meeting and therefore made public.

In the event of a paper not receiving approval by a majority or if a Commissioner raises an unacceptable risk to the Commission relating to the paper, it will be remitted in the first instance to the Convener and/or Chief Executive, before deferral to the next meeting of the Board for full deliberation and decision.

PART 4: COMMISSION COMMITTEES

Committees

- 4.1 The Commission must establish –
- a) an audit committee; and
 - b) such other committees as it considers appropriate.

The Commission may combine its audit and financial obligations, to provide an Audit & Finance Committee of at least three members, in compliance with the Scottish Public Finance Manual. The members should be either non-executive directors or, if there are insufficient non-executives, independent external members. Committees should be chaired by a non-executive director and at least one of the committee members should have recent and relevant financial experience. This committee and any other committee of the Commission must comply with any directions given to it by the Commission. The Commission may appoint individuals who are not members of the Commission to its committees. However, no committee may consist solely of non-Commission members.

The Commission may appoint a Vice Chair of the Audit Committee or may leave it to the members of that committee to choose its Vice Chair.

The provisions of the Standing Orders, with the obvious exception of what constitutes a quorum, will apply to committees as the Commission considers appropriate. Other sub-committees and working groups need not operate to the same formal level. Such groups will not have any delegated authority and will report back to the Commission or make recommendations for Commission approval.

Decisions of a committee will not take effect until these decisions have been reported to the Commission, and been approved by the Commission, unless falling within the following category:

- a) A matter included in the delegation to or remitted with powers to the committee;
- b) Any matter that the committee considers to be urgent, which although not included in the annual budget does not entail major expenditure and has the approval of the Chief Executive and the Convener, and complies with the delegated responsibilities afforded to the Chief Executive of the Commission;
- c) Any routine matter that does not involve a change in policy.

Minutes of Committees

- 4.2 The minutes of meetings of such committees will be made available to all members. In addition, a report explaining the deliberations of each committee will be provided at a meeting of the Commission.

The minutes of meetings of committees will be submitted to the next meeting of the Commission by the Chair of the committee (a) for confirmation in respect of business delegated or remitted with powers and (b) for approval in respect of matters referred. Any matter arising from the minutes should be addressed by a member of the committee who was present at the relevant meeting. The Commission will consider such matters and take decisions with immediate effect.

PART 5: MISCELLANEOUS

Non-attendance at Meetings

- 5.1 Members should tender their apologies to the Convener and to the Chief Executive, if possible in writing (by letter or electronically) as soon as practically possible, once they become aware they will be unable to attend a meeting.

Any member unable to attend a Board meeting should indicate to the Convener their view on any major item on the relevant meeting agenda, to allow this to be intimated at the meeting.

If a Member of the Commission has been absent from meetings of the Commission for a period of six months without the permission of the Convener, the Chief Executive will draw the matter to the attention of the Scottish Ministers, to consider removing the Member by giving him or her notice in writing. This is in line with Schedule 1 of the Crofting Acts.

Delegation of Powers

- 5.2 The Crofting Reform (Scotland) Act 2010, Schedule 1, Section 15(1) provides for the Commission to delegate its functions to: any of its Members; any of its committees; its Chief Executive; any person whose services are provided to it by the Scottish Ministers; and any of its employees. The Commission will have the ability to determine the type of functions it can delegate and the extent to which these functions can be carried out on its behalf. Section 15(2) specifies that the Commission continue to have responsibility for the exercise of its functions even after a function has been delegated.

The Chief Executive has the power to refer for further consideration by the Commission, by way of a Notice of Referral, any decision taken which may be considered by the Sponsor Division as giving rise to or likely to give rise to a contravention of a statute or any Code of Practice, or maladministration. This Standing Order is without prejudice to the Chief Executive's role as Accountable Officer.

Members' Code of Conduct

- 5.3 All members of the Commission will be bound by the provisions of the Commission's [Code of Conduct](#), approved by the Standards Commission for Scotland.

CROFTING COMMISSION MEETING

22 March 2023

Report by the Director of Corporate Services

CIS Release Governance

SUMMARY

This paper details the current Crofting Information System release protocols for the upcoming build 1063, and proposes that the Board adopt a strategic release plan for this specific release.

It is recommended the Board agree a new release governance procedure for the Crofting Information System which includes final release sign off by the Board on receipt of a detailed pre-release report from officials, where the release is identified as carrying greater than usual risk.

BACKGROUND

The Commission is in the final testing stages of releasing build 1063 of the Crofting Information System (CIS). Under normal development governance, the decision to release a new build would ordinarily sit with the Product Owner and Product Sponsor once all appropriate gateway approvals have been met. However this release of the CIS is substantial in both its scale and the complexity of some changes, which in turn brings substantial risk.

With the appointment of the new Head of Digital, the Commission has gained a valuable asset in terms of release governance and process experience, and an early recommendation is that the Board consider this release of the CIS to be a strategic matter and as such should be involved in the final sign off for release.

WHAT HAS CAUSED THE INCREASED RISK

Although many of the changes to the CIS are fairly small in scale and easily managed in isolation, build 1063 of the CIS makes two fundamental changes to the core of the system and data retention; significant changes to the core data tables in the background could result in data corruption if not successfully migrated, and the introduction of retention functionality that will ultimately have the facility to permanently delete files associated with cases.

To better understand this **Annex A** gives a descriptive breakdown of what the CIS is actually comprised of.

Annex B gives a simplified approximation of the changes to the CIS data tables.

CURRENT TESTING GOVERNANCE MEASURES

In order to assure the release of build 1063 as securely as possible, various stages of testing and assurance checking will be carried out as part of the normal release process. The stages are as follows (high level descriptions):

- Unit testing – low level system testing done by the developers, including data migration
- System testing – a combination of verification of the data migration process and build testing for bug identification
- User acceptance testing (UAT) – targeted scripts for specific functions combined with real-world scenario testing
- Post release testing – a final stage of data verification to ensure the data migration was successful once the new build is deployed but before the system goes live for general use

These testing measures have been underway for some time, with the Commission now getting ready to start the final stages of system testing on the data migration process, and UAT. Each stage of the testing involves multiple officials to ensure the best chance of identifying issues.

NATURE OF THE RISK

The above testing phases will offer a high degree of assurance or the release will be postponed until this can be achieved, as previously from the planned 5th December release. There are two inherent risks at the point of release:

1. The release is tested and issues are noted immediately. In this case the release would be aborted and the current build, 1062, would continue to be used until the identified issues are resolved.
2. The release is tested and no issues are found, however at a later date issues are noted that cannot be corrected. In this scenario the only walk back option would be to restore the Register of Crofts (RoC) back to the point of release, losing any work between that point in time and the issue being highlighted. The likelihood of this will be indicated pre-release and will be low.

Scenario 1 above carries no significant risk, however scenario 2 has potential risk in both reputational and legal terms, with a minimal financial risk. The exact level of impact would depend on the severity of any data corruption, combined with the scale of the action needed to recover it. Smaller scale corruptions may be correctable via some technical work or manual case recreation, however in the worst case scenario case outcomes, decisions and in progress applications could be lost should a full restore be required. In this scenario it may be possible to reconstruct some records from paper documents sent to the Commission, however all internal CIS records would be lost and would require creation again. The impact of this would depend on the length of time passed before the issue was reported. Such an outcome would undoubtedly be poorly received in the Crofting Communities should it become public knowledge, and could fundamentally impact the trust held in the Commission.

The most significant risk of complaint or compensation claim would likely come from Crofters or representatives who have incurred delays or additional costs from the above noted scenarios. As the primary function of the Commission is as a Regulatory body, and the RoC is the main tool that facilitates this, any indication that the Commission is not able to safely maintain this could also result in severe reputational damage, which could include interest from our Sponsor division. This could also potentially lead to legal implications if it is asserted that the Commission is not competent to perform its duties effectively.

It should be noted however that although the potential implications of the risks might seem significant, the Commission development team are confident that the potential for the risks detailed materialising remains very low as entire areas of data migration would need to fail and be unnoticed for extended periods of time by a wide range of testers and users; there is no risk of single records failing.

CONCLUSION

Given the risks noted through this paper, the recommendation is that the Board agree the release of this build (1063), as well as any other subsequent release that is identified to carry greater than normal risk, be put to the Commission Board as a strategic decision. Future releases that are smaller in scope or which carry less risk will continue to be approved operationally, with the Product Sponsor deciding if the release meets the criteria for escalation to the Board.

To support the Board in this process once all testing is done the Commission will produce a final release report, which will cover in detail:

- All testing steps completed to date, with details of the outcomes
- Assurances from the developers with a level of confidence
- Assurances from the system testers with a level of confidence
- Assurances from UAT, including statement of confidence that the new build is fit for purpose in a real-world environment
- Assurances from the Product Sponsor, with a level of confidence
- Details of any outstanding bugs or issues that are known and planned for post release fix

It is suggested that upon receipt of this report that the Board can choose to:

1. Sign off the release
2. Ask for further assurances from Officials in any area they wish
3. Ask for any further assurance as wished from external parties

Commission officials recognise that this report will be technical in nature, however it will be produced in plain English with technical detail as an annex, and the Board will not be expected to be technical experts but instead to perform the role of challenging the Officials as to the level of confidence in the release stability. It is suggested that the Board may wish the Audit and Finance Committee (AFC) to be an initial stage of scrutiny for this release, and to make a recommendation to the Board.

The full proposed process is noted below in summary format for ease.

<p>Summary of proposed release strategy where strategic risks are identified</p> <ul style="list-style-type: none">• Commission carries out system testing and UAT as normal• Pre-release report produced detailing;<ul style="list-style-type: none">○ Overview of the change(s) identified as a “greater than normal” risk○ The nature and possible impacts of the risk(s) identified○ Officials level of confidence that testing can address the risk(s)○ Recommendation for release by Product Sponsor• Board invited to challenge the process and confidence level of officials• Board will then;<ul style="list-style-type: none">○ Approve release or,○ Ask for further assurance action

Given the timing of the next Board meeting, this would mean that the final release could not be signed off until the Board meeting scheduled for May 2023, unless the Board were happy to agree the approach detailed above and accept the report via electronic means between the March and May Board meetings.

Impact:	Comments
Financial	Minor risk where compensation claims and repeated application costs may be claimed from the Commission in the event of a serious failure or data corruption.
Reputational	The Commission would suffer significant reputational damage from both Crofters and other stakeholders, with the potential for negative press coverage.
Legal	The Commission may be open to legal challenge around the circumstances of lost applications and the delays to personal circumstances of Crofters. As the Commission is the owner of the Register of Crofts, any indication that the integrity of this is in doubt could result in potential challenge to the Commission at a fundamental level.

RECOMMENDATION

It is recommended the Board agree a new release governance procedure for the Crofting Information System which includes final release sign off by the Board on receipt of a detailed pre-release report from officials, where the release is identified as carrying greater than usual risk.

Date 9 March 2023

Author Aaron Ramsay

Description of CIS make up

Although the main program which allows Commission staff to interact with the Register of Crofts is often referred to as the CIS, the “S” in CIS is shortened from SYSTEM it is actually a range of products.

At a high level the CIS is a range of products which support the Register of Crofts, as follows:

- A database – this is what we refer to as the register of crofts
- A front-end interface (GUI) that allows interaction with the database – the program commonly referred to as CIS
- An admin tool that allows more low-level interactions with the database by admins
- A tool that performs the update to the Commission website for the RoC Online
- Stored procedures that power digital application submissions
- And (as of build 1063) a tool which purges “deleted” documents once their retention date has passed

Breakdown of data migration

Two tables exist in the current version that store stakeholder details. In build 1063 these tables are merged into a single table to make future development and reporting more efficient. The current version of CIS follows this example format (not the actual structure or data, simplified for example purposes):

Table 1	
1 – Name	Joe Bloggs
2 – DOB	01/01/2020
3 - Status	Tenant
4 - Agent	GGH barns

Table 2	
1 - Name	Jane Doe
2 - Agent	Smith's Ltd
3 - DOB	01/05/1980
4 - Status	Landlord

Post release the merged single table might look similar to this:

	Entry 1	Entry 2
1 – Name	Joe Bloggs	Jane Doe
2 – DOB	01/01/2020	01/05/1980
3 – Status	Tenant	Landlord
4 – Agent	GGH Barns	Smith's Ltd

This is highly a simplified example however what it demonstrates is that any part of CIS which interacts with data from table 2 will now have different locations in the single merged table. The migration needs to combine the two tables into the same format. All functions of the CIS which read from or write to this fields also need updated.

CROFTING COMMISSION MEETING

22 March 2023

Report by the Director of Corporate Services

Digital Applications and Paper Form review

SUMMARY

This paper gives a summary of identified risks and benefits of removing all access to paper based application forms, other than by exception.

It is the recommendation of the Director of Corporate Services that a wholesale removal of the paper forms would be unwise at this point in time, however targeting one type, such as subletting, for a defined period of time would allow full evaluation of the risks and public responses in a real-world environment. This will better inform the Board for the future strategy around the wider removal of paper based forms as a whole.

It is also recommended that, should this go ahead, the Board agree to make subletting applications live to the general public to allow for a complete assessment of public response and potential issues that may be greater for other more complex application types.

BACKGROUND

The Crofting Commission (CC) embarked on a project to convert all of its application forms into a digital process that functioned online, however uptake of this has been slower than anticipated. In September 2022 the Director of Corporate Services (DCS – then Head of Digital) presented a paper to the Board for consideration around ways to improve uptake of the Digital application system. This paper consisted of five options as follows:

1. *Allow the submission of PDF based applications created offline*
2. *The Commission should actively promote and encourage crofters to self-serve via the digital system*
3. *Introduce real time status for applications, restricted to the digital portal*
4. *Remove PDF based forms for application types live digitally*
5. *The Commission could allocate digitally submitted applications to a separate team, in essence prioritising them*

The Board agreed proposals 1-3, however did not wish to enact proposals 4 and 5 at the time, in line with the recommendations of Commission Officials.

While access to the digital system has been temporarily restricted to members of the public, access to trusted organisations, professional organisations that the Commission have approved for the digital applications system, has remained open but uptake has still been disappointing.

This paper looks in detail specifically at option 4 in the list above to evaluate if that recommendation has changed.

CURRENT PERFORMANCE

The digital application project currently has a total of 70 applications in the period Sept 2022 – Feb 2023, with a small trend upwards. This compares to 295 paper applications¹, meaning roughly 19% are done digitally of the types live. The table below shows a full comparison of this to paper based forms¹.

	Sept 22		Oct 22		Nov 22		Dec 22		Jan 23		Feb 23	
	Digital	Paper										
Assignment ²	9	26	1	21	2	22	3	23	2	20	2	18
Decrofting (all types)	3	16	8	15	2	30	2	10	5	28	1	23
Subletting	4	4	2	7	3	5	4	7	10	7	7	5
Short Term Let	0	1	0	1	0	2	0	1	0	2	0	1

1 – paper figures taken from March 2023 casework update, less digital application volumes from online stats

2 – NB Assignations have always been restricted to trusted organisations

The above analysis does not account for those members of the public who could not access the digital system and which may have used it, however this does show that the paper based route is still the primary choice for the majority of applications received.

The trend in digital applications also shows, as a general rule, it is the more straightforward digital application type, Subletting, that is most frequently used. Currently no Short Term Let applications have been completed digitally. Additional stats for those digital applications using collaboration links, the facility for more than one party to collaborate on an application, show that this has been used only 3 times in the past 6 months.

RISKS OF REMOVING PAPER FORMS

Below is the summary of benefits and risks presented at the September 2022 Board meeting regarding removing access to paper forms.

ACTION	BENEFIT	RISK
Remove PDF based forms for application types live digitally	<ul style="list-style-type: none"> Customers forced to use system, increasing uptake Better realisation of top line benefits of the digital system more rapidly 	<ul style="list-style-type: none"> Potential customer complaints Commission could be seen to be discriminating against those without the means to submit applications digitally, including older and disabled people, or be forcing the use of solicitors or agents Professional agents may reject the process and/or complain Some crofters may feel they are being forced to use a solicitor or agent at their expense if they cannot use the digital technology

The previously identified risks focus primarily on the Commission being perceived as restricting application availability, or crofters perceiving that they are being forced to use agents or solicitors for applications if paper forms are restricted. However there are many things to consider within this context.

Accessibility

As a Government body the Commission is committed to ensuring that we offer a fair and accessible service to all users. Removing routine access to paper forms may be seen as contrary to this commitment, and further assessment of compliance with accessibility and equality laws may be required. This includes older and disabled people. It should be noted that the Commission already has a commitment to offer forms in a range of formats upon request, including Gaelic and large print, however these are prepared as requested and not routinely produced.

Crofter capability and technology limitations

The digital application system has been designed to be as user friendly as possible and entirely self-service, however it does still rely on a user having both access to the required technology (any device with a modern browser, and email address, and internet access) and being able to manage the technology.

Using the recent shift to online annual notice returns as a case study offers some insight into potential issues a digital only service might incur. The Commission in 2021 issued approximately 13,600 census forms to individuals. It is estimated that approximately 700 (5%) of these individuals contacted the Commission for assistance, citing reasons which included having no technology, internet, or personal ability to complete the return digitally. As this can be considered easier than a full digital application, especially where multiple parties are involved, then it is reasonable to expect at least this percentage of crofters to struggle with a digital application, though that figure would likely be much higher.

Accusation of discrimination

The Commission may be accused of discriminating against those without the technological means or the practical capability to complete an online application. The Commission has already received one such stage two complaint with regards to the digital only census return. For digital applications this could extend to accusation of forcing crofters to use agents or solicitors, incurring additional costs in some cases. It should be noted that at the Lairg public meeting in 2021 this was one concern that was raised by crofters.

Registers of Scotland (RoS)

Currently the digital application process covers only the Commission side of an application, and elements that include any RoS forms or cheque payments still require a corresponding postal submission. This means that any first registration or subsequent event application type still requires a postal submission, which in turn may put people off using the digital system and splitting this process. This may also invite negative comments around a digital system which requires a paper form to be sent as well.

Managing stakeholder expectations

There is still a challenge securing buy in to the digital system from some stakeholders and agents / solicitors, including those the Commission work with regularly. These organisations regularly seek ways to bypass the wizard and digital application system in favour of a list of paper forms, and removal of this for other professional bodies may cause complaint or negative public comment.

Conclusion

The digital applications currently account for approximately a fifth of the applications received for the types that are live digitally, noting that the restriction of access to the general public for the entire 6 months stats window discussed previously will have impacted this. Although an informed prediction of likely public response to the removal of paper-based forms can be made based on other digital shifts, it is not possible to fully predict the exact response removal of paper application forms will illicit.

The uptake of digital applications is undoubtedly impacted by the current restriction of the service to the general public, however the limited statistics suggest that even regular trusted organisations who use the system stick to more simple application types, or applications where they represent both parties. This does suggest a potential technological blocker, however this cannot be evaluated fully from the information currently available.

The Commission Board can actively decide to allow the development of the digital system over time with a focus on promotion and better online support materials, or can aim to push a more rapid forced adoption of the digital system, being mindful of the law around accessibility. Both options have degrees of commitment, however in order to realise the full financial and resource savings of the digital application system a more rapid shift is required.

Impact:	Comments
Financial	None of significance
Reputational	The Commission may suffer some reputational damage through negative online interactions or publications from parties opposing the digital applications system
Legal	There is a chance the Commission could come under legal challenge on the grounds of discrimination if paper alternatives are not still available on request

RECOMMENDATIONS

It is the recommendation of the Director of Corporate Services that a wholesale removal of the paper forms would be unwise at this point in time, however targeting one type, such as subletting, for a defined period of time would allow further evaluation of the risks and public responses in a real-world environment. This will better inform the Board for the future strategy around the wider removal of paper based forms as a whole.

It is also recommended that, should this go ahead, the Board agree to make subletting applications live to the general public to allow for a complete assessment of public response and potential issues that may be greater for other more complex application types.

Date 10 March 2023

Author Aaron Ramsay

CROFTING COMMISSION MEETING

22 March 2023

Paper by the Chief Executive

Commission Visibility in Crofting Communities

SUMMARY

- This paper provides information and options for activities to increase the Crofting Commission and individual Commissioner's visibility with the crofting community.
- The Board's views are sought on which activities they wish to see staff pursue.

EXISTING EXTERNAL ENGAGEMENT

External engagement at present is carried out across the Crofting Commission in various different guises to inform and support crofters or other stakeholders. There is scope to improve upon the effectiveness of these events and create a more coordinated and organised approach to external engagement. Some engagement is carried out to meet our obligations placed upon us by legislation or the National Development Plan for Crofting.

An example of our current external engagement would be the work of the Development and Grazings Teams, who have extensive engagement with the Crofting Community. They are working in collaboration with the Farm Advisory Service to provide practical workshops on finances for Common Grazings, which are regular drop in sessions where Grazings Clerks can seek support and suggestions for issues that they face. The Development team also propose to significantly increase communication and training for the new role of Crofting Commission Area Representatives. In 2022 the Development and Grazings Teams took responsibility for attendance at agricultural shows throughout the crofting counties and also attend the Cross Party Group on Crofting.

Less frequently, there has been similar outreach by the Regulatory Support and Regulation teams, both in formal hearings on contested applications, and sometimes through open surgeries where crofters can come and discuss live or potential applications, and the finer points of regulatory processes.

Commissioners themselves are often accessible in their communities, and this has been supplemented by formal or informal attendance at Shows, Roadshows or question and answer events of various kinds.

SUGGESTED APPROACH

Staff suggest that Commissioners consider a two pronged approach to increasing the visibility of the Commission and Commissioners within the Crofting Community:

- one which focuses on policy explanation and strategic issues, led by Commissioners;
- and a supplementary more practical approach which offers support and signposting to Crofters on specific issues.

Policy meetings can address broad issues and allow the Commission to be informed in their discussions with Government and other stakeholders; they do not address the issues of the individual, but focus on policy themes. Workshops, led by experienced staff, allow for staff to share their expertise on specific issues and address common themes and problems that the Commission have identified. Surgeries give one to one support for crofters and are accurately recorded with due regard given for data protection issues.

Whilst it is recognised that in-person meetings are positive and should be facilitated wherever is possible, digital solutions have also been suggested within this paper, as they have been shown to be very effective and well received by crofters.

The following sections list alternative methods for meeting the crofting public, both through Policy Centred Events and Support and Signposting Events. Both can complement the existing communications work which is ongoing with digital and print media.

A. POLICY CENTRED EVENTS

Public Meetings (in person)

In person, public meetings can give Commissioners and staff a chance to focus on a specific part of policy, present and explain the Commission’s stance and allow for questions and comments from the floor.	
Pros	Cons
In person communication is preferred by many	Cost and resource intensive
Complex points of policy can be explained and questioned	Accessibility can be problematic if using community venues
Personal relationships can be developed	Catering must be compliant with legislation
	Problematic for many to attend

Public Meetings (online)

Online public meetings can give Commissioners and staff a chance to focus on a specific part of policy, present and explain the Commission’s stance and allow for questions and comments from the audience.	
Pros	Cons
Low cost	Technology limitations may exclude some
Complex points of policy can be explained and questioned	More limited in opportunities to build personal relationships with individuals
Personal relationships can be developed	
Remote rural communities can attend	
Recordings can be made available for participants to view after the event at a time convenient to them	
Events can be open to all crofters regardless of location	

Holyrood reception

An evening or lunchtime reception allows for Commissioners and staff to develop a better understanding amongst decision makers of the role and remit of the Commission along with allowing focussed discussion on the new policy and corporate plan.	
Pros	Cons
Direct engagement with MSPs and staff will allow for a better understanding and communication can be improved	Travel, subsistence and catering will involve cost
Complex points of policy can be explained and questioned	
Personal relationships can be developed	

Public sector conferences

Attendance, by having a stall or a speaking slot, or a combination of both, at public sector conferences (such as the agritourism conference in autumn), will promote the Commission and our work amongst key stakeholders in civic Scotland.	
Pros	Cons
Direct engagement with other stakeholders will open up further opportunities to collaborate and develop new initiatives which support our policy and corporate plan	Travel and subsistence for staff and Commissioners attending will involve cost.
Complex points of policy can be explained and questioned	
Personal relationships can be developed	

B. SUPPORT AND SIGNPOSTING EVENTS

Evening Workshops (in person)

Evening workshops allow staff to deliver key messaging and support to targeted groups.	
Pros	Cons
Working with outside organisations, such as FAS, decreases costs	Timing can exclude many groups who have caring responsibilities or responsibilities at their crofts
Resources can be used several times	
Personal relationships and complex questions can be discussed	
Staff can combine workshops with other meetings in remote rural locations	

Evening Workshops (online)

Online workshops allow staff to deliver key messaging and support to targeted groups.	
Pros	Cons
Low cost	Limited opportunity for individuals to develop personal relationships
Resources can be used several times	Technology limitations may exclude some
Crofters can attend regardless of location	
Recordings can be made that can be accessed after the workshop	

Attendance at 3rd sector events

Working with the 3 rd sector within Crofting Communities at events is a proactive approach to community engagement	
Pros	Cons
Low cost	Limited opportunity for individuals to develop personal relationships
Resources can be used several times	Depend on the events being well attended by members of the public
Audience who attend such events are generally receptive	
Develop professional network of other organisations that we can signpost to or work in collaboration with	

Support surgeries (in person)

Hosting surgeries in community venues where Crofters can book an appointment to attend to meet with specific staff for support and guidance	
Pros	Cons
Direct support for members of the public who attend	Admin heavy
Resources can be used several times	Travel and subsistence will be costly

Support surgeries (online)

Hosting online surgeries where Crofters can book an appointment to attend to meet with specific staff for support and guidance	
Pros	Cons
Direct support for members of the public who attend	Admin heavy
Resources can be used several times	Technology limitations may exclude some
Staff time is more efficient without the need to travel	

Working with other organisations as guest contributor

Staff attending events hosted by other organisations, such as NFUS or SCF to offer information and guidance on our policies	
Pros	Cons
Develop professional network of other organisations that we can signpost to or work in collaboration with	Travel and Subsistence could be costly
Resources can be used several times	Remote rural communities may not travel to centralised events
Build more effective relationships with other stakeholders	

Pop up stall at auction marts

Targeting specific sales where crofters are likely to attend to offer support, guidance and information to crofters	
Pros	Cons
Direct support for members of the public who attend	Travel and subsistence claims could be costly
Resources can be used several times	
Captive audience	

Supermarket Surgeries

Targeting specific shops and supermarkets within the crofting counties and having a small information stall in the lobby	
Pros	Cons
Direct support for members of the public	Travel and subsistence claims could be costly
Resources can be used several times	
Captive audience	

Attendance at Agricultural Shows

Targeting specific agricultural shows to provide support, signpost and make better connections with key people within the Crofting Community.	
Pros	Cons
Direct support for members of the public	Travel and subsistence claims could be costly
Resources can be used several times	
Captive audience	

Impact:	Comments
Financial	Each in-person event will require careful consideration to ensure that best value can be achieved.
Legal/Political	External communications are essential for communicating important information to crofters, for enhancing the Commission's influence, and for protecting the Commission's standing.
HR/staff resources	Staff may require additional training to enable them to be effective at communicating and supporting crofters.

RECOMMENDATION

We recommend that a balanced approach to events is created with a mix of both policy themed events and practical events; with due consideration to available staff experience and resource.

Commissioners are invited to recommend their priorities from the list included in the paper.

Date: 24 February 2023

Author: Kirsteen Currie, Communications Officer

CROFTING COMMISSION MEETING

22 March 2023

Report by the Chief Executive

Report on meetings with Sponsor Division

SUMMARY

This paper lists meetings since the last Board meeting, which have involved both the CEO and Sponsor Division.

BACKGROUND

Among other themes in the Deloitte report was the need to improve the reliability of communications between Sponsor, CEO/SMT, the convener and the Board, to ensure that the Board as a whole were kept informed of all relevant developments. As part of this, a brief summary of recent meetings involving the CEO and Sponsor is included on the agenda for each Board meeting.

RECENT MEETINGS INVOLVING CROFTING COMMISSION CEO AND SPONSOR DIVISION

<i>Topic and Date</i>	<i>Commissioners attending</i>	<i>Lead SG officer(s)</i>	<i>Agenda items</i>	<i>Key outcomes</i>
Bill Group meeting, 20 February	Convener	Michael Nugent, Aileen Rore	Restricting decrofting options for crofters who are in breach of their duties; also technical points about registration.	Commission solicitor ensured that Crofting Commission perspective is understood.
Meeting with Cabinet Secretary, 14 March	Convener	TBC	Backlog; Implementation of Business Case including recruitment; Priorities; Early thoughts about a new approach to crofting regulation	TBC
Bill Group meeting, 15 March	Convener	Michael Nugent, Aileen Rore	Streamlining the RALU process; removing statutory deadlines for Commission actions; frequency of census; grazing committee duty to report	TBC

IMPACT

Regular provision of these reports will ensure that all Commissioners are informed of discussions between the CEO and the SG Sponsor Team.

RECOMMENDATION

The Board is invited to note this report.

Date 10 March 2023

Author Bill Barron, CEO

DATE OF NEXT MEETING

10 May 2023 - St Kilda

ANY URGENT BUSINESS

EXCLUSION OF PRESS & PUBLIC