



**CROFTING COMMISSION  
COIMISEAN NA CROITEARACHD**

***COMMISSION MEETING***

***25 FEBRUARY 2026***

**CROFTING COMMISSION MEETING  
ST KILDA, GREAT GLEN HOUSE  
25 FEBRUARY 2026 AT 0900 hrs**

**AGENDA**

<b>1 APOLOGIES</b>	<i>Oral</i>	<i>Standing Item</i>
<b>2 DECLARATIONS OF INTEREST</b>	<i>Oral</i>	<i>Standing Item</i>
<b>3 DRAFT MINUTES FROM 17 DECEMBER 2025*</b>	<i>Minutes</i>	<i>For approval</i>
<b>4 REVIEW OF ACTION POINTS FROM PREVIOUS MEETING (of 17 December 2025)</b>	<i>Paper</i>	<i>For info</i>
<b>5 MATTERS ARISING FROM PREVIOUS MINUTES</b>	<i>Oral</i>	<i>Standing Item</i>
<b>6 AUDIT &amp; FINANCE COMMITTEE REPORT</b>		
(a) <i>Update from Chair of Committee</i>	<i>Paper</i>	<i>Standing Item</i>
(b) <i>Draft Minutes from 4 February 2026*</i>	<i>Minutes</i>	<i>For info</i>
(c) <i>Medium Term Financial Plan 2026-2031</i>	<i>Paper</i>	<i>For info</i>
<b>7 UPDATE FROM CHAIR OF CIS OVERSIGHT COMMITTEE</b>	<i>Oral</i>	<i>For info</i>
<b>8 PERFORMANCE REPORT Q3 2025-26</b>	<i>Paper</i>	<i>For info</i>
<b>9 STRATEGIC RISK REGISTER Q3 2025-26</b>	<i>Paper</i>	<i>For info</i>
<b>10 DRAFT BUSINESS PLAN 2026-27</b>	<i>Paper</i>	<i>For approval</i>
<b>11 DRAFT BUDGET 2026-27</b>	<i>Paper</i>	<i>For approval</i>
<b>12 ASSIGNATION POLICY</b>	<i>Paper</i>	<i>For approval</i>
<b>13 THE FUTURE OF COMMON GRAZINGS – INFORMAL STRATEGIC DISCUSSION</b>	<i>Paper</i>	<i>For discussion</i>
<b>14 CURRENT CONSTITUENCY ISSUES</b>	<i>Oral</i>	<i>For discussion</i>
<b>15 ANNUAL REVIEW OF EQUALITY &amp; DIVERSITY ACTION PLAN</b>	<i>Paper</i>	<i>For discussion</i>
<b>16 CLIMATE CHANGE – STRATEGIC RESPONSE</b>	<i>Paper</i>	<i>For discussion</i>
<b>17 DATE OF NEXT MEETING</b> <i>6 May 2026 – via Teams</i>		
<b>18 ANY URGENT BUSINESS</b>		
<b>19 EXCLUSION OF THE PRESS AND PUBLIC</b>		

*\*Not included in public copy*

# APOLOGIES – ORAL

## **DECLARATIONS OF INTEREST – ORAL**

# CROFTING COMMISSION MEETING

## 25 February 2026

Report by the Chief Executive

### Review of Action Points from 17 December 2025

ITEM	ACTION	RESPONSIBLE OFFICER	DEADLINE	DATE COMPLETED	COMMENTS
1	CEO to work with Head of Policy to make the amendments as requested to the interim policy statement.	CEO	December 25	December 25	
2	Chair to confirm he is happy to swap the Board meeting on 24 <sup>th</sup> June and the all-staff day on the 25 <sup>th</sup> June around.	Chair	TBC	January 2026	

**MATTERS ARISING FROM PREVIOUS MINUTES – ORAL**

# CROFTING COMMISSION MEETING

**25 February 2026**

Report by the Chair of Audit & Finance Committee

## **SUMMARY**

**The purpose of this paper is to provide the Board with an update of the Audit & Finance Committee meeting of 4 February 2026.**

## **BACKGROUND**

The Board has established an Audit & Finance Committee (AFC) as a Committee of the Crofting Commission Board to support Board Members in their responsibilities for issues of risk, control and governance and associated assurance through a process of constructive challenge.

## **CURRENT POSITION**

The Committee Chair will provide Board Members with a verbal update of the AFC meeting of 4 February. Full details are in the following draft minute of the meeting.

Key points for Board Members to note –

1. We reviewed financial performance for Q3 and noted no “red flag issues”. We expect to come in very slightly below budget at the financial year end.
2. We reviewed a draft budget for 2026/27 and noted that despite a lower than requested budget allocation from Scottish Government we should be able fulfil our priorities.
3. We have requested that a detailed update on the replacement of the Croft Information System is provided to the Committee by the CIS Replacement Oversight Committee as a standing item going forwards, which should include potential risks identified regards the successful delivery of the project.
4. We reviewed our medium-term financial plan and found it to be a useful source of reference and acknowledged that there are various ‘unknowns’ regards resource implications at this time with regards to the outcome of the Crofting Bill.
5. We agreed that we would revisit the Commission Workplan in November when the implications of resource requirements relating to the Crofting Bill have been identified by the Executive Team.
6. We reviewed and accepted the proposed Audit Scotland workplan for the Commission’s 2025/26 statutory audit.
7. We discussed board self-assessment and performance monitoring and are content that this sits with the Board on the understanding that at least one self-assessment exercise is undertaken within each reporting year.
8. We noted that the Operational and Strategic Risk registers contained no new risks and the current risks remain static or are decreasing.
9. We were pleased to note that there remains only one outstanding audit recommendation from prior audits that requires to be completed and discharged.

10. We reviewed one internal audit report regards procurement card governance, which was positive, with a few low-grade recommendations that will further strengthen governance arrangements – all of which have now been implemented.
11. We discussed the Commission risk management policy and concluded that it remains fit for purpose. We gained further assurance on this issue as there is an internal audit review of risk management scheduled for early March of this year.
12. We agreed that the annual review of the Equalities and Diversity Plan is a matter for the Board going forwards.
13. We were pleased to note an informative update regards the Executive Team's ongoing arrangements to secure Best Value. This was supported by an Improvements Report that provided various examples detailing the steps that have been taken, or planned, to improve the Commission's methods of working and to strengthen performance.
14. We noted a positive report on complaints handling with a continuation in the downward trend in number of complaints received.

#### **RECOMMENDATION**

**The Committee recommends that the Board should –**

- **Approve the draft 2026/27 budget**
- **Consider the Commission Medium Term Financial Plan for information purposes at this time**
- **Schedule a Board discussion to review its performance for 2025/26 and consider priorities for Board development and CPD for 2026/27.**

Date            9 February 2026

Author         Stephen Webster, Chair, Audit & Finance Committee

# CROFTING COMMISSION MEETING

25 February 2026

Report by the Chief Executive

## Medium Term Financial Plan 2026-2031

### SUMMARY

The Commission Finance Team in partnership with the Executive Team comprehensively refresh the Commission's Medium-Term Financial Plan (MTFP) on an annual basis.

The 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 reality it is anticipated that grant awards, pay uprates and the staff structure will vary over this period. The main purpose of the MTFP is to demonstrate how relatively minor adjustments in grant award and pay uprates can have profound effects upon our allocation of resource.

Link to Medium Term Financial Plan:

<https://www.crofting.scotland.gov.uk/userfiles/file/appendices/260225/6c-Medium-Term-Financial-Plan-2026-2031.pdf>

The Audit & Finance Committee confirmed it was content with the refreshed Medium-Term Financial Plan but wished to ensure that the Board is advised it cannot be sanctioned until the full resource implications of the Crofting Bill are identified in due course.

### CURRENT POSITION

The Commission Finance Team have comprehensively reviewed and updated the MTFP. The MTFP has subsequently been peer reviewed by contacts within the 'Public Bodies Directors of Finance Forum'.

The Commission Finance Team's set of assumptions within the refreshed MTFP covering different aspects of our income and expenditure is based upon:

#### **Three potential funding scenarios for 2027/28 and beyond:**

- Funding from the Scottish Government will remain flat in subsequent years
- A year-on-year increase of 2.50%
- A year-on-year increase of 5.00%

#### **Three potential pay uprate scenarios for 2027/28 and beyond:**

- 3.0% Pay uprate
- 3.5% Pay uprate
- 4.25% Pay uprate

<b>Impact:</b>	<b>Comments</b>
Financial	<p>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.</p> <p>The MTFP should not be treated as a budget, but rather as the frame of reference against which the Commission should be aiming to demonstrate how it will achieve financial sustainability.</p>
Legal/Political	<p>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.</p>
HR/staff resources	<p>Allocation of staff resources is summarised within the MTFP.</p>

### **RECOMMENDATION**

**The Board is invited to note the contents of this paper.**

Date 9 February 2026

Author Neil Macdonald, Head of Finance, Crofting Commission

**UPDATE FROM CHAIR OF CIS OVERSIGHT COMMITTEE**  
**Oral**

# CROFTING COMMISSION MEETING

## 25 February 2026

Report by the Chief Executive

### Performance Report Q3 2025-26

#### SUMMARY

The quarterly Performance Report is one of the Commission's key reporting tools, with Outcomes linked to the Corporate and Business Plans.

<https://www.crofting.scotland.gov.uk/userfiles/file/appendices/260225/Q3-October-December-Performance-Report-2025-2026.pdf>

#### BACKGROUND

This is the third quarter report of performance using the revised format approved by the Board for the 2025/26 Business Plan. The Performance Report is split into seven sections, representing organisational functions, as follows:

- Outcome One – Commission-wide milestones and KPIs
- Outcome Two – Regulatory and Registration function
- Outcome Three – Policy function
- Outcome Four – Grazings function
- Outcome Five – Residency & Land Use function
- Outcome Six – Information Services function
- Outcome Seven – Corporate & Customer Services function.

#### CURRENT POSITION

With a quarter of the year to go, there is an expectation that things may still change, and some work will not be completed until later in the year. Bearing this in mind, of the 31 Milestones identified in the report 24 are flagged with a Green RAG status, six are marked as Amber and one is Red.

Of the 31 Performance Measures, 26 indicate a Green RAG status, 4 are set at Amber and one is currently marked Red.

Members of the Executive Team will be present at the meeting and happy to take questions from Board members on the details set out in the report.

Impact:	Comments
Financial	Tasks detailed in the report are costed within the 25/26 budget.
Legal/Political	N/A
HR/staff resources	Staff resources from all teams are expended delivering the targets outlined in the report.

Date: 5 February 2026

Author: Jane Thomas, Director of Corporate Services

# CROFTING COMMISSION MEETING

## 25 February 2026

Report by the Chief Executive

### Strategic Risk Register Q3 2025-26

#### SUMMARY

A review of the Strategic Risk Register is a Standing Item for Board consideration. Prior to a review by the Board, the register has been considered by the Audit & Finance Committee. The risk register can be seen here (<https://www.crofting.scotland.gov.uk/wp-content/uploads/2026/02/Strategic-Risk-Register-Q3-2025-26.pdf>)

#### BACKGROUND

The Strategic Risk Register is reviewed by the AFC Committee at each of its quarterly meetings and by the Board. Internal Audit have recommended that a cover paper should be prepared by the Executive Team to highlight key points. This paper provides that analysis in the form of four tables.

#### POINTS TO NOTE

##### HIGHEST OVERALL RISKS (score 100+)

<i>Ref no</i>	<i>Topic</i>	<i>Risk score</i>	<i>Comments</i>
			There were no risks in Q3 with an overall risk score above 75.

##### NEW RISKS

<i>Ref no</i>	<i>Topic</i>	<i>Risk score</i>	<i>Comments</i>
			No new risks were added to the register in Q3.

##### RISKS THAT ARE INCREASING (since last update)

<i>Ref no</i>	<i>Topic</i>	<i>Risk score</i>	<i>Comments</i>
			No risks have increased in Q3

##### RISKS WHICH COULD POTENTIALLY HAVE THE MOST SERIOUS CONSEQUENCES (Current impact 25 or higher)

<i>Ref no</i>	<i>Topic</i>	<i>Current impact score</i>	<i>Comments</i>
S6	RALUT	25	It is important to maintain a strong Residency and Land Use team to continue addressing and resolving breaches of crofting duties, contacting those who do not respond to the annual notice, absentee landlords of vacant crofts and failed successions. This is viewed as high priority work for 2025-26. The risk level recorded is Static.
S8	Budget	25	The overall current risk score fell in Quarter 3 of 2024/25 and has not increased in the first three quarters of 2025/26.

<b>RISKS WHICH ARE MOST LIKELY TO TRANSPIRE (Current likelihood 4 or 5)</b>			
<b>Ref no</b>	<b>Topic</b>	<b>Current likelihood score</b>	<b>Comments</b>
S2	Challenges to Decisions	4	Increased by Solicitor in Q4 2023/24. Static in all quarters in 2024/25. Static in Q1, 2 and 3 of 2025/26.
S5	Credibility of crofting	4	Need to progress work of Policy, Projects & Research team alongside the more established RALUT and grazings teams to ensure we are encouraging new entrants and active crofting, plus need for comms activity to highlight the continuing benefits of crofting. Work on increasing rate of Annual Notice returns prioritised.
S11	Take-up of online applications	5	While the system is working well and popular with users, reaching the potential levels of use depends on resolving key issues with Registers of Scotland, especially about fraud prevention. Changes in secondary legislation are required.

<b>RISKS THAT THE EXECUTIVE RECOMMENDS ARE DISCHARGED</b>		
<b>Ref no</b>	<b>Topic</b>	<b>Comments</b>
		The Executive Team do not recommend discharging any risks in Q3.

**RECOMMENDATION**

**The Board is invited to note the level of risk assigned in the Strategic Risk Register for Q3, controls in place and action planned and confirm it is content.**

Date: 5 February 2026

Author: Jane Thomas Director of Corporate Services

# CROFTING COMMISSION MEETING

## 25 February 2026

Report by the Chief Executive

### Draft Business Plan 2026-27

#### SUMMARY

The Board is presented with the draft Business Plan for 2026/27 for consideration and comment on the Key Performance Indicators include in the plan, with a view to the plan formally being in place on 1 April 2026.

#### BACKGROUND

The Commission wishes to publish its annual Business Plan on 1 April 2026. The main section comprises the Key Performance Indicators (KPI's), the specific actions and milestones that the Commission intends to deliver and the targets it will adopt for various key measures. The Audit & Finance Committee considered the draft plan on 4 February, with no recommended adjustments.

The draft Business Plan is based on and consistent with the 5-year Corporate Plan, which was agreed between the Crofting Commission and Scottish Government. The draft has been shared with Sponsor Division, for comment.

#### CURRENT POSITION

The draft plan does not yet include all baseline data for each KPI as some are dependent on end year figures, which will not be available until the end of March. The timeline is set out below:

- 04 February 2026: AFC review initial draft
- 05 February 2026: Draft Business Plan forwarded to Sponsor Division for comment
- 25 February 2026: Board review final draft
- 01 April 2026: Business Plan is published provided Board has approved.

<b>Impact:</b>	<b>Comments</b>
Financial	The plan has been drawn up in light of known budget position
Legal/Political	The Commission has an obligation to produce a Business Plan each year
HR/staff resources	Each team across the organisation has contributed to the draft plan. KPI's impact each team.
Consumer Duty Guidance	The plan has been drafted with due regard to Best Value

**RECOMMENDATION**

**The Board is invited to approve the draft Business Plan.**

Date 05/02/2026

Author Jane Thomas Director of Corporate Services

# CROFTING COMMISSION MEETING

## 25 February 2026

Report by the Chief Executive

### Draft Budget 2026-27

#### SUMMARY

An initial draft budget was presented to the Committee at its 5th November meeting based upon an assumption of an award of £5.997M for 2026/27. An award of £5.675M has subsequently been confirmed in the Scottish Government's draft budget published on 13 January 2026.

While this represents a 16.5% increase on the 2025/26 grant allocation, there is a shortfall of 0.322M from the original request, which included additional resource expectations relating to the replacement of the Croft Information System, Crofting Bill resource requirements and funding the statutory Board election costs.

A re-profiled allocation of funding between Staff and Non-Staff costs was subsequently considered by the Commission's Audit and Finance Committee on 4 February 2026.

The Audit & Finance Committee was content to forward the proposed budget to the Board and recommended approval. Subsequent to the Audit & Finance Committee meeting, the Commission Finance Team identified that the salary cost estimates were overstated by £20k. The Accountable Officer requested that the funding should be reallocated to 'Communications' to assist with various high priority projects, including the Crofting Bill and Board elections. The budget presented to the Board has been adjusted accordingly.

#### CURRENT POSITION

	Actual 2025/26 £1,000	November Draft 2026/27 £1,000	January Draft 2026/27 £1,000
Grant in Aid: Board Remuneration and Staff costs	4,212	4,720	4,475
Non-staff operational & project costs	658	711	704
Croft Information System Replacement	-	566	496
<b>Total</b>	4,870	5,997	5,675

The budget award is 0.322M less than requested for 2026/27. The Executive Team has adjusted the forecast accordingly with the outcome being not to recruit to various posts originally profiled within the November draft budget and revisiting non-staff operational costs and CIS replacement costs.

The reduction in staff costs of £245k represents:

- Not recruiting B3 Business Support and Compliance: role is currently covered by Director of Corporate Services and various senior managers
- Not recruiting B1 Paralegal support to Solicitor: this was an additional post, and the duties will continue to be met from the Regulatory Support Team existing resource
- Crofting Bill Resource requirement reduced by £127k: there are various 'unknowns' at this time regards requirements and commencement dates. At the time of writing the bill has just moved into the next stage in Parliament. The bill has been agreed in terms of the general principles. Now any amendments will be submitted by Scottish Government or MSPs and these will be voted on in February at the committee meetings. The Commission's original resource request was at the higher end of the expectation scale, and we will still be in a position to recruit 3 x B1 full time equivalent posts specifically to assist with actioning immediate commencements for each provision in the Act from the date of royal assent (expected by July 2026).
- Several minor salary adjustments based upon known maternity leave, movement within posts in quarter 4 of the current financial year, and the adjustment of contracted hours for two members of staff.
- The Commission Finance Team identifying a budgetary overstatement of £20k from the January draft.

The reduction in non-staff operational costs of £7k represents:

- Stripping out discretionary costs of £15k relating to grazings workshop videos and Policy Team grazing registration costs (If still deemed essential by the Executive Team, the costs will be met from the Communications budget)
- Stripping out forecast spend from several budget lines, which while immaterial individually, results in £12k savings.
- Adding an additional £20k of funding to the Communications budget from identified overstatement within salaries estimate.

The reduction in Croft Information System replacement costs of £70k represents:

- Reducing licensing costs by £20k. Head of Digital has advised full licence requirements unlikely to be required until 2027/28
- Reducing capital build costs by £50k. Head of Digital is commencing project initial discovery process in Q4 of the current financial year. It is anticipated that the costs of approx. £50k will be met from current year resource. In addition, any efficiency savings identified during 2026/27 will be reallocated to the CIS replacement project.

The basis of the elements of the proposed **£5,675,000 core budget** are as follows:

<b>Item</b>	<b>Budget basis</b>	<b>Risk</b>
<b>Salaries (including Board)</b> <b>78.8%</b> of cash budget	<p>All current vacancies filled.</p> <p>A staff churn estimate of 1.5% (£66k) has been factored into the estimate.</p> <p>The CC Finance Team has reviewed each colleague's pay step, any supplements, and anticipated employer national insurance and pension contributions.</p>	<p>Staff turnover &amp; recruitment timing is unpredictable: the exact costs incurred during the year may vary.</p> <p>The exact staff skills required may change to ensure delivery of the Commission Corporate Plan.</p>
<b>Running costs – “fixed”</b> <b>10.51%</b> of cash budget	<p>Relatively predictable running costs to support the organisation as a whole.</p> <p>There is limited room for discretion from year to year.</p> <p>The margin for flexibility has been reduced with the efficiency savings identified from prior year.</p>	<p>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.</p> <p>One specific uncertainty relates to legal costs which historically have varied significantly but have been relatively stable in recent years because of care taken to minimise losses on appeal.</p> <p>These costs are viewed as low risk.</p>
<b>Electoral Services</b> <b>1.27%</b> of cash budget	<p>This is a statutory requirement relating to the provision of returning officer electoral services for the 2027 Board elections.</p>	<p>Costs for previous election in 2022 was £58k. 2027 is an estimate by Director of Corporate Services</p>
<b>Running costs - Delivery of Crofting Annual Notice</b> <b>0.46%</b> of cash budget	<p>Dependent upon the outcome of the Crofting Bill, the Accountable Officer will recommend the Annual Notice is rescheduled to 2027 and savings reallocated to Crofting Bill staff resourcing.</p>	<p>Costs may vary from year to year to some degree but are viewed as relatively predictable and low risk.</p>
<b>"Discretionary" costs</b> <b>0%</b> of cash budget	<p>The Commission has control regards whether expenditure is incurred. All discretionary costs have been stripped out to ensure a balanced budget.</p>	
<b>Capital expenditure</b> <b>0.21%</b> of cash budget	<p>At present this is solely IT hardware.</p>	<p>Could be affected by unexpected equipment failure in any given year.</p>
<b>Croft Information System (CIS) Replacement</b> <b>8.75%</b> of cash budget	<p>Outline business case submitted to Scottish Government.</p>	<p>Finance Team view as high risk given several 'unknowns' regards timing and what the project will look like after the initial discovery process has been completed.</p> <p>Estimated delivery from discovery to go-live is approximately 11 months, but this will require to be revisited and refined in due course.</p>

	BUDGET 2025-26	DRAFT BUDGET 2026-27
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**Salaries/Remuneration**

Commissioners	105	137
Former Commissioner pensions	10	10

Budget based upon an estimated uprate for salaries. Includes a 1.5% (£66k) of anticipated efficiency savings/churn.

Staff Salaries	4097	4328
<b>Total salaries</b>	<b>4212</b>	<b>4475</b>

	BUDGET 2025-26	DRAFT BUDGET 2026-27
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**Core Running costs**"Fixed" costs

Great Glen House - cost of occupation	130	126
Great Glen House - supplies & services	34	33
Legal fees	20	20
Information systems	207	175
Training	24	21
Communication	20	37
Statutory Regulatory Advertising	31	36
Travel & subsistence - staff	25	27
Travel & subsistence - Commissioners	34	33
Audit fees & bank charges	53	45
Other running costs	39	41

<b>Subtotal</b>	<b>617</b>	<b>594</b>
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Electoral Services: Statutory Requirement

Provision of Returning Officer Electoral Services	-	72
<b>Subtotal</b>	<b>-</b>	<b>72</b>

"Discretionary" costs

Policy Team: Grazings Registrations	-	-
Strategic Communications: Grazings Workshop Videos	-	-
<b>Subtotal</b>	-	-

Annual Notice direct costs

Annual Notice Hard Cost of Delivery	29	26	<b>Refer to AO Recommendation</b>
<b>Subtotal</b>	<b>29</b>	<b>26</b>	

**Capital expenditure**

Hardware	12	12
Software	-	-
<b>Subtotal</b>	<b>12</b>	<b>12</b>

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<b>TOTAL</b>	<b>4870</b>	<b>5179</b>
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<b>Grant-in-Aid (Cash) allocation from Scottish Government</b>	<b>4870</b>	<b>5179</b>
	<b>4870</b>	<b>5179</b>

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**CROFTING COMMISSION 2026-27 CIS REPLACEMENT BUSINESS CASE BUDGET SUMMARY - £000s**

	<b>DRAFT</b>
<b>BUDGET</b>	<b>BUDGET</b>
<b>2025-26</b>	<b>2026-27</b>

**Croft Information System Replacement**

Annual licensing (est.)	-	76
Support/training/contingency	-	20
Capital implementation	-	400
<b>TOTAL</b>	-	<b>496</b>

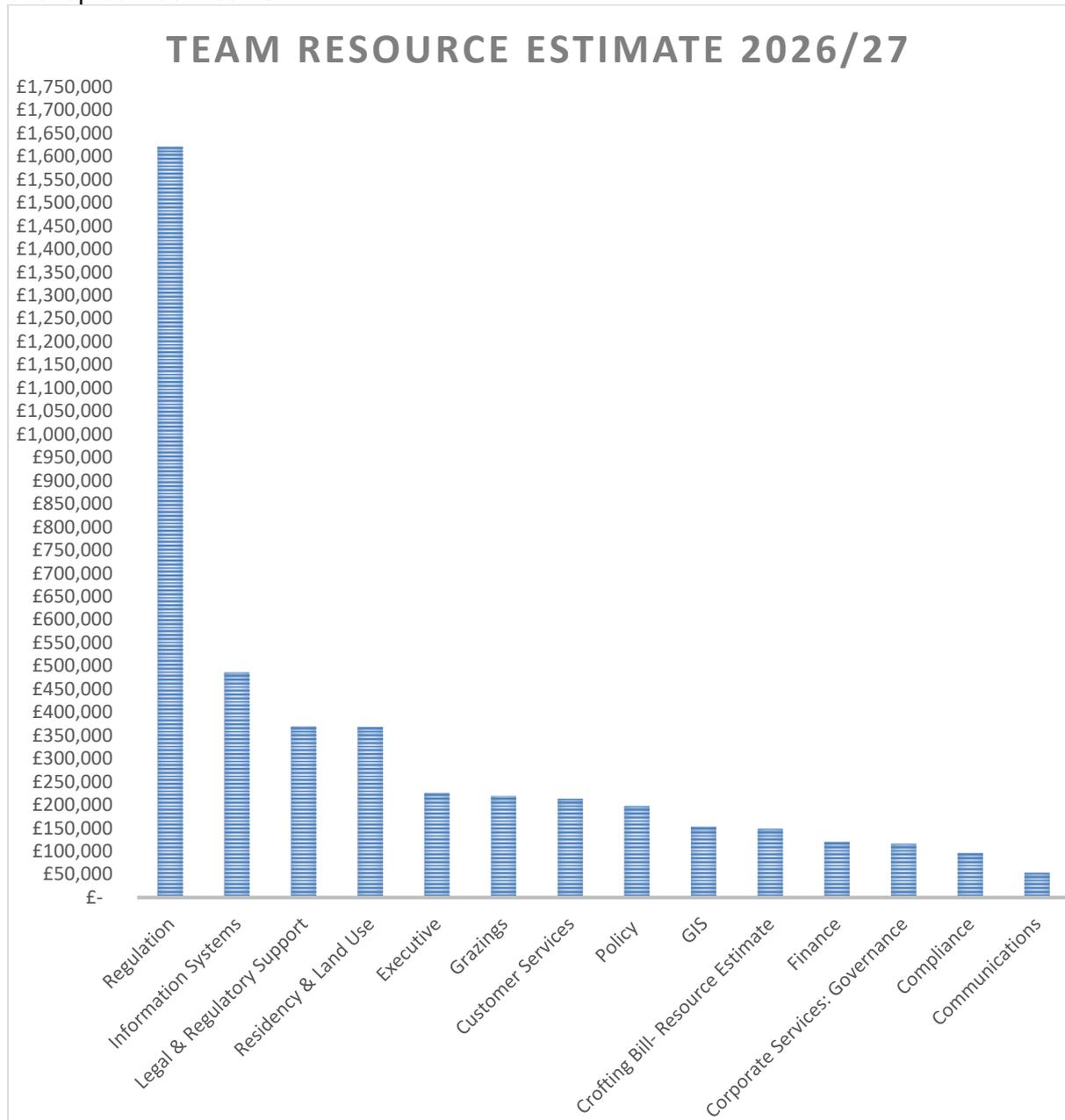
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<b>Grant-in-Aid (Cash &amp; Capital) allocation from Scottish Government</b>	-	<b>496</b>
	-	<b>496</b>

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## Salary Resource Analysis by Operational Area

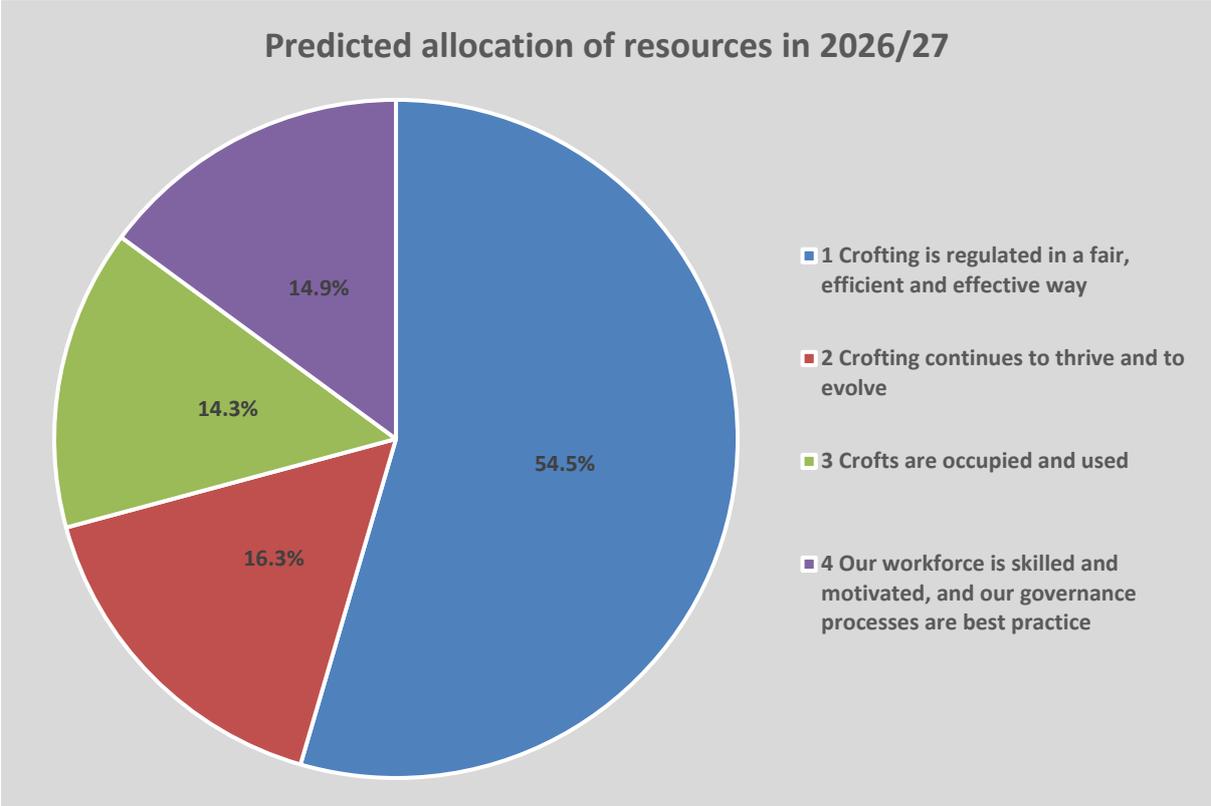
It should be noted that this reflects colleagues 'home' teams. There is considerable resource overlap between teams.



Team	Full Time Equivalent	% of Staff Budget
Regulation	29.94	36.88
Information Systems	6.99	11.06
Legal & Regulatory Support	4.50	8.42
Residency & Land Use	6.72	8.40
Executive	2.40	5.16
Grazings	4.00	5.00
Customer Services	4.46	4.86
Policy	3.08	4.50
GIS	2.69	3.51
Crofting Bill- Resource	3.00	3.38
Finance	1.65	2.77
Corporate Services: Governance	1.15	2.64
Compliance	2.00	2.20
Communications	1.00	1.22
<b>Total</b>	<b>73.58</b>	<b>100.00</b>

## 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.<sup>1</sup>



## RISKS

1. **CC Finance Team underestimate pay uprate.** Viewed as a low risk as modelled staff salaries on a 3.5% uprate which was part of the Scottish Government proposed pay award published in October. There is also a Scottish Government undertaking that there is a break clause which allows the pay deal to be re-opened in the event of a spike in inflation.
2. **Staff Turnover is overestimated.** Finance Team is assuming a 1.5% staff turnover, equating to £66k due to recruitment lead in times. The previous two reporting years have reflected relatively low turnover but a longer lead into recruitment for vacancies.
3. **Croft Information System replacement costs are materially underestimated:** the cost breakdown is currently based upon a high-level business case presented to the Scottish Government. The initial discovery process should provide a detailed understanding of what the project will look like regards timing/costs/delivery. The Finance Team recommends that CIS replacement Oversight Committee consider recording initial identified risks within the operational/strategic risk registers in due course.
4. **Draft Grant Allocation:** Technically the grant allocation for 2026/27 is a draft allocation until approved by Parliament. In the last decade, the award has never been reduced from what was originally published. Technically Ministers may make changes (upwards or downwards) to the Commission budget and associated grant in aid dependent upon circumstances even after our Sponsor branch has issued our grant letter for the year. CC Finance Team recommends that we work with the draft allocation for 2026/27, to ensure that we progress towards meeting our objectives within the Business Plan.

<sup>1</sup> Based upon published Corporate Plan. Does not include Board Remuneration, Electoral Services Cost or CIS Replacement Costs

Impact:	Comments
Financial	The 2026/27 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 Corporate and 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 2026/27 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**

**Board members are asked to consider whether they are content to approve the draft budget allocation of £5.675M for 2026/27.**

Date 10 February 2026

Author Neil Macdonald, Head of Finance, Crofting Commission

# CROFTING COMMISSION MEETING

**25 February 2026**

Report by the Director of Operations

## **Assignment Policy**

### **SUMMARY**

**This paper presents a draft assignment policy. This is based on direction from the Board, current policy and practice at the Commission and input from staff. If approved this will be published as interim policy guidance to support the current policy plan and it will also form the basis for the assignment section of the initial draft of the policy plan due in 2027/28.**

### **BACKGROUND**

This paper presents a draft of an interim policy statement on assignment. This has been written based on the Board discussion at the scoping meeting in January 2026. The text is based on feedback from the Board, with input from Commission staff. The current policy on assignment is found in the [current policy plan](#) on page 11, paragraph 59.

If approved, this draft will be published as an interim policy statement, which will not replace the current policy plan but add further detail about Commission policy approach. The interim policy statement will also form the basis for the initial draft of the policy plan due in 2027/28. The text may need to be adapted slightly as other related policies evolve and when it is published alongside other policies.

### **INTERIM POLICY ON ASSIGNATION - DRAFT**

#### **Policy context**

Active crofters are the lifeblood of healthy crofting communities and this has a multitude of positive impacts on the wider community. The passing on of crofts via assignment is fundamental to the turnover of crofts, bringing new active crofters into communities. Assignment is the most common application type that the Commission receives and more tenanted crofts are transferred this way than via succession. Assignment allows crofters to pass on their tenanted croft during their lifetime, bringing an opportunity to a new entrant or existing crofter.

Assignment is a permanent transfer of a tenanted croft and it is especially important when crofts are unused or when the current crofter is not resident. This is something that the Commission encourages and in enforcement cases, assignment is one of the options open to the crofter to fix their duties breach.

Many assignments that take place are to pass on a croft tenancy within a family. In some instances, a croft tenancy is purchased via assignment. The Commission does not regulate the market in croft tenancies and this will not have a bearing on an individual assignment decision. The Commission's role is to regulate assignment in order to ensure that any proposed tenant will meet their crofting duties. The application process needs to be both efficient and rigorous to ensure that the Commission is satisfied that the incoming crofter will fulfil their duties.

### **Policy aims**

1. That those who are assigned a croft meet all the crofting duties as soon as the assignment takes place, or as soon as possible thereafter within an acceptable timeframe.
2. That a deemed croft<sup>1</sup> is held by a crofter who also holds an inbye croft in the same township.

### **Policy principles**

- The Commission will only approve applications where unequivocal assurance (typically in the form of a signed statement) is provided that the proposed tenant will meet all the crofting duties when the assignment takes place or will meet all the crofting duties within an appropriate timeframe.
- The Commission may approve applications where the proposed tenant cannot meet the duties straight away. This is only if the Commission is content that there is a valid reason for this. Valid reasons are those which are necessary to allow the proposed tenant to meet the crofting duties. The Commission expects the proposed tenant to meet the duties as soon as possible. The proposed tenant should consider how they will meet the duties prior to the application being submitted to the Commission.
- If the proposed tenant is not going to meet the duties straight away and can demonstrate why this is unavoidable, the Commission expects them to make a clear commitment to meeting the duties in the minimum time possible. The Commission consider the following reasons and timescales to be acceptable (list is not exhaustive):
  - Time to acquire housing local to the croft (6 months to 18 months)
  - In the process of moving to the croft (6 months to 1 year)
  - Building a new house on the croft or renovating a house on the croft (6 months to 3 years)
  - Time required to obtain training or experience in order to enact plans to use the croft (3 months to 18 months)
  - Employment reasons such as needing to get a job near the croft (6 months to 3 years)
  - Impending retirement (6 months to 3 years)
- If the proposed tenant does not have a valid reason for not meeting the crofting duties immediately or cannot meet the duties within the timescales outlined, then it is likely that the application will be refused.
- If the application is approved but the incoming crofter cannot meet the duties straight away, the incoming crofter is required to apply for a consent to be absent or sublet for the period of time that they are unable to meet the duties. This requirement will be detailed in the decision letter.
- If the incoming crofter does not meet the crofting duties within the approved time period, then they will be subject to enforcement action by the Commission. This may result in them losing the tenancy.

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<sup>1</sup> Deemed crofts as referenced by section 3(5) of the Crofters (Scotland) Act 1993

- The Commission requires the proposed tenant to provide details of the proposed use of the croft including the grazings share. They also need to detail their skills and experience to carry out the intended use or how they intend to upskill if appropriate. Evidence may be required to demonstrate this. If insufficient information is provided, or if there is evidence to suggest that the croft will not be fully used, then the application is likely to be refused.
- The Commission will consider several factors in assessing an assignation application. These include the suitability of the proposed tenant, the interests of the estate, the interests of the crofting community, the sustainable development of that crofting community, the interests of the public and any valid objections<sup>1</sup>.
- The Commission will give full consideration to any competent objections on an assignation application by those who have a right to object<sup>1</sup>, which could in some cases be a factor in deciding to refuse an application.
- The Commission view is that an assignation to a crofter who can meet their crofting duties is typically positive for the crofting community, the landlord and the wider public.
- The Commission will not refuse an application solely on the basis that there are other individuals with an interest in the tenancy.
- The Commission will consider that any statements of intention made by the applicant or proposed tenant to be truthful unless there is evidence to suggest otherwise.
- The Commission will consider the intended use of the croft in relation to whether the crofter will meet the crofting duties. Commission policy does not favour one use over another, however the proposed use may be relevant to the consideration of the interests of the estate, the sustainable development of the crofting community or the interests of the public.
- If the proposed new crofter already holds 6 or more crofts (including deemed crofts) in a township and the application is to give the crofter another croft in the same township, then the application may be refused.
- For crofts that include inbye land and a grazing share, the proposed tenant is expected to provide assurance that they will use the entire croft, including the grazing share. If the proposed tenant does not have plans to use the grazing share then the application is likely to be refused.
- Deemed crofts are comprised entirely of a grazing share, as referenced by section (3(5) in the Crofters (Scotland) Act (1993). Assignation of deemed crofts follow the policy principles outlined in this section.
- For deemed crofts the Commission view is that they should be held by a crofter who has an inbye croft in the same township so that they can be used effectively. Assignation of a deemed croft to a crofter who already holds an inbye croft in the same township will typically be approved. However, this will be subject to the above policy principles and to consideration of whether there are concerns about excessive accumulation of shares by that crofter. If the assignation of the deemed croft is to an individual who doesn't hold an inbye croft in the same township, the Commission will give greater scrutiny to their proposals and may require evidence to demonstrate the effective use of the deemed croft. If the Commission considers that it is unlikely that the deemed croft will be used effectively then the application will be refused.

### **What will success look like**

- Crofters that have been assigned crofts will meet their crofting duties within as short a timeframe as possible.
- Assignation of grazing shares (3(5) deemed croft) are assigned to a crofter with an inbye croft in the same township, unless there is a clear reason for this and evidence that the deemed croft will be used effectively.

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<sup>1</sup> Sections 58A (subsections 4, 5 and 5A) of the Crofters (Scotland) Act 1993 define what objections should be considered.

**IMPACTS AND RISKS**

The policy statement presented is similar to the approach already taken with assignation applications. There would be scope to streamline the processes and documents associated with assignation once the policy is approved, which would help to ensure the process is as efficient as possible. The clarity around timescales for an incoming tenant to meet their duties will help ensure consistency in decision making and clarity for applicants and proposed tenants. The timescales given are consistent with other interim policy statements the Board has approved.

Crofters of newly assigned crofts that cannot meet the crofting duties straight away will be instructed to apply for a consent to be absent or sublet. This will involve a change to processes and letters. These changes will take time for the Commission to implement. There is also a risk that the crofter will not apply for a consent to be absent or sublet, which may not be identified by the Commission. This could be mitigated by the Commission adding an extra step onto the assignation process to check this has taken place and chase it up if necessary, but this would have a resource implication for the Commission.

The expectation for any incoming crofter to apply for a consent to be absent or sublet for short periods will have an impact on Commission. This will increase these application types and increase work volumes for the Commission, in particular for the Regulatory and Residency and Land Use teams.

There is a policy reference to the maximum number of crofts at which a single crofter can hold, after which an assignation for them to obtain a further croft in the same township may be refused. This number is 6 or more crofts (if the crofter has 5 or less crofts, including deemed crofts, the application will continue at Tier 1), which is based on current process for assignation. This was introduced as a short term measure in June 2023, when the Board was taking steps to streamline case processing as much as possible (this changed the parameter to trigger escalation to Tier 2 from 3 or less crofts to 5 or less crofts). This has now become part of the standard procedure. There is a risk that the Commission could be seen as not giving enough regard for the interests of population retention. The Board may wish to consider the balance it wishes to strike between allowing existing crofters to have multiple crofts to ensure their business is viable and the importance of having multiple crofters in a township, for both population and sustainability of the crofting community. A definitive number of crofts is difficult as it depends on context, however with this guideline number there is a risk of a crofter accumulating crofts in a township to the detriment of population and at odds with other aspects of Commission policy, which have a strong emphasis on residency to benefit the local population.

The policy brings more detail and clarity around grazings shares. Shares attached to a croft and deemed crofts are covered in the policy presented above. This will help the Commission demonstrate its recognition of the importance of active grazings use, both as an integral part of the traditional crofting system and in the wider context of potential opportunities and benefits for both crofters and the public. Assignation of a 3(4) share is a rare application type and this has not been included in the policy presented above.

<b>Impact:</b>	<b>Comments</b>
Financial	n/a
Legal/Political	Expansion and clarification of the assignation section of the policy plan is beneficial to the Commission and provides clarity to applicants, agents and the Land Court.
HR/staff resources	An increase in sublet and consent to be absent applications in response to crofters of newly assigned crofts who cannot immediately meet their duties, will cause an increase in these application types and put pressure on RALU and Regulatory teams.
Consumer Duty Guidance	Expansion and clarity of the assignation section of the policy plan benefits consumers.

**RECOMMENDATION**

**The Board is invited to approve the interim policy on assignment.**

Date            9 February 2026

Author         Heather Mack, Head of Policy

# CROFTING COMMISSION MEETING

## 25 February 2026

Report by Andrew Thin, Chair

### The Future of Common Grazings – Informal Strategic Discussion

#### SUMMARY

**The purpose of this paper is to frame a discussion about the evolving use of common grazings and the implications that this may have for immediate and longer term Commission policy and priorities.**

#### BACKGROUND

A key message from recent public meetings is a declining use of common grazings across many parts of the crofting counties. In some areas grazings are still well used, shareholders are active, there is a committee in place and grazings have been registered. At the other extreme some grazings have become unused with infrastructure dilapidated, shareholders inactive, no committee in office etc. Most grazings sit somewhere between these extremes.

It is estimated that common grazings comprise around 7% of Scotland's land. In the context of carbon sequestration it is estimated that around 30% of Scotland's peatland resource is within common grazings. The future management of this land and its potential contribution to local communities is therefore a matter of significant crofting and wider public interest.

A statutory function of the Commission is to keep under review matters relating to crofting. The evolving pattern of land use and activity on common grazings is one such matter. The purpose of this discussion is to enable the Board to reflect on where changes to common grazings may be leading, whether that is the same across all crofting areas, and what the strategic implications of this may be for the Commission.

#### DISCUSSION POINTS

1. There is little doubt that use of common grazings is changing. Less clear is where these changes will lead and whether they will in due course stabilise in a "new normal".  
***Board members are asked to reflect on what they anticipate common grazings will be contributing to local communities in 10 and in 25 years' time.***
2. Anecdotal evidence from public meetings and through elected members is that the rate and nature of changes affecting common grazings vary across the crofting counties.  
***Board members are asked to consider whether there is any discernible pattern to this and what may be causing this diversity.***
3. The Commission is not necessarily a passive actor in these changes. Commission policy, for example, in relation to apportionments or purposeful use may have the potential to help or hinder change.  
***Board members are asked to consider the Commission's role and responsibilities in helping to influence these changes in an optimally beneficial manner.***

<b>Impact:</b>	<b>Comments</b>
Financial	There may be some costs involved in revising policy but a programme of work to modernise policy is already factored into work programmes.
Legal/Political	Scottish Government policy emphasises the importance of a land ownership system which ensures that land contributes positively to society.
HR/staff resources	See above
Consumer Duty Guidance	This meets the requirements of the Consumer Duty legislation.

#### **RECOMMENDATION**

**It is recommended that the Board considers the points above and agrees any implications for Commission leadership.**

Date            2 February 2026

Author         Andrew Thin, Chair

**CURRENT CONSTITUENCY ISSUES - Oral**

# CROFTING COMMISSION MEETING

## 25 February 2026

Report by the Chief Executive

### Annual Review of Equality & Diversity Plan

#### SUMMARY

The public sector Equality Duty came into force on 5 April 2011 and was extended in 2012. In 2017 the Crofting Commission, which had previously taken guidance on Equalities issues directly from Scottish Government, adopted its own Equality & Diversity Plan. This was approved in October 2017 and is subject to annual review. <https://www.crofting.scotland.gov.uk/userfiles/file/appendices/260225/Equality-and-Diversity-Plan-V0.8.pdf>

#### CURRENT POSITION

Under the Equality Act 2010, the Crofting Commission is required to have regard to three particular duties, called 'general duties'. These are:

- The need to eliminate unlawful discrimination
- The need to advance equality of opportunity
- The need to foster good relations.

The Equality & Diversity Plan has been updated to reflect activity undertaken in 2025/26 and to look forward to 2026/27. It is brought to the Board for comment and for information.

Impact:	Comments
Financial	Where there is a cost, this is funded from the Training budget, as it supports the Learning and Development of staff.
Legal/Political	The Commission is subject to the General Duties under the 2010 Equalities Act.
HR/staff resources	For internal staffing issues, the Commission can take guidance and support from SG HR professionals. The Commission must identify a member of staff as the Equality & Diversity Officer. This is presently the Head of Finance, supported by Director of Corporate Services.
Consumer Duty Guidance	This meets the requirements of the Consumer Duty legislation.

#### RECOMMENDATION

**The Board is asked to review the Equality & Diversity Plan and confirm it is content with work completed and planned.**

Date: 27 January 2026

Author: Jane Thomas, Director of Corporate Services

# CROFTING COMMISSION MEETING

25 February 2026

Report by the Chief Executive

## Climate Change – Strategic Response

### SUMMARY

In 2023 the Crofting Commission published its [Corporate Plan](#), setting out its medium term priorities up to 2028. This identified reducing corporate carbon emissions as one of its seven core key performance indicators.

### BACKGROUND

The Scottish Government declared a climate emergency in 2019, and its Programme for Government announced an ambitious plan to become net zero by 2045, five years ahead of the date set for the UK as a whole. The Cabinet Secretary for Environment, Climate Change and Land Reform, wrote to all Public Bodies asking for their support.

Strengthened legislation now requires public bodies to report not only on their annual emissions but also on their planned targets for achieving zero direct emissions and reducing their indirect emissions.

### CURRENT POSITION

The Draft Plan, if approved by the Board, will represent the Commission's view of how we can achieve our ambition to be Net Zero by 2045.

The Commission has been monitoring and reporting emissions since 2015. However, reporting mechanisms, conversion factors and targets have changed in recent years. In 2015, the Scottish Government introduced mandatory annual reporting for all Public Sector Bodies. This was intended to demonstrate compliance with Public Sector Bodies' climate change duties, to engage leaders and encourage action. The Plan proposes to use these reports as a baseline against which to track future progress to Net Zero.

### Net Zero Plan

The Net Zero plan is focused primarily on our corporate emissions reduction work.

In March 2025 the Commission updated and published its [Climate Emergency Charter](#), that outlines a broad framework of aspirations. The Charter commits us to a series of measures which, when combined, are expected to reduce our operational emissions from energy emissions, resource use (such as reducing reliance on paper), and corporate travel and bring us to Net Zero by 2045.

Like most organisations, our understanding of our entire carbon footprint remains incomplete. Where our carbon impacts are already known, this document presents our plans to reduce them. Where they are not, it details our plans to measure them, so we are able to undertake evidence-based reduction measures in future.

It is envisaged that the next 2 years will focus on refining the Commission’s reporting boundaries, to ensure that emissions can be monitored and reported in a transparent and uncomplicated manner, aided by the establishment of a Net Zero Advisory Group and the provision of all-staff training.

<b>Impact:</b>	<b>Comments</b>
Financial	Progress towards Net Zero targets should produce financial savings.
Legal/Political	The Commission is subject to duties under the Climate Change (Scotland) Act 2009 and ongoing Scottish Government prioritisation on the climate change emergency.
HR/staff resources	Limited staff resource required to monitor progress against targets, participate in, and provide secretariat for Net Zero Advisory Group.
Consumer Duty Guidance	This meets the requirements of the Consumer Duty legislation.

**RECOMMENDATION**

**The Board is invited to discuss the draft Net Zero Plan, with a recommendation that the plan is approved and that a Net Zero Advisory Group is established by Q1 2026-27.**

Date: 28 January 2026

Author: Jane Thomas Director of Corporate Services

**DATE OF NEXT MEETING**

**6 May 2026 - via Teams**

**ANY URGENT BUSINESS**

## EXCLUSION OF PRESS & PUBLIC