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LFASS PAYMENT SOLUTION OFFERS OPPORTUNITY TO GET SCHEME RIGHT

The announcement by Rural Affairs Minister Ross Finnie to make a one-off additional payment to cover borrowing costs incurred on account of the delayed payment of Less Favoured Areas Support next year was given a cautious response by the Scottish Crofting Foundation today.

It is planned to make future LFASS payments in the autumn and it is proposed to make an up-front payment to tide over farmers and crofters in the intervening spring to autumn period of next year.

SCF Chief Executive Patrick Krause said, “We have real concerns about how the delay in payment will impact on our members. Less Favoured Area Support is a significant part of subsidy receipts for many crofters and normally comes at a time of year when there is little other income to the croft. The solution put forward today might well help but will need to be backed up by a guarantee from the Scottish Executive, acceptable to banks, that support from the scheme will be paid out in an agreed time period. It is essential that banks feel secure in lending for the interim period.”

“However, this re-scheduling does mean that there is time to ensure that the LFASS is an effective and targeted mechanism for 2007 and beyond. At the last meeting of the LFA stakeholders group, the Scottish Executive promised to do some further work to ensure that LFA support would help maintain agricultural activity and the retention of High Nature Value farming in disadvantaged areas. These discussions are still to be had and we are continuing to press Scottish Executive Ministers to ensure that the islands, uplands and remote mainland areas are properly recognised by this scheme.”

