

## **Does the croft house grant scheme work?**

There has been a commotion in the media lately concerning the Croft House Grant Scheme. It is quite understandable that people are getting very concerned when they see applications from young folk being turned down. But there is also misinformation being bandied about and it is important that we have clear facts.

I am not defending the way the scheme is administered, though I have no evidence that it is not run well and according to the rules of the scheme. But it is being claimed that the scheme itself does not work and, whilst this needs to be investigated, I would say that the scheme is vastly improved. To put it in context; the Scottish Crofting Federation (SCF) has campaigned for years to have the scheme reviewed, since the Croft House Grant Scheme (CHGS) replaced the widely praised Croft Building Grant and Loan Scheme (CBGLS) in 2004. The CHGS scheme was roundly criticised for being inaccessible to those that needed it, for favouring large and expensive builds and for the rates dwindling to an ineffective level. And perhaps most damaging was the loan element of the scheme being abolished.

In response to the SCF lobby, Scottish Government consulted and a refurbished scheme, which took on many of SCF's recommendations, was introduced in April 2016. The maximum level of grant was increased from £22,000 to £38,000 and the scheme was redesigned to target support, to allow for increased interest and to make sure that those that really need assistance, especially young crofters, get it. That is why an elaborate scoring system was introduced that has a series of criteria upon which points can be gained or lost. So, for example, you gain more points for being more active on the croft, or for not being adequately housed already, or for being on a low income. You can lose points for having not worked the croft for years, for having other property to sell or for having a net income above £44,000 (about £64,000 gross). An application may therefore be refused as it drops below the points threshold, but it can be resubmitted.

There are also reasons for applications being refused as being ineligible. For example the applicant is not a crofter, they don't live on or near the croft or the house plan is too big. The rules do offer generous house sizes and it was felt that under the old scheme people were benefitting from grants that really didn't need them (does someone financing a £200,000 plus build need public assistance?).

Ineligibles also include those applications that have been refused due to error – for example not providing sufficient information - but can be re-submitted when corrections have been made.

Since the revamped scheme's introduction in April 2016, 84 applications have been received and of those 42 have been approved (35 new houses and 7 house improvements). Refusals consist of 27 ineligible applications and 15 applications scoring below the points threshold. On the surface it is indeed alarming that half of applications to the scheme are being refused, but is this because the scheme isn't working properly, or because it is working well?

If, however, the budget is not being spent and yet applications are being turned down there is clearly a need for a review of the scheme and the allocation of points. It is not clear at this stage whether the budget for the year will be used up but we are assured that the scheme is under constant review.

The people that really need the help, the young and those on the typical low, irregular and seasonal incomes of the crofting areas cannot access decent housing and are usually unable to secure a commercial mortgage. The key to helping them would be reinstating the housing loan. We have been given positive signals by the Scottish Government that this will happen and SCF will continue to campaign to ensure that it does.

Finally, if there are specific cases that seem to have been refused unfairly, there is an appeals process and SCF is happy to advocate on behalf of its members. We have on many occasions successfully intervened when members were unreasonably refused housing assistance under the old scheme and will do so where necessary under the current scheme.