

CROFTING REFORM (SCOTLAND) ACT 2010

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes relate to the Crofting Reform (Scotland) Act 2010 (asp 14) which received Royal Assent on 6 August 2010. They do not form part of the Act and have not been endorsed by the Parliament.

2. The Notes should be read in conjunction with the Act. They are not, and are not meant to be, a comprehensive description of the Act. So where a section or schedule, or a part of a section or schedule, does not seem to require any explanation or comment, none is given.

THE ACT

3. The Act makes provision to reform and rename the Crofters Commission and to modify their statutory functions. It establishes a new map-based Crofting Register that will be maintained by the Keeper of the Registers of Scotland, and which will be developed over time through regulatory trigger points that will require crofts, common grazings and land held runrig to be registered. The Act defines a category of owner-occupiers known as “owner-occupier crofters” and imposes duties on them and on tenant crofters in relation to residency, misuse and neglect of crofts. The Act also amends provisions in the Crofters (Scotland) Act 1993 (referred to in these Explanatory Notes as “the 1993 Act”) on decrofting, resumption, re-letting of vacant crofts, obtaining consent to certain regulatory matters, succession and appeals. A number of other minor and technical amendments to crofting law are made.

PART 1 – REORGANISATION OF THE CROFTERS COMMISSION

The Crofting Commission

Section 1: The Crofting Commission

4. Subsection (1) renames the “Crofters Commission” the “Crofting Commission” to reflect the changes in their functions by virtue of section 2 of the Act. Subsection (3) replaces schedule 1 to the 1993 Act with a new schedule 1. Subsection (4) states that where reference is made to the Crofters Commission in any enactment this is a reference to the Crofting Commission unless there is a clear intention to the contrary.

Section 2: General functions of the Crofting Commission

5. Section 2 of the Act relates to the general functions of the Commission and makes amendments to the general functions that are conferred on the Crofters Commission under the 1993 Act. Subsection (1) replaces section 1(2) of the 1993 Act. The effect of this is that the Commission will continue to have responsibility for reorganising, regulating and keeping under review matters relating to crofting. The Commission will also be responsible for promoting the interests of crofting; however, the Commission will no longer have responsibility for the development of crofting, which function was transferred to Highlands and Islands Enterprise on 1 April 2009 through administrative means. Section 1(2A) of the 1993 Act, inserted by subsection (1), provides that the Commission must, in exercising their functions, have regard to the desirability of supporting population retention in the crofting counties and any area designated as a new crofting area as well as the effect of changes in the amount of land held in crofting tenure on the sustainability of crofting.

6. Subsection (2) inserts four new sections into the 1993 Act – sections 2A, 2B, 2C and 2D. Section 2A enables the Scottish Ministers to confer, remove and modify the functions of the Commission by order, but only where it is appropriate to do so to ensure that the Commission carries out their functions efficiently and effectively. New section 2B requires the Commission to report on their performance, and the Commission is also required to assess the issues affecting crofting communities and the contribution crofting has made to sustainable development. In carrying out this requirement, the Commission is required to consult each local authority in whose area there are crofts, and Highlands and Islands Enterprise. The Scottish Ministers are required to lay a copy of the annual report before the Scottish Parliament with any appropriate comments.

7. Section 2C requires the Commission to produce a plan setting out their policy on how they propose to carry out their functions. This plan must be submitted to the Scottish Ministers within 6 months of the day after the first election of members of the Commission or the day after subsequent elections. This will enable members to create policies as to the running of the Commission once they are appointed. Subsection (3) requires that the Commission consult with each local authority in areas where there are crofts, Highlands and Islands Enterprise and any other persons or bodies the Commission considers appropriate before preparing their plan. Subsection (4) allows Ministers to approve the plan or reject it and direct the Commission to submit a revised plan. Furthermore, subsection (7) requires that where the Commission vary their plan (whether voluntarily or following a requirement from Scottish Ministers), they must consult on the new proposal and seek Ministers' approval, as outlined in subsections (3) and (4). Once approved, the Commission must make the plan available, as outlined in subsection (5).

8. Section 2D refers to the status of a plan approved under section 2C and obliges the Commission to have regard to their approved plan when discharging any of their functions. Also, where the Scottish Land Court is considering an appeal against a decision by the Commission, they too may have regard to this plan.

PART 2 – THE CROFTING REGISTER

Duty to establish and maintain register

Section 3: The Crofting Register

9. Section 3 provides for the establishment of a new public register of crofts, common grazings and land held runrig to be held by the Keeper of the Registers of Scotland (referred to hereafter as “the Keeper”). Subsection (2) provides for this register to be known as the “Crofting Register”. At present, section 41 of the 1993 Act confers responsibility on the Commission to compile and maintain a Register of Crofts. This register is an administrative register, does not contain maps or information on the boundaries of crofts and often relies upon crofters and owner-occupiers informing the Commission when there is a change to the extent of, or interests in the croft. The Commission will maintain the Register of Crofts until such time as it has been completely replaced by the Crofting Register. The Commission will continue to keep administrative records of regulatory decisions they have taken in relation to crofts; however, the new Crofting Register will provide a definitive and current record of the extent of, and interests in, a croft. Once the Crofting Register is complete, it will be necessary to repeal the provisions relating to the current register.

Registration

Section 4: First registration

10. Section 4 outlines the circumstances under which a croft may or must be registered for the first time on the Crofting Register. Where details of a croft are not registered on the Crofting Register, subsection (1) requires that the croft must be registered in the following instances: upon the creation of a new croft under section 3A(1) or (2) of the 1993 Act; upon the transfer of ownership of an owner-occupied croft; and in the event of a regulatory trigger that is mentioned in subsection (4). Under subsection (2), an unregistered croft may be registered voluntarily. Subsection (3) defines the persons eligible to apply to register an unregistered croft on a voluntary basis.

11. Subsection (4) sets out the trigger events which will require the first registration of crofts and owner-occupied crofts. These trigger events relate to an application for a regulatory decision that would impact on the extent of a croft or the interests in a croft. In some cases, the trigger event relates to the giving of notice of a change to the extent of, or interests in, a croft to the Commission under the 1993 Act.

12. The person who has responsibility for the first registration of a croft will vary depending on the regulatory trigger. Table 1 of Schedule 2 lists those who are responsible for applying for registration in each case mentioned in subsection (4).

13. The Crofting Commission must not take forward a regulatory application they receive unless a registration form has been received for the croft that is the subject of the regulatory application within six months of the regulatory application being made.

14. Subsection (5) enables the Scottish Ministers to modify the regulatory trigger events by order. This will allow them to add to the list of events, modify the events or remove an event requiring first registration. However, it will not be possible add the transfer of ownership of any land on which a croft is situated as an event which triggers first registration of an unregistered croft. Subsection (7) provides that where the Scottish Ministers exercise the power in subsection (5) they may by order modify Table 1 in Schedule 2 which lists the people who are responsible for making registration applications under section 4(1)(c). Subsection (8) allows the Scottish Ministers to make regulations about when ownership of an owner-occupied croft is to be treated as being transferred. Subsection (9) provides that the requirement to register an owner-occupier croft on the transfer of ownership of that croft ends if a trigger step mentioned in subsection (4) is taken in relation to that croft. Subsection (11) defines what is meant by the terms “croft” and “new croft” in Part 2 of the Act.

Section 5: Registration of events affecting registered crofts

15. In order to ensure that any changes to the extent of, or interests in, a croft are captured in the Crofting Register, this section outlines the circumstances in which the Crofting Register must be amended.

16. Subsection (1)(a) states that where ownership of a registered owner-occupied croft is transferred, the Register must be amended. Subsection (1)(b) requires that, in the case of a registered tenanted croft, the transfer of the ownership of any land on which the croft is situated or a change in the landlord must be registered. Subsection (1)(c) requires the Register to be amended on the occurrence of a trigger event listed in subsection (3) in relation to a registered croft.

17. Subsection (2) provides that, where first registration of a croft was triggered by certain regulatory applications, there is no need for a separate application to amend the Register as a result of the outcome of the regulatory application. Instead the applicant should notify the Commission of any resulting change to the croft. The Commission will notify the Keeper who will amend the Register under section 9.

18. Subsection (4) enables the Scottish Ministers to modify the regulatory trigger events by order. This will allow them to add to the list of events, modify the events or remove an event requiring amendment of the Crofting Register. As mentioned in paragraph 12 in relation to first registrations, depending on the associated regulatory application, the person responsible for applying to amend the Register will vary. Table 2 in Schedule 2 lists those who are responsible for making applications under section 5(3).

19. Subsection (5) provides that where the Scottish Ministers exercise the power in subsection (4), they may by order modify Table 2 in Schedule 2, containing the list of persons responsible for making applications for subsequent registration.

20. Subsection (6) allows the Scottish Ministers to make regulations about when ownership of an owner-occupied croft or the land on which a croft is situated is to be treated as being transferred.

Section 6: Persons responsible for applications for registration

21. Section 6 makes provision about who is responsible for making applications for registration in relation to crofts. In the case of the transfer of the ownership of an owner-occupied croft or the land on which a croft is situated, the new owner is required to make the application for registration. In the case of a change of landlord of a registered croft, the new landlord is required to apply for registration. On first registration, the person mentioned in the entry in column 2 of Table 1 in Schedule 2 is responsible for the application in relation to a trigger event in section 4(4). On subsequent registration, the person who is mentioned in the entry in column 2 of Table 2 in Schedule 2 is responsible for the application in relation to a trigger event in section 5(3).

Section 7: Applications for registration

22. Section 7 outlines the process for registering a croft or, where a croft has already been registered, the process for amending this registration. Subsection (1) states that an application to register a croft must be submitted to the Crofting Commission along with registration payment unless the application is being made by the Commission.

23. Subsection (2) provides that an application for first registration of a new croft must be submitted at the same time as the application to constitute the land as a croft.

24. Subsection (3) requires the Commission, as soon as reasonably practicable after receiving the registration application, to check the information contained in the registration application against the Register of Crofts if the application is for first registration (except where the application relates to a new croft or is a result of a reorganisation scheme) and, to forward the application with any comments and the registration payment to the Keeper. Subsection (4) enables the Commission, before forwarding the registration to the Keeper, to request further information in relation to the application.

25. Subsection (5) outlines the circumstances in which the Commission can refuse to forward an application. These are: the applicant has not provided the Commission with further information as requested under subsection (4); the application is frivolous or vexatious; the applicant has not submitted payment for registration; there is a material inaccuracy in the application; or the Commission consider that the Keeper would otherwise not accept the application under section 8(2). Where the Commission refuses to forward an application, the applicant may appeal against that decision to the Land Court. Subsection (7) disapplies section 7 to applications for registration by the Commission. Subsection (8) defines “material inaccuracy” as an inaccuracy relating to any matter mentioned in section 11(2), which are the matters to be included in the registration schedule of a croft.

Section 8: Acceptance of applications for registration

26. Section 8 outlines the circumstances in which a registration application should be accepted by the Keeper. Whilst subsection (1) requires the Keeper to accept a registration application provided it is accompanied by any documents and other evidence that the Keeper requires, subsection (2) outlines the circumstances by which the Keeper must reject an application. The grounds for rejecting an application are that: the boundary of the croft is not sufficiently described by an Ordnance Survey map or such other map required by the Keeper; the information in or accompanying the application would not enable the Keeper to make up or amend the registration schedule of the croft; where the application is to amend the registration of a registered croft, the application does not refer to the registration schedule of that croft; or no registration fee has been tendered.

27. Subsection (3) allows the Keeper to accept an application for registration which includes land which is already registered as part of another croft, or a common grazing or land held runrig. Where the Keeper does accept such an application, section 11(3) provides that she must not include the land that is already registered elsewhere in the registration schedule for the croft.

28. Subsection (4) requires the Keeper to note the date of receipt of the application for registration. Subsection (5) states that this date will be deemed the date of registration where the application has been accepted by the Keeper and, in the case of first registration, there has been no challenge to the registration under section 14(1) or, where such a challenge was made, the application has been abandoned or the Court has decided to either make no order or make an order under section 14(4)(b) (requiring the Register to be modified). In the latter case, the Keeper will be informed of any amendment required to the registration.

Section 9: Completion of registration

29. Subsection (1) requires the Keeper to complete registration for a newly registered croft by making up a registration schedule for it, or, where the croft is already registered, by amending the registration schedule and in both cases by making consequential changes to the Register as necessary. Under subsection (2), an applicant for first registration of a croft receives a certificate which confirms the registration of that croft, advises that the registration is open to challenge (other than in the case of a new croft or a croft which is registered as a result of the preparation of a reorganisation scheme); and contains such other information as the Keeper considers appropriate. Subsection (3) requires the Commission to send a copy of the certificate of registration to the crofter or owner-occupier crofter where it is the Commission that applied for the first registration. Subsection (4) requires the Keeper to send a copy of the certificate to the Commission at the same time as to the applicant, except in the case of a new croft, or where the Commission are the applicant as they will have received the certificate under section 9(2). Under subsection (5), a registration certificate is sufficient evidence of the registration of the croft.

Section 10: Completion of registration: further provision on first registrations

30. Section 10 applies to the first registration of a croft that is not a new croft or a croft which is first registered as a result of the preparation of a reorganisation scheme (because in those cases it is not possible to challenge the first registration of the croft under section 14). It applies where there has been no challenge to the first registration under section 14, or any challenge has been unsuccessful or led to the entry in the Register for the croft being modified but not removed.

31. Subsection (2) states that the Keeper is required to amend the registration schedule if necessary and make any necessary consequential adjustments to the Register.

32. Under subsection (3) the Keeper is required to amend the Register in the event that a regulatory application that triggered a requirement to register the croft is granted. For example, where a regulatory application to enlarge a croft has been agreed, then the Register will be amended accordingly. Applicants applying for a regulatory application relating to enlargement, exchange, assignation, resumption, consent to letting or apportionment of a common grazing, must notify the Commission within three months of the application being granted that the change to the croft has taken effect. If the Commission is not notified within the necessary timescale, the regulatory activity will be deemed not to have taken effect. Once the Commission are notified they must notify the Keeper to enable the Keeper to update the registration details for that croft. When the regulatory application is for division or decrofting, the Commission will notify the Keeper that the application has been granted and the Keeper will amend the Register. Where the application is to decroft and the crofter intends to acquire the land, the crofter must notify the Commission when the land has been acquired. The Commission will then notify the Keeper that the land has been acquired, and the Keeper will amend the Register, without the need for a separate application for registration in each case.

The registration schedule

Section 11: The registration schedule

33. Subsection (1) requires the Keeper to make up and maintain a registration schedule of every croft registered in the Crofting Register. Subsection (2) outlines the information that must be contained on the registration schedule. This includes a map-based description of the registered croft (which will provide certainty over the full extent of the land) and the name and designation of persons with an interest in the croft i.e. any crofter, owner-occupier crofter, landlord or owner. The registration schedule must also contain any other information that the Keeper considers appropriate. Subsection (3) provides that where an application for registration of a croft includes land which is registered as part of another croft, or a common grazing or land held runrig, the Keeper may not enter that land in the registration schedule of the croft but may register the croft omitting that land.

34. Subsection (5) requires the Keeper to issue a copy of the registration schedule or part of the registration schedule upon request. Subsection (6) provides that this is to be known as an office copy and will act as sufficient evidence of the information pertaining to an interest in a croft held on the Register. Subsection (7) allows the Scottish Ministers, by order, to modify section 11(2) to add to the matters mentioned there any other matters they consider should be included in the registration schedule.

Notification of first registration

Section 12: Notification of first registration

35. Section 12 outlines the process by which persons with an interest must be notified of a first registration of a croft in the Crofting Register. Subsection (1) requires the Commission, upon receipt of a certificate of registration from the Keeper under section 9(2) or a copy of the certification or registration under section 9(4), to notify the persons specified in subsection (3) of the matters outlined in subsection (4). Those matters are: that the croft has been registered; the description of the croft included in the registration schedule; the names and designations of persons included in the registration schedule; the right to challenge the registration; and the period by which such a challenge must be brought. The person who registers the croft may vary according to the regulatory trigger point. Notification under subsection (1) will ensure that any person with an interest is aware of the registration. The Commission need not notify persons of a croft which is first registered as a result of the preparation of a reorganisation scheme, as there is a separate appeal available in relation to reorganisations schemes under the 1993 Act, and the first registration of such a croft cannot be challenged under section 14. Subsection (5) states that the period of challenge is 9 months beginning with the date on which the Commission issue notification under subsection (1). Subsection (6) provides that the date on which the Commission issue notification is either the date on which notification is issued to every person entitled to receive it, if all such notification is issued on the same date, or the date on which notification is issued to the last person entitled to receive it, if notification is issued on different dates. Subsection (8) requires the applicant, upon receipt of a registration certificate relating to a first registration, to give public notice of registration, except in the case of a new croft or a croft affected by a reorganisation scheme. They must do this by placing an advert in a local newspaper for two consecutive weeks and affixing a conspicuous notice to the registered croft in the form prescribed by the Scottish Ministers. Subsection (9) requires the applicant to also take all reasonable steps to ensure that the notice continues to be displayed throughout the period in subsection (5).

Section 13: Power of entry etc. where Commission are applicant

36. Section 13 gives a person authorised by the Commission the power to enter a croft in order to affix a notice that will give notification that the croft has been registered on the Crofting Register. They will only have this power where the Commission is the person applying to register a croft onto the Crofting Register. They will also have to power to enter the croft in order to ensure that the notice remains on display and to remove it following the 9 month period that the notice has to be displayed for. Subsection (3) requires the Commission to take all reasonable care not to damage the croft or the part of the croft to which the notice is affixed and to remove the notice no later than one week after the end of the period mentioned in section 12(5).

37. This section also applies provisions relating to powers of entry under section 56 of the 1993 Act such as the requirement to produce identification if required, to give notice of intention to enter on to the croft, and a criminal sanction for persons obstructing a person's entry on to a croft.

Challenge to first registration

Section 14: Challenge to first registration

38. Section 14 sets out the circumstances in which a challenge may be brought against a croft registration. The registration of the croft is open to challenge for a nine month appeal period. It is only possible to challenge the boundaries etc. of a croft on first registration under section 14. Subsection (1) allows a person who has received notification under section 12 of the first registration of a croft, or any other person who is aggrieved by the croft registration, to apply to the Land Court within the 9 month challenge period for the registration to be removed or modified. Subsection (2) enables challenges to the first registration of an unregistered croft to be made after the end of the 9 month period if the Land Court consider there is just cause shown for the delay. The right to challenge the first registration of an unregistered croft is disapplied when the croft was registered as a result of a reorganisation scheme, as there is a separate appeal available against a reorganisation scheme.

39. Subsection (4) allows the Land Court, upon considering an appeal against the registration of a croft, to make an order for the registration to be removed from the Crofting Register, modify the entry or make no order. Subsections (5) and (6) provide that when the Land Court has to determine the boundaries of a croft and there is insufficient evidence to enable them to be clearly determined, the Land Court must declare the boundary to be that which it considers appropriate. Subsection (7) requires the Keeper to make any amendments to the registration schedule of the croft and register which are necessary in the light of the Land Court's decision. The determination of the Land Court is subject to an appeal on a point of law to the Inner House of the Court of Session.

Removal of resumed and decrofted crofts from register

Section 15: Resumed and decrofted crofts

40. Section 15 requires the Keeper to remove resumed and decrofted crofts from the Crofting Register after 20 years. This is because a resumption can be reversed for up to 20 years.

Rectification and indemnity

Section 16: Rectification of the Register

41. This section makes provision for the rectification of the Crofting Register when there is a mistake in it. Subsection (1) enables the Keeper to rectify the Register in accordance with subsections (2) to (4), and requires her to rectify it on being ordered to do so by a court.

42. Subsection (2) allows the Keeper to rectify the Register, where there is a mistake arising as result of a mistake in an application for registration, on the application of the person who made that application for registration. Subsection (3) allows the Keeper to rectify the Register, where there is a mistake arising as result of a mistake made by the Commission in submitting their own application for registration or forwarding an application submitted by someone else, either on the application of the Commission or on the application of the person who made the application for registration. Subsection (4) allows the Keeper to rectify the Register either on application being made to her or of her own volition, where a mistake has been made by her in making up or amending the Register. Subsection (7) defines what is meant by “court”, “mistake” and “rectify”.

Section 17: Rectification following first registration

43. This section provides that where the Register is rectified to correct a material inaccuracy in relation to a first registration during the 9 month challenge period, it is necessary to re-notify the registration and the challenge period begins again. Subsections (3) and (4) provide that the Keeper or the Commission must pay for any expenses incurred in re-notifying the registration, where the rectification is as a result of an error by the Keeper or by the Commission in handling the registration application or when submitting an application on their own behalf. Subsection (5) defines “material inaccuracy” and “mistake”. A “material inaccuracy” is an inaccuracy in any of the matters which must be included in the registration schedule under section 10(2), such as the boundaries of the croft.

Section 18: Indemnity in respect of loss

44. Section 18 sets out the circumstances in which the Keeper or the Commission will be required to indemnify a person suffering a loss relating to the Crofting Register.

Subsection (2) sets out the matters which result in indemnifiable loss in respect of which the Keeper may be liable. These are: a mistake in the Register made by the Keeper in making up or amending a registration schedule or making consequential amendments, the correction of which would require rectification of the Register; a rectification of the Register under section 16(1) to correct such a mistake; the refusal of the Keeper to make such a rectification; the loss or destruction of any document lodged with the Keeper; and a mistake, in any certificate of registration or information given by the Keeper in writing or in a manner prescribed under section 19(1), which reflects a mistake made in the Register by the Keeper, the correction of which would require rectification under section 16(1).

45. Subsection (3)(a) provides that the Keeper is not liable to indemnify a person under subsection (1) if the existence of the mistake was, or ought to have been known to the person seeking indemnity for loss; or any person acting as solicitor or other legal adviser of that person, at the time of registration. Subsection (3)(b) excludes indemnity where the mistake relates to an inaccuracy in the delineation of any boundaries shown in a registration schedule, being an inaccuracy which could not have been rectified by reference to the ordnance map or to such other map as the Keeper, for the purposes of section 11(2)(a) considered appropriate. Indemnity is also excluded where the loss was

caused by the fraudulent or careless act or omission of the person seeking indemnity for loss.

46. Subsection (4) states that no indemnity will be payable in relation to an error by the Keeper until a decision has been taken about whether to rectify the Register and any loss suffered is reviewed in light of any rectification. Subsections (5) to (8) provide that the Commission is liable to indemnify a person for loss suffered where that person is required to submit a fresh application for registration or apply for rectification of the Register as a result of a mistake made by the Commission when forwarding an application for registration to the Keeper or when submitting an application on their own behalf. Subsection (9) defines “mistake” as having the meaning given by section 16(7).

Rules and fees

Section 19: Rules and fees

47. Section 19 outlines the matters in respect of which the Scottish Ministers, after consultation with the Keeper and the Commission, may make rules. Subsection (1) states that rules may regulate the making up and keeping of the Register, including the form and manner in which the Register is made available to the public. They may also prescribe the form of any search, report or other document to be issued or used in connection with the Register and regulate the issuing of any such document. Rules may also prescribe the form of application for registration and may include provision regulating the procedure for registration application or the form of deeds relating to registered crofts. Finally, rules may be made in relation to such matters as the Scottish Ministers deem be necessary or proper in order to give full effect to the purposes of Part 2. Subsection (2) enables the Scottish Ministers to prescribe by order the fees payable in respect of registration and in respect of any searches, reports, certificates or other documents or copies of documents provided by the Keeper. Subsection (3) enables the order to include circumstances in which a person is entitled to a reduction in fees for applications for registration, including the amount of or method of calculating that reduction, and the manner in which that reduction is to be achieved.

Appeals

Section 20: Appeals

48. Section 20 outlines the circumstances in which an appeal against an act or omission of the Keeper may be made. Subsection (1) allows for a person aggrieved by an act (or omission) of the Keeper to appeal any issue of fact or law arising from the act or omission to appeal to the Land Court. Subsection (2) allows the Land Court to direct the Keeper to take remedial action which may include rectification of the Register. Notification of change to registration schedule

Notification of change to registration schedule

Section 21: Notification of change to registration schedule

49. Section 21 requires the Keeper to give written notification of an amendment to the registration schedule of a croft or owner-occupied croft as a result of an event mentioned in section 5(1), to the person who applies to register that event and to the Commission (where the Commission is not the applicant). Subsection (2) requires the Commission to send a copy of the notification of change to the crofter or owner-occupier crofter when the Commission is the applicant.

50. Subsection (3) requires the Keeper to provide written notification of the amendment to the registration schedule of a croft when the Register is amended in accordance with section 10(3) to reflect the outcome of a regulatory application which triggered the first registration of the croft. Notification must be given to the Commission and to the person who applied to register the croft. Where that person is no longer the crofter or owner-occupier crofter as a result of that trigger event (e.g., because the tenancy of the croft has been assigned to someone else), the Keeper must notify the new crofter or owner-occupier crofter of the amendment to the registration schedule.

51. Subsections (4) and (5) provide that where an amendment is made to either the registration schedule of the croft or the Register, as a result of an order made under section 14(2) or 20(2) of the Act, or section 26K(9), 52A(4A) or 53(3) of the 1993 Act, the Keeper is required to provide written notification to any person appearing to be affected by the amendment and to the Commission.

Consequential amendments of the 1993 Act

Section 22: Meaning of “croft” etc.

52. Section 22 amends the meanings of “croft” and “crofter” in section 3 of the 1993 Act. Subsection (2) inserts new section 3ZA into the 1993 Act. This new section applies to any holding, situated in the crofting counties or new areas to crofting, which is registered in the Crofting Register. Section 3ZA(2) states that the holding is a croft from the date of registration; that the land which comprises the croft is determined by its description in the registration schedule; and that, from the date of a registration, any person entered in the registration schedule as the tenant of the croft is the crofter. Subsection (5) confirms that nothing in this section affects whether, before registration, a holding was a croft or any person was a tenant of it. The effect of registration, therefore, is to provide legal certainty that the holding is a croft, and to remove any dubiety over who has the rights and responsibilities conferred by the 1993 Act.

Section 23: Registration of new crofts

53. Section 23 makes amendments to the provisions on the creation of new crofts in the 1993 Act. Subsection (4) inserts new section 3AA dealing with registration of new crofts. New section 3AA will apply where the Commission has made a determination under section 3A(1) or (2) of the 1993 Act to constitute land, or as the case may be, a holding as a croft. Section 3AA(2) prevents the Commission from forwarding an

application to register a new croft in the Crofting Register to the Keeper until the period of appeal outlined in section 52A(2)(b) of the 1993 Act has expired or, where such an appeal is made to the Land Court, it is abandoned or the Court upholds the Commission's decision under 3A(1) or (2) of the 1993 Act. There is an opportunity to challenge an application for the establishment of a new croft under section 52A of the 1993 Act. There is therefore no right to challenge the registration of a new croft under section 14 of the Act.

54. In relation to a decision to establish a new croft under section 3A(2) of the 1993 Act, where the application to create the new croft has been submitted by the tenant of a holding, the Commission must not forward an application to register the croft unless satisfied: that agreement has been reached between the applicant and the owner of the land as to an amount to be paid by the applicant to the owner in compensation for constituting the holding as a croft; that the applicant and owner have agreed that no amount in compensation is to be payable; or that any amount payable by virtue of section 3B (which sets out how the amount of compensation is to be determined in the absence of agreement) has been duly paid. Subsection (4) makes consequential amendments to section 3B of the 1993 Act.

Registration of common grazings

Section 24: First registration of common grazings

55. Section 24 provides for the first registration of an unregistered common grazing by the Crofting Commission. It also requires first registration of a new common grazing once the Crofting Commission has made a determination to constitute land as a common grazing and the associated appeal period of 42 days has ended. Subsection (2) provides that the land is a common grazing from the date of registration and that the land comprising the common grazing is determined by the description of that land in the registration schedule.

Section 25: Registration of events affecting registered common grazings

56. Section 25 provides the regulatory triggers that require an application for subsequent registration to amend the entry in the Register for a registered common grazing. This includes a requirement in subsection (1) for the transfer of ownership of land on which a registered common grazing is situated to be registered. Subsection (2) lists various regulatory events which must be registered. Subsection (3) provides that no separate application is needed for events mentioned in subsection (2)(g)(iii) and (2)(i) (which relate to apportionments of common grazings) if one is also needed in relation to a croft under section 5. Subsection (4) allows the Scottish Ministers to make regulations about when ownership of land is to be treated as being transferred for the purposes of subsection (1). Subsection (5) enables the Scottish Ministers, by order to modify the regulatory triggers.

Section 26: Applications for registration: common grazings

57. Section 26 sets out the process for the submission of an application for the first registration of a new common grazing or to register a regulatory trigger event which affects the registration details of a registered common grazing. Subsection (4) requires the Commission to forward the application and associated fee to the Keeper as soon as reasonably practicable after receiving the application. Subsection (5) allows the Commission to ask the applicant for further information. Subsection (6) sets out the circumstances in which the Commission may refuse to forward an application for registration, including in the case of a material inaccuracy in the application. Subsection (7) provides that a refusal to forward an application may be appealed to the Land Court. Subsections (8), (9), (10) and (11) set out the registration and notification process for the first registration of a common grazing by the Commission. Subsection (12) defines “material inaccuracy”. Subsection (13) defines “first registration” as meaning the registration of an unregistered common grazing.

Section 27: Registration of new common grazings

58. Section 27 amends section 51A of the 1993 Act, so a new common grazing is no longer constituted by being entered in the Register of Crofts. A new section 51B is inserted into the 1993 Act to provide that a new common grazing must be registered in the Crofting Register. Subsection (2) provides that an application for registration must not be forwarded to the Keeper until the appeal period set out in 52A(2)(b) has expired, or any appeal has been abandoned or determined by the Land Court.

Section 28: Application of Act to common grazings

59. Section 28 introduces Schedule 3 which applies sections of the Act relating to the registration of crofts to the registration of common grazings.

Offences

Section 29: Transfer of land containing crofts: offences

60. Section 29 provides that it is an offence for a new owner of an owner-occupied croft to fail to register the croft, if unregistered, or the transfer of ownership if the croft is registered, within one year of ownership being transferred. It is also an offence for a new landowner of land on which a registered croft is situated to fail to register the change of ownership of that land within one year of ownership being transferred. In each case, there is a further offence of failing by the end of each subsequent year to apply to register the owner-occupied croft or the change of ownership of the owner-occupied croft or land. There is a separate offence for each croft concerned. The fine is up to level 3 on the standard scale.

Section 30: Change of landlord: offences

61. Section 30 provides that it is an offence for a new landlord of a registered croft to fail to register the change of landlord. There is a further offence of failing by the end of each subsequent year to register that change. This offence is subject to a fine of up to level 3 on the standard scale.

Section 31: Transfer of land on which common grazing is situated: offences

62. Section 31 provides that it is an offence for a new landowner of land on which a registered common grazing is situated to fail to register the change of ownership of that land within one year of ownership being transferred. There is a further offence of failing at the end of each subsequent year to apply to register the transfer. The fine is up to level 3 on the standard scale.

Lands held runrig

Section 32: Lands held runrig

63. Section 32 provides for the Crofting Commission to apply to the Keeper for the first registration of unregistered land held runrig. Subsection (3) requires the Commission to consult the owner of the land and notify all holders of the land before submitting an application for first registration. Subsection (4) allows any person notified to make representations to the Commission. Subsection (5) provides that the regulatory trigger events of apportionment or an extension of an apportionment of registered land held runrig must be registered. Subsection (6) requires an application for subsequent registration to be submitted to the Commission, and subsection (7) requires the Commission to forward the application and associated fee to the Keeper. Subsection (8) allows the Commission to ask the applicant for further information. Subsection (9) sets out the circumstances in which the Commission may refuse to forward an application for registration, including in the case of a material inaccuracy in the application. Subsection (10) enables an appeal to the Land Court to be made where the Commission refuse to forward an application for registration.

64. Subsection (11) excludes section 7 of this Act from applying to applications for the registration of land held runrig. Subsections (12) and (13) apply sections 8 to 21 with such modifications as are necessary, in relation to lands held runrig as they apply in relation to common grazings (as noted, those sections are modified by virtue of Schedule 3 in their application to common grazings). Subsection (14) defines “material inaccuracy” in subsection (9)(d) as meaning an inaccuracy in any matter mentioned in section 11(2) which is to be included in the registration schedule for registered land held runrig. Subsection (15) provides the Scottish Ministers with an order-making power to modify subsection (5) to add, modify or remove a regulatory event which triggers subsequent registration. Subsection (16) defines “first registration” in subsection (2) as meaning the registration of unregistered land held land runrig.

PART 3 – DUTIES OF CROFTERS AND OWNER-OCCUPIER CROFTERS

Crofters' duties relating to residency, use, misuse and neglect of crofts

Section 33: Duties relating to residency, use, misuse and neglect of crofts

65. This section amends the 1993 Act to clearly set out a tenant crofter's duties in relation to residing within a certain distance of the croft and putting the croft to some form of productive use. It replaces sections 5B and 22 of the 1993 Act with a clear set of duties on the tenant crofter in respect of residency on, and the misuse and neglect of, crofts.

66. There is currently a power in section 22 of the 1993 Act for the Commission to terminate the tenancy of the crofter where they are not currently resident on, or within 16 kilometres of, the croft, where it is in the general interest of the crofting community. Section 22 is repealed by paragraph 3(13) of Schedule 4 to the Act. Subsection (2) of section 33 inserts a new section 5AA into the 1993 Act, clearly setting out the duty of tenant crofters to be ordinarily resident on, or within 32 kilometres of, the croft they tenant.

67. Section 5B of the 1993 Act currently allows for a landlord, or the Commission with the consent of the landlord, to apply to the Land Court for an order terminating the tenancy of a crofter in cases of misuse or neglect. Subsection (3) of section 33 of the Act replaces section 5B of the 1993 Act and places a clear duty on tenant crofters not to misuse or neglect the crofts they tenant. It also inserts a new section 5C into the 1993 Act placing a duty on tenant crofters to cultivate and maintain the croft.

68. Subsection (2) of new section 5B sets out the statutory definitions of "misuse" that the Commission must use to determine whether misuse takes place. These are that the tenant crofter wilfully and knowingly uses the croft other than to cultivate it or put it to an approved purposeful use; fails to cultivate it; or fails to put it to any such purposeful use. Subsection (3) sets out the statutory definition of "neglect" that the Commission must use to determine whether neglect is taking place and identifies the regulations containing the relevant standards. This definition is that the tenant crofter is not keeping the croft in good agricultural and environmental condition.

69. Subsection (4) of new section 5B does, however, permit tenant crofters to act in a way that would otherwise constitute misuse or neglect without that being treated as a breach of the duty, provided such actions are planned and managed and are taken to conserve the natural beauty, or the flora and fauna, of the locality. Subsection (5) of new section 5B also allows tenant crofters to continue using the croft for a subsidiary or auxiliary occupation, if that use was permitted immediately prior to 28 January 2008 (the date section 7 of the Crofting Reform etc. Act 2007 came into force), without that being treated as misuse or neglect.

70. Subsection (6) provides the Scottish Ministers with power to amend, by order, the meaning of neglect so as to substitute different standards.

71. New section 5C places a duty on tenant crofters to cultivate and maintain the croft. Subsection (2) defines the duties as cultivating the croft or putting it to another purposeful use so that every part of the croft which is capable of being so used meets these criteria, and keeping the croft in a fit state for cultivation. Subsection (3) requires the Commission to take into account, in determining if these duties have been complied with, whether appropriate measures have been taken to control or eradicate the items detailed.

72. Subsection (4) requires a crofter to receive the consent of the landlord and the Commission before putting the croft to another purposeful use. Subsection (5) prevents a crofter from applying for such consent from the Commission until the landlord has refused to give consent or has granted it subject to conditions which are unacceptable to the crofter, or 28 days have expired since the crofter sought the landlord's consent, whichever occurs first.

73. Subsection (6) requires the Commission to consult the landlord and members of the crofting community relating to the croft to be put to another purposeful use on the application. The Commission must also be satisfied that, where planning consent, or any other formal approval, is required to deliver the purposeful use, that such approval has been granted.

74. Subsection (7) places a time limit of 28 days for the Commission to decide the application and allows them to place conditions if consenting. Subsection (8) defines "cultivate" and "purposeful use" for the purposes of the whole of the 1993 Act.

Duties of owner-occupier crofters

Section 34: Duties of certain owner-occupiers of crofts

75. Section 34 inserts new sections 19B to 19D into the 1993 Act covering owner-occupier crofters. Section 19B(1) provides that a person is an "owner-occupier crofter" if the conditions in subsections (2)-(4) are satisfied. Those conditions are: the person is the owner of a croft; the person was the tenant crofter who exercised the right to buy the croft, a crofter's nominee or an individual who purchased the croft from the landlord who created the croft (or a successor in title to these persons); and the croft has not been let to any person as a crofter since it was acquired from the landlord or constituted as a croft. Section 19B(5) defines "owner-occupied croft" and "owner-occupier's croft", and subsection (6) defines "constituting landlord".

76. New section 19C sets out the same duties for owner-occupier crofters as those placed on tenant crofters. Subsection (2) of new section 19C requires owner-occupiers to be ordinarily resident on, or within 32 kilometres of, the croft; not to misuse or neglect the croft; to cultivate every part of the croft which is capable of being cultivated or otherwise put it to purposeful use; and to keep the croft in a fit state for cultivation.

77. Subsection (3) and subsection (4) of new section 19C respectively set out the statutory definitions of "misuse" and "neglect" for owner-occupied crofts, in the same terms as apply to tenanted crofts. Subsection (5) requires the Commission to take into account, in determining if these duties have been complied with, whether appropriate

measures have been taken to control or eradicate a range of items. Subsection (6) provides that owner-occupier crofters may act in a way that would otherwise constitute misuse or neglect, if such actions are planned and managed and are taken to conserve the natural beauty, or the flora and fauna, of the locality.

78. Subsection (7) of new section 19C provides that owner-occupier crofters may continue using the croft for a subsidiary or auxiliary occupation, if permitted immediately prior to the date on which section 21 of this Act comes into force, without that being treated as misuse or neglect. Subsection (8) provides the Scottish Ministers with power to amend, by order, the meaning of neglect.

78. Section 21 also inserts new section 19D which prevents an owner-occupier from transferring any part of an owner-occupied croft, whether or not for value, without first dividing the croft with the consent of the Commission. This matches the position for tenant crofters who must obtain the consent of the Commission before they may divide their crofts.

79. Subsection (3) provides that the Commission must not determine an application for consent to divide an unregistered owner-occupier croft, unless an application for first registration of the owner-occupier croft is made within 6 months. The Commission does not need to consider the application for consent until an application for first registration is submitted.

80. Subsection (4) ensures that the division of a registered owner-occupied croft is registered by requiring registration to take place within 3 months of the granting of the consent to the division by the Commission or the consent will expire, and providing that the division takes effect on the date of registration. Subsection (5) requires the Keeper to make up and maintain a new registration schedule in respect of the new croft created by the division.

81. Subsection (6) provides that any transfer of ownership of part of an owner-occupied croft which is not a new croft created through division approved by the Commission is null and void; and subsection (7) allows the Commission to declare the original croft vacant. Subsection (8) provides definitions of “division”, “original croft” and “new crofts” for the purposes of this section.

Commission consent for absence from croft

Section 35: Consent for absence from croft

82. This section inserts new sections 21B, 21C and 21D into the 1993 Act. These introduce a new concession for both owner-occupier and tenant crofters to be absent from their crofts with the permission of the Commission. This is done on the understanding that there may be valid reasons for absence. Under the 1993 Act, absent owner-occupiers could be required to submit letting proposals and absent tenants could have their tenancies terminated for failing to reside on, or near, their croft.

83. Section 21B permits the Commission to consent to tenant crofters and owner-occupier crofters being ordinarily resident further than 32 kilometres from the croft. This consent can be granted where the Commission has received an application under subsection (1) (which, in the case of an application by a tenant crofter, has also been copied to the landlord of the croft under subsection (2)). Subsection (3) of new section 21B states that the Commission may grant consent only if they consider there is a good reason for a tenant or owner-occupier crofter to be ordinarily resident further than 32 kilometres from the croft. Subsection (4) empowers the Commission to attach conditions, including a time limit, to any consent that it grants in this context.

84. Subsection (5) of new section 21B requires the Commission to make a decision on any application to be absent within 28 days of the date of application. The appeal provisions in section 52A of the 1993 Act apply to the Commission's decision under subsection (5). Subsection (6) requires the Commission to inform the applicant and, where the applicant is a tenant crofter, the landlord of their decision and the reasons for making it.

85. New section 21C permits an applicant to whom the Commission has granted time-limited consent to be absent from the croft to apply to extend the duration of such an absence.

86. New section 21D permits an applicant to whom the Commission has granted conditional consent, other than a condition time-limiting the consent, to make an application to have the condition varied.

Enforcement of duties of crofters and owner-occupier crofters

Section 36: Information as to compliance with duties: annual notices

87. This section inserts new section 40A into the 1993 Act, requiring tenant and owner-occupier crofters to make an annual declaration that they are complying with the duties inserted into the 1993 Act by Part 3 of this Act. Subsection (1) requires the Commission to give notice to each tenant and owner-occupier crofter requiring them to provide the Commission with the information detailed in subsection (2) (for tenant crofters) or subsection (3) (for owner-occupier crofters). The information required is that they are complying with the duties in relation to residency, misuse and neglect or, if not, whether they have received consent to be absent from the croft or a tenant is complying with these duties.

88. Subsection (4) requires the Commission to issue notices to all tenant and owner-occupier crofters within 1 year of the commencement of section 36 of this Act and subsection (5) requires similar notices to be issued as soon as reasonably practicable annually thereafter.

89. Subsection (6) applies section 40(2) of the 1993 Act to a notice given under this section. The effect of this is that failure to furnish the Commission with the information within 3 months of the notice without reasonable cause, or knowingly or recklessly providing false information, will result in the tenant or owner-occupier crofter being guilty of an offence and liable on summary conviction to a fine not exceeding level 1 on the standard scale.

90. Subsection (7) disapplies subsection 55(1A) of the 1993 Act to a notice given under this section and removes the requirement to send notices under this section by registered post. Notices may therefore be sent by any other postal services.

Enforcement of duties of crofters and owner-occupier crofters

Section 37: Enforcement of duties of crofters and certain owner-occupiers

91. This section inserts 10 new sections into the 1993 Act (sections 26A to 26H, 26J and 26K) setting out the arrangements for the enforcement of duties placed on tenant and owner-occupier crofters.

92. New section 26A places a duty on the Commission to investigate certain reports of alleged breaches of duty by tenant and owner-occupier crofters. This section applies to a report from a grazings committee including information that a tenant or owner-occupier crofter is not complying with their duties or any such information in writing from a grazings committee or grazings constable, an appointed Commission assessor or a member of the crofting community within which the croft is situated.

93. Subsection (4) requires the Commission to investigate a suspected breach of duty reported in this way, although they need not investigate where they consider that the information provided is frivolous or vexatious (subsection (5)).

94. New section 26B provides that it and new section 26C (which requires the Commission to serve notice of a suspected breach of duty) apply where the Commission consider that tenant crofters or owner-occupier crofters are not fulfilling their duties to reside on, or within 32 km of, the croft, not to misuse or neglect the croft, and to cultivate and maintain the croft. Subsections 26B(2) and (3) provide that a crofter or owner-occupier crofter is deemed to be complying with those duties (other than the duty not to misuse the croft) where a crofter's subtenant, or an owner-occupier's tenant under a "short lease", is complying with those duties or where consent to be absent from the croft has been granted. Subsection (4) defines "relevant person" for the purposes of sections 26C, 26D and 26K. The expression "short lease" is defined in section 29A(4) of the 1993 Act (as inserted by section 39 of the Act).

95. New section 26C requires the Commission to give written notice to those they consider are not fulfilling their duties, unless they consider there is good reason not to. Subsection (2) requires the written notice to explain why the Commission considers duties are not being complied with and to give notification that a person subject to the notice may make representations to the Commission within a "representation period" of 28 days of issue of the written notice. Where notice is given to a tenant crofter, a copy must be sent to

the landlord. Section 26B(3) requires the Commission to consider all representations made within the representation period, although they may also consider representations made later (subsection (4)). Subsection (5) requires the Commission to decide whether or not the duties are being complied with no later than 14 days after the representation period ends.

96. New section 26D sets out the steps that the Commission must take if they decide, under section 26B(5), that a duty is not being complied with, prior to proceeding with the tenancy termination and letting procedures introduced by new sections 26H and 26J. The Commission must give written notice to the person in breach providing an opportunity for them to give an undertaking to remedy the breach and comply with the duty that has been breached within a period considered by the Commission to be reasonable. New section 26C(2) details the information a written notice must contain and requires that, where notice is given to a tenant crofter, a copy must be sent to the landlord. Subsection (3) permits the Commission to place conditions upon an undertaking given and subsection (4) requires the Commission to decide whether or not to accept an undertaking within 28 days of it being offered.

97. New section 26E sets out the circumstances in which the Commission may not proceed with the tenancy termination and letting procedures introduced by new sections 26H and 26J. The Commission may not proceed or take further enforcement action if the period for giving or complying with an undertaking has not expired or if an undertaking has been complied with. The Commission may also not take further enforcement action where it has consented to, or a tenant crofter has applied for consent (where that has not been decided upon) to, the subletting of the croft or, in the case of an owner-occupier crofter, the Commission has consented to the letting of the croft on a “short lease” (within the meaning of new section 29A), or an application has been made by the owner-occupier crofter to let the croft (whether on a short lease or to a tenant crofter) and that application has not yet been determined. Nor may the Commission take further enforcement action in respect of a failure to comply with the residency duty where they have either consented to the absence or are still in the process of considering an application for consent for absence, extending a period of absence or varying an absence condition.

98. New section 26F places a duty on the Commission to proceed with the tenancy termination and letting procedures introduced by new sections 26H and 26J. The Commission must take action, unless they consider there is a good reason not to, if they decide under section 26C(5) that a tenant crofter or owner-occupier crofter is not complying with any duty under this part of the Act and none of the circumstances mentioned in new section 26E apply. Subsection (2) requires the Commission to proceed with tenancy termination in respect of tenant crofters, and letting procedures in respect of owner-occupier crofters.

99. New section 26G enables the Commission to divide a croft before they proceed with the tenancy termination and letting procedures introduced by new sections 26H and 26J. The Commission may take such action where it considers it fair to divide the croft, but only after having given due consideration to the factors stipulated by subsection (2) of section 26G. Subsection (2) states that the Commission must consider the use and occupation of the croft, the interests of the estate on which the (tenanted) croft is located,

the sustainable development of the crofting community, and such other matters as the Commission deems appropriate. Subsection (3) provides for a division of a croft, or an owner-occupied croft, under this section to take effect on the date of registration of the division in the Crofting Register. Subsection (4) requires the Keeper to make up and maintain a new title sheet in respect of the new croft created by the division. Subsection (5) provides that, where a croft has been divided for failure to comply with the duties placed on the tenant crofter or owner-occupier crofter, the Commission may proceed with the tenancy termination and letting procedures introduced by new sections 26H and 26J in respect of either the whole of the original croft or any part of the croft. Subsection (6) requires the Commission, where they decide to divide a tenanted croft under this section, to give written notice to the landlord of the division and the effective date of that division. Subsection (7) defines “division” and “new crofts” for the purposes of this section.

100. New section 26H sets out the procedures that the Commission must follow when terminating a croft tenancy. The Commission must, unless they consider there is a good reason not to, make an order terminating the tenancy of a tenant crofter if they are satisfied that it is in the general interest of the local crofting community. Subsections (2) to (4) require the order to be notified to both tenant crofter and landlord and to specify the date on which it takes effect (which must not be earlier than 28 days after the later notification of the action (whether that is to the tenant crofter or the landlord)). Subsections (5) and (6) provide for the ejection of the crofter if he or she fails to give up occupation of the croft. The sheriff may refuse to issue a warrant for eviction only where the crofter can show cause. Subsection (7) permits the Commission to recover the expenses of applying for a warrant for eviction, and executing that warrant, from the crofter. Subsection (8) gives a crofter whose tenancy has been terminated for failure to comply with duties under the Act the same rights (e.g. compensation for permanent improvements made to the croft) and liabilities (e.g. rent due) as if the crofter had voluntarily renounced their tenancy on the date on which the order terminating the tenancy takes effect. This provides all crofters with the same rights and liabilities irrespective of how tenancies are ended.

101. New section 26J sets out the procedures that the Commission must follow when requiring an owner-occupier crofter to submit letting proposals. Subsection (1) requires the Commission, unless they consider there is a good reason not to, to direct the owner-occupier crofter who has failed to comply with a duty under section 19C(2) to submit a proposal, within 28 days of the Commission’s direction, for letting the croft. Subsection (2) limits these letting proposals to a maximum of 3 potential tenants. Subsection (3) requires the Commission to approve or reject a proposal submitted in response to such a direction within 8 weeks of the date of the direction. Subsection (4) requires the Commission to take action under subsections (7) and (8) where the owner-occupier crofter has not submitted a letting proposal within 28 days or has not had a letting proposal approved within 8 weeks of the direction having been given. Subsection (5) provides that when the Commission direct an owner-occupier crofter to submit proposals to let an unregistered owner-occupied croft, the let of that croft is void unless an application for first registration of the croft is submitted within 3 months beginning with the date of the letting. Subsection (6) provides that when the Commission direct an owner-occupier crofter to let a registered owner-occupied croft, any approval to a letting expires at the end of 3 months beginning with the date of letting approval unless an application to amend the registration details of the croft is submitted within that period; and the let takes effect on the date of registration.

102. Subsections (7) and (8) require the Commission to invite applications, by public notification, for letting and to set a time period within which applications may be received. When the time period set in the public notification has ended, the Commission must decide to whom (if anyone) the croft should be let and, in consultation with the owner-occupier crofter, the conditions under which the croft is to be let. Where no applications are received, the Commission may choose not to let the croft, thereby rendering it a vacant croft. Subsection (9) provides that the letting of an unregistered owner-occupied croft to an applicant is void unless an application for first registration of the croft is submitted before the expiry of the period of 3 months beginning with the date of the letting. Subsection (10) requires an application for registration of the letting of a registered owner-occupied croft to be submitted within 3 months of the decision to let the croft being made and provides that the letting takes effect on the date of registration.

103. Subsection (11) allows the owner-occupier crofter to apply to the Scottish Land Court within 28 days of the letting date to vary the conditions set by the Commission. Any variation determined by the Scottish Land Court will take effect from the letting date (subsection (12)). This is similar to the existing procedures for requiring letting proposals under the vacant croft provisions in section 23 of the 1993 Act.

104. New section 26K sets out the rights of appeal to the Scottish Land Court in relation to the new enforcement provisions. Subsections (1) to (4) set out the issues which may be appealed. These are: a decision of the Commission that a duty is not being complied with (section 26C(5)); not to accept an undertaking or to impose conditions on an undertaking (section 26D); an appeal against the division of a croft (section 26G); the making of an order by the Commission terminating a croft tenancy (section 26H); and a direction from the Commission for an owner-occupier to present letting proposals (section 26J). Subsection (5) provides that any appeal under subsection (2) or (3) must be made within 42 days of the decision, order or direction appealed against and subsection (6) defines the grounds on which an appeal may be made. Subsection (7) sets out the actions the Land Court may take in respect of an appeal and subsection (8) requires the Commission to give effect to the decision of the Land Court on an appeal under this section. Subsection (9) provides a power for the Land Court, following a decision on an appeal under this section, to order the Keeper to rectify the Crofting Register.

Grazings committees: duty to report misuse etc.

Section 38: Grazings committees: duty to report breaches of crofters' and owner-occupier crofters' duties etc.

105. This section inserts new section 49A into the 1993 Act, which requires grazings committees to report breaches of duties to the Commission and sets out a process and requirements for doing so. Subsection (1) sets out the issues on which a grazings committee must report to the Commission. These are the conditions of the common grazing, crofts of tenant and owner-occupier crofters with a share in the grazing and any other matter the Commission may require. Subsection (2) requires a grazings committee's report to also include any breach of duty by a tenant or owner-occupier crofter and subsection (3) allows the report to cover any other information affecting the common grazing or crofting in any township associated with the common grazing the committee consider appropriate.

106. Subsection (4) requires the first grazings committee report to be submitted to the Commission as soon as reasonably practicable after 1 year of this section coming into force and subsection (5) provides for 5-yearly reports to be submitted thereafter.

Letting of owner-occupied crofts

Section 39: Letting of owner-occupied crofts

107. This section inserts 2 new sections into the 1993 Act (sections 29A and 29B) setting out the arrangements for the letting of owner-occupied crofts.

108. Section 29A requires the owner-occupier crofter to obtain the written consent of the Commission prior to any letting of an owner-occupied croft. That might be a letting to a tenant as a crofter or it might be a letting to a tenant under a short lease who, because of section 29B, does not have that status. Subsection (2) requires that, with the exception of short leases, the Commission must not grant the consent if the owner-occupied croft is unregistered unless an application for first registration of the croft is submitted by the applicant within 6 months of the application for consent being made. The Commission need not consider the application until the registration application is submitted. Subsection (3) requires, with the exception of short leases, registration to take place within 3 months of the consent to the letting being granted, and provides that the letting takes effect on the date of registration. Subsection (4) permits the Commission to impose conditions, other than in respect of rent, in giving their consent to a letting proposal where the letting is for a period of 10 years or less (a "short lease"). Subsection (5) makes void any lease granted without the Commission's consent, and, where the lease is a short lease, any lease not granted in accordance with any conditions imposed by the Commission under subsection (4). Subsection (6) empowers the Commission to terminate a short lease if a condition they have attached to their consent has been breached or if the tenant fails to comply with a condition of let, other than in respect of rent. Subsections (7) and (8) disapply subsections (2) and (3) to short leases, as short leases do not require to be registered under sections 4 or 5 of the Act. Subsection (9) provides that, where a lease under this section includes a lease of the common grazing shares, the owner-occupier crofter's rights to, and any regulations relating to, the grazings apply to the tenant for the

duration of the lease. Subsection (10) clarifies that the conditions imposed under this section will not apply to the letting of the croft house, or other buildings on the croft, to holiday visitors.

109. Section 29B clarifies the status of a tenant under a short lease. Such tenants will be treated as neither a crofter nor a tenant under a tenancy under the Agricultural Holdings (Scotland) Act 2003. Consequently, they will not have the same legal rights as those types of tenants. A tenant of an owner-occupier's croft on a lease other than a short lease or a holiday let will be a tenant crofter. As a result, the owner-occupier crofter becomes a landlord of a croft and the provisions relating to owner-occupier crofters will cease to apply.

PART 4 – FURTHER AMENDMENTS OF THE 1993 ACT

Disposal of croft land, resumption and decrofting

Section 40: Limitation on crofter's ability to nominate donee

110. New section 40 inserts into section 13 of the 1993 Act (authorisation of the Land Court of acquisition of croft land) new subsection (1A) which clarifies that any nominee of the crofter exercising the right to buy the croft must be a family member.

Section 41: Extension of period during which sum is payable on disposal of croft land

111. Section 41 amends subsection (3) of section 14 of the 1993 Act to extend the period during which a crofter who has acquired croft land under section 13(1), or a member of that crofter's family who has since obtained title to that land, must pay the landlord one half of the profit made following disposal of the land. The period is extended from 5 years to 10 years.

Section 42: Consideration of application to resume croft

112. Section 42 amends the 1993 Act by inserting new sections (1AA) to (1AD) into section 20 of that Act. Section 20 deals with resumption of croft land and the amendments will allow the Land Court to consider additional factors when determining resumption applications.

113. New subsection (1AA) details the additional matters which the Land Court may take into account in determining an application to resume croft land and, in particular, in relation to satisfying itself, under section 20(1) of the 1993 Act, that the proposed reasonable purpose for resumption relates to the public interest. Subsection (1AA)(a) allows the Court to take into account the effect the proposed purpose for resumption will have on the issues detailed in new section (1AC). These issues include the sustainability of crofting in the locality of the croft and the sustainability of the crofting community in that area, as well as the sustainability of the landscape and environment in that area. It also allows the Court to consider the effect the proposal to resume would have on the social and cultural benefits associated with crofting. Subsection (1AA)(b) allows the Court to consider the effects of the purpose of the application and reach its own conclusion on whether the proposal and decrofting the land are in the public interest, notwithstanding the

existence of planning permission. Subsection (1AB) provides that new subsection (1AA) does not affect the requirement for the Land Court to extend the period of resumption in line with an extension of a relevant planning consent. Subsection (1AD) defines terms used in new section (1AA).

Section 43: Consideration of decrofting directions

114. Section 43 of the Act amends the 1993 Act by inserting new sections (1A) to (1C) into section 25 of that Act. Section 25 of the 1993 Act deals with decrofting and the amendments will allow the Commission to consider additional factors when determining applications to decroft.

115. This will allow the Commission to take into consideration the same factors when determining applications to decroft land as the Land Court may consider when considering applications to resume croft land following the amendments made by section 42 of the Act.

116. New subsection (1A) details the additional matters which the Commission may take into account in determining a decrofting application and, in particular, in relation to satisfying themselves, under section 25(1)(a) of the 1993 Act, that the proposed reasonable purpose for decrofting relates to the public interest. Subsection (1A)(a) allows the Commission to take into account the effect the proposed purpose for decrofting will have on the issues detailed in new section (1B). These issues include the sustainability of crofting in the locality of the croft and the sustainability of the crofting community in that area, as well as the sustainability of the landscape and environment in that area. It also allows the Commission to consider the effect the proposal to decroft would have on the social and cultural benefits associated with crofting. Subsection (1A)(b) allows the Commission to consider the effects of the purpose of the application and reach their own conclusion on whether the proposal and decrofting the land are in the public interest, notwithstanding the existence of planning permission. Subsection (1C) defines terms used in new subsection (1A).

Letting of vacant crofts

Section 44: Requirements to submit proposals for re-letting crofts

117. Section 44 amends section 11 of the 1993 Act, which covers transfers of crofts on intestacy. Subsection (2) requires that, where the Commission declare the croft vacant under section 11, a notice to the landlord under that section will require the landlord to submit proposals for re-letting the croft before the expiry of four months beginning on the day on which notice is given.

118. Section 44 also amends section 23 of the 1993 Act, which covers vacant crofts and the re-letting of crofts declared vacant under section 11. Subsection (4) amends section 23(5) so that, where the croft is vacant, the landlord is required to submit letting proposals to the Commission within two months from notice being given under section 23(5). Subsection (5) inserts new subsection (5ZA), (5ZB) and (5ZC) after section 23. These new subsections limit letting proposals to a maximum of 3 potential tenants when a croft becomes vacant and set out a clear process and timescales for submission and

consideration of these proposals. These replace and clarify some of what was formerly provided in section 23(5), namely that, if no proposals are submitted within 2 months, the Commission must proceed to invite applications from prospective tenants under subsection (5B) and let the croft under subsection (5C). Subsection (5ZB) also provides that, if proposals are submitted within 2 months (or where, following the death of a crofter, a croft is declared vacant under section 11(8) of the 1993 Act (Intestacy), within 4 months), the Commission have a further month within which to approve or reject those proposals. Subsection (5ZC) provides that the Commission must proceed under subsections (5B) and (5C) if no proposals are accepted by them within two months of the notice being given under subsection (5).

119. Subsection (6) substitutes a new subsection (5A) for the existing subsection (5A) of section 23 of the 1993 Act. New subsection (5A) relates to the case where a croft is, under section 11(8) of the 1993 Act, declared vacant following the death of a crofter. It makes equivalent provision to that made by new subsection (5ZC) in relation to vacant crofts, except that in this case the period within which the landlord must submit re-letting proposals is 4 months.

Section 45: Application to decroft where action being taken to re-let vacant croft

120. Section 45 inserts a new subsection (3A) into section 24 of the 1993 Act (which deals with decrofting in the case of resumption or vacancy). New subsection (3A) will allow the Commission not to consider a decrofting application made by the landlord under section 24(3) if the Commission have given notice under section 11(8)(a) or 23(5) requiring re-letting proposals to be submitted and the period within which the proposals must be submitted has not expired. It also allows them not to consider such an application where, because no proposals have been submitted before the period has expired or, where proposals have been submitted, because none have been approved, the Commission are proceeding under section 23(5B) and (5C). So these provisions limit consideration by the Commission of decrofting applications in specific circumstances.

Enlargement of crofts and common grazings

Section 46: Enlargement of crofts

121. Section 46 substitutes a new section 4 for that currently in the 1993 Act. Presently, the 1993 Act allows for the enlargement of a croft upon agreement between the crofter and the landlord and it is only where this enlargement would result in the croft area exceeding 30 hectares that a joint application from the landlord and the crofter must be submitted to the Commission for approval. As the intention is for the Crofting Register to capture any significant change in the extent of, or interests in, a croft, the new section 4 requires the Commission to approve any enlargement of a croft (regardless of the resulting size of the croft) and this in turn will require a first registration or amendment to the Crofting Register. Subsection (3) prevents the Commission from granting a regulatory application to enlarge an unregistered croft unless an application to register the croft is made within 6 months of the regulatory application being made. It also allows the Commission not to consider a regulatory application during the 6 month period until an application for first registration is made. Subsection (4) of new section 4 allows the Commission to make a direction for the enlargement of a croft provided that the resulting enlargement would be

of benefit to the croft or the crofter and would not result in the area substantially exceeding 30 hectares. Subsection (5) provides that a direction enlarging an unregistered croft, or a croft which has been registered as a result of the application for enlargement, takes effect on either the date of the direction or the date of entry under the tenancy of the enlarged area, whichever is later. Subsection (6) requires a registration application to be submitted within 3 months of the Commission's direction where it relates to a registered croft, otherwise the direction expires. It also provides that an enlargement of a registered croft only takes effect when registered.

Section 47: Enlargement of common grazings

122. Section 47 provides a replacement section 51 in the 1993 Act to align procedures for the enlargement of common grazings with those for the enlargement of crofts. Subsection (1) provides that this section applies when an owner provides non-croft land to form part of a common grazing. Subsection (2) allows the owner and crofters to apply jointly to the Commission for a direction for the land to form part of the common grazing. Subsection (3) requires the Commission, in approving the enlargement application, to be satisfied that the enlargement would benefit the common grazing or the crofters sharing in it. Subsection (4) provides that, where the common grazing is unregistered, the enlargement is effective from the date of the direction or the date on which the rights are first exercisable. Subsection (5) provides that the enlargement of a registered common grazing cannot take effect unless an application to register the enlargement is submitted within 3 months of the direction being made and only takes effect on the date of registration.

Commission's approval and consent

Section 48: Obtaining Commission approval or consent

123. Section 48 amends section 58A of the 1993 Act, which sets out the procedure to be followed in obtaining the consent or approval of the Commission. The main change is to make the current process simpler by requiring the Commission simply to approve applications for consent, reject them, or approve them subject to conditions. Subsection (3) extends subsection (4) of section 58A of the 1993 Act to allow any person the Commission considers to have a relevant interest in the application to object to that application. Subsection (4) amends section 58A to allow the Commission, under new subsection (5A), to consider objections submitted after the 28 day period specified in section 58A(4) if they are satisfied that there is good reason why the objection was late. New subsection (5B) disapplies public notification and objection provisions in section 58A where an executor applies for the division of a croft pursuant to a bequest under section 10 of the 1993 Act.

124. Subsection (5) of section 48 amends section 58A(6) to set out more clearly the options open to the Commission in determining an application to which section 58A applies. Subsection (6) requires the Commission to grant an application made by an executor to divide the site of the dwelling house from the remainder of the croft. Subsection (7) replaces sections 58A(7) to (10) with new subsection (7), which sets out the factors to which the Commission are to have regard when considering applications. Subsections (8) and (9) make consequential changes to section 58A.

125. Subsection (10) inserts a new subsection (12A) into section 58A of the 1993 Act and details those persons who are to be notified by the Commission of a decision on an application. Subsection (12) inserts a new section 58B into the 1993 Act, which sets out the procedure for varying the conditions of approval or consent under section 58A as amended. New subsection 58B(2) sets out the Commission's options for modification of a condition following application by the person who applied for the approval or consent and subsection (3) details those to be notified of the decision within 14 days of modification. Subsection (4) applies certain aspects of the section 58A procedures (e.g. the form in which an application must be made) to applications for modification of conditions under subsection 58B(2). Subsection (5) disapplies public notification and objection provisions in section 58A where the application relates to the division of a croft pursuant to a bequest under section 10 of the 1993 Act.

Succession to crofts

Section 49: Bequest of crofts

126. Section 49 amends provisions relating to the bequest of the tenancy of a croft in section 10 of the 1993 Act to address various issues relating to bequests of crofts and inadvertent intestacy. Subsection (2) provides for two types of bequests: the tenancy of the whole croft to one natural person and the tenancy of the croft to two or more individuals, providing that no part of the land subject to the bequest is left untenanted.

127. Subsection (3) requires the individual accepting the tenancy of the croft, or part thereof which is subject to the bequest, to give notice of the bequest to the landlord and copy that notice to the Commission, within 12 months of the death of the crofter.

128. Subsection (4) provides new subsections (3) to (4C) to replace subsections (2B) to (4D) of section 10 of the 1993 Act. New subsection (3) provides for the bequest to be null and void if: (a) no notice is given of the acceptance of the bequest of the croft and no copy of the notice is sent to the Commission where the croft is bequeathed to one person, or (b) where the croft is bequeathed to more than one individual, any of the legatees fails to give notice or send a copy to the Commission. New subsection (4) provides for the legatee to take the place of the deceased crofter (as from the death of the crofter) when the details are entered on the Crofting Register, in a case where the croft is bequeathed to one person. Subsection (4A) requires the deceased crofter's executor to apply to the Commission for consent to divide the croft where two or more legatees accept the bequests for their parts of the croft where the croft is bequeathed to more than one person, and, following Commission consent, subsection (4B) provides for each legatee to take the place of the deceased crofter (as from the death of the crofter) when the details are entered on the Crofting Register. Subsection (4C) states that the bequest is null and void if the Commission does not consent to division of the croft or an application for division is not made as required under section 9(3)(a) of the 1993 Act.

129. Subsections (5) and (6) amend section 10 of the 1993 Act so that, where there is more than one legatee, all legatees are jointly and severally liable for the debts and expenses relating to the tenancy and its administration.

130. Subsection (7) defines the “relevant date of registration” in section 10(4) of the 1993 Act and “legatee’s new croft” and related expressions and “relevant date” for the purposes of section 10(4B).

Appeals

Section 50: Appeals: procedure

131. Section 50(1) removes the requirement for an appeal to the Land Court to be by ‘stated case’. This allows for a simplified appeal process to the Land Court. Subsection (2) allows, but does not require, the Commission to be party to any appeal to, or proceedings before, the Land Court under the 1993 Act.

PART 5 – GENERAL AND MISCELLANEOUS

Section 51: Duty to report to the Scottish Parliament

132. This section requires the Scottish Ministers to lay before Parliament, once every 4 years, a report on the economic condition of crofting, the measures taken by the Scottish Ministers and the Commission to support crofting, and the further measures that the Scottish Government intends to take to address the economic condition of crofting. Subsection (2) requires the first report to be laid within 6 months of the Bill being passed by Parliament and subsection (3) defines “reporting period” as being, for the first report, the 4 year period prior to the date of the first report being laid, with subsequent reports covering the 4 year period since the last report.

Section 52: Pre-consolidation modifications of enactments relating to crofting

133. This section of the Act allows the Scottish Ministers, by order, to make modifications of enactments relating to crofting which they consider facilitate, or are desirable for, consolidating the law on crofting. Subsection (2) prevents the Scottish Ministers from making such an order unless a crofting consolidation bill has been introduced to the Scottish Parliament. Subsection (3) will result in the order modifying enactments coming into force immediately before the commencement of a consolidation Act resulting from such a Bill.

Section 53: Subordinate legislation

134. This section of the Act sets out the procedures by which the Scottish Ministers will be able to exercise powers that the Act gives them to make subordinate legislation. All regulations, rules and orders will be made by statutory instrument. Subsection (5) sets out the procedure that must be followed before a pre-consolidation order under section 52(1) may be laid before the Scottish Parliament and subsection (6) requires such an order to be laid for a minimum of 60 days, including 30 days in which the Scottish Parliament is not dissolved or in recess.

Section 54: Ancillary provision

135. This section of the Act enables the Scottish Ministers to make incidental, supplementary and consequential provision by order if they consider it to be appropriate for the purposes of the Act or to be in consequence of, or for giving full effect to, any provision of the Act. Subsection (2) allows for such an order to modify any enactment, including the Act itself.

Section 55: Minor and consequential amendments and repeals

136. This section gives effect to schedule 4 of the Act, which contains minor and consequential amendments and repeals of other legislation.

Section 56: Interpretation

137. This section defines a number of expressions as they are used in the Act.

Section 57: Short title, commencement and Crown application

138. This section provides for the Act to come into effect on a day or days appointed by order by the Scottish Ministers.

SCHEDULE 1 – THE CROFTING COMMISSION

139. Schedule 1 is introduced by section 1(3) of the Act and replaces the existing schedule 1 to the 1993 Act.

140. Paragraph 1 of new schedule 1 to the 1993 Act establishes the status of the Crofting Commission. The Commission will be a corporate body. Sub-paragraph (3) states that the Commission’s members and employees are not to be regarded as civil servants; however, paragraph 10(2) enables the Scottish Ministers to continue to supply staff to the Commission and such staff continue to be civil servants.

141. Paragraph 2 outlines the general powers of the Commission. Sub-paragraph (1) enables the Commission to do anything they consider necessary or expedient to enable them to effectively carry out their functions. Sub-paragraph (2)(d) gives the Commission the power to charge in respect of their functions and the Scottish Ministers the power to determine the appropriate level of fees.

142. Paragraph 3 outlines the proposed membership of the Commission. Sub-paragraph (1) indicates that there are to be a maximum of nine members, of whom no fewer than two should be persons appointed by the Scottish Ministers and no more than six should be elected members. There will therefore be two types of members: “elected members” and “appointed members”. The Scottish Ministers are also to select one of the members (appointed or elected) of the Commission to be the convener although they may delegate this function to the Commission. The majority of the Commission are to be elected members unless such a majority cannot be maintained. This could occur if an elected member resigns or is removed from office and there are no other candidates available from

the Commission elections (who originally polled too few votes to become a member of the Commission) to fill this role. Sub-paragraph (4) allows the Scottish Ministers to vary the number of members, elected members and appointed members by order but any order must ensure the elected members are always in the majority.

143. Paragraph 4 sets out the eligibility requirements for appointed members of the Commission. Each appointed member would need to have a knowledge of crofting and have no financial interest which could prejudice their role as a member. In addition, if none of the elected members speaks the Gaelic language or are considered by Scottish Ministers to represent the interests of landlords of crofts, then at least one appointed members must speak the Gaelic language and one must represent the interests of landlords of crofts. Sub-paragraph (4) lists different types of interests which would not be considered interests that might prejudice the ability of an appointed member to carry out their functions.

144. Paragraph 5 enables the Scottish Ministers to determine the terms and conditions of appointment of an appointed member.

145. Paragraph 6 allows for members of the Commission to resign from office at any time provided they do so in writing to the Scottish Ministers. Sub-paragraph (2) allows a person who is no longer a member of the Commission to be re-appointed at a later date provided they were not removed from office by the Scottish Ministers. Sub-paragraph (3) allows the Scottish Ministers to appoint a replacement member of the Commission where an elected member resigns or otherwise ceases to be a member of the Commission (other than being removed from the Commission) and is not replaced by another candidate from the elections as outlined in sub-paragraph (4).

146. Paragraph 7 enables the Scottish Ministers to make regulations governing the elections of members of the Commission. Under sub-paragraph (2), such regulations may include provision for the voting system to be used during these elections and their frequency and timings. They may make provision for the conduct of elections and the constituencies in which an election would be held. The regulations will enable the Scottish Ministers to create offences relating to such elections and will determine who will be eligible to vote during elections. They will also provide for the appointment of a returning officer to oversee the running of the elections and will determine that officer's functions; fees and expenses; and tenure and vacation of office. The regulations may also determine who may and may not stand for elections, including by reference to a person's age. The number of members returned from each constituency may be established by regulations under paragraph 7. Where there is a vacancy on the Commission, the regulations may outline the circumstances in which a person who has polled fewer votes during an election than the person vacating membership of the Commission might fill the vacancy. Sub-paragraphs (3) and (4) set the upper tariff limits for offences which can be created in the election regulations; upon conviction on indictment, an offence may be punishable with imprisonment for a term not exceeding two years; or upon summary conviction an offence may be punishable with imprisonment for a term exceeding not 12 months, or fine not exceeding level 5 on the standard scale. Sub-paragraph (5) provides that a person is entitled to stand for election as a member of the Commission provided that the person is aged sixteen or older and has been nominated by a person eligible to vote.

Subparagraph (6) provides that the Scottish Ministers must consult with appropriate persons or bodies on boundaries of constituencies and the persons eligible to vote prior to making the regulations.

147. Paragraph 8 requires the Scottish Ministers to determine the rate of remuneration and allowances for members and to pay such remuneration and allowances. It also allows the Scottish Ministers to make arrangements for the payment of pensions, allowances and gratuities to current and former members of the Commission.

148. Paragraph 9 sets out the circumstances in which the Scottish Ministers may remove a member from office. This requires Ministers to give notice to the member in writing if they are satisfied that the member: is insolvent; has been convicted of a criminal offence which results in imprisonment for 3 months or more; is incapacitated by physical illness or mental disorder; has been absent from meetings of the Commission for 6 months or more without the convener's permission; or is otherwise deemed unable or unfit to exercise their functions as a member. Sub-paragraph (2) sets out the circumstances in which a member will be considered insolvent. Where there is a vacancy in the Commission as a result of an elected member being removed from office, Ministers may appoint a replacement member under sub-paragraph (3). Such an appointment may be made only if the vacancy cannot be filled by a person who polled fewer votes during an election than the person vacating membership of the Commission.

149. Paragraph 10 sets out the arrangements for the appointment of the chief executive and staff of the Commission. Sub-paragraph (1) requires the Scottish Ministers to consult with the convener of the Commission before appointing a chief executive. As is currently the case under the 1993 Act, under sub-paragraph (2) the Scottish Ministers will continue to be able to provide staff to the Commission and such staff will remain civil servants. Sub-paragraph (3) also provides the Commission with the ability to appoint its own employees. Sub-paragraphs (4) to (6) provide the Scottish Ministers with the ability to give directions to the Commission (which must be complied with) in relation to the number of employees who may be appointed and their terms and conditions of employment. Sub-paragraph (7) provides the Commission with the power to pay, or make arrangements for the payment of, such pensions, allowances and gratuities as the Commission determines. This is subject to the approval of the Scottish Ministers.

150. Paragraph 11 provides for the quorum of the Commission to be five and, provided there are three or more elected members, it must include no fewer than three elected members, thus ensuring that crofters are always in the majority when a decision is being taken by the Commission. There will always be at least three elected members unless more than three such members have been replaced due to resignation or through removal from office.

151. Paragraph 12 sets out requirements for the Commission to establish committees, including an audit committee and such other committees as they consider appropriate. Sub-paragraph (3) allows the Commission to appoint members to their committees but does not require these persons to be members of the Commission. Sub-paragraph (4) qualifies this by preventing any committee from consisting solely of non-members of the Commission.

152. Paragraph 13 sets out the procedure of the Commission and their committees. Sub-paragraph (1) allows for the Commission to determine their own procedure and the procedure of their committees. Sub-paragraphs (2) and (3) require the convener of the Commission to chair meetings or to appoint another member to act as chair where he or she is unavailable. Sub-paragraph (6) provides for the proceedings of the Commission, or committees of the Commission, to be valid even if a vacancy arises on the Commission or committee or if there has been a defect in the appointment of a member.

153. Paragraph 14 deals with member interests, with sub-paragraph (1) requiring a member of the Commission or a person with a direct or indirect interest in any matter being considered at a meeting of the Commission to disclose their interests. Sub-paragraph (3) prevents a person who has declared an interest from taking part in any deliberation or decision on a matter in which they have an interest.

154. Paragraph 15 allows the Commission to delegate their functions. Sub-paragraph (1) provides for the Commission to delegate their functions to: any of their members; any of their committees; their chief executive; any person whose services are provided to them by the Scottish Ministers; and any of their employees. The Commission will have the ability to determine the type of functions they can delegate and the extent to which these functions can be carried out on their behalf. Sub-paragraph (2) specifies that the Commission continue to have responsibility for the exercise of their functions even after a function has been delegated.

155. Paragraph 16 enables the Commission to appoint a panel of local assessors to assist them in the exercise of their functions. The Commission are required, prior to appointing assessors, to publish information on the methods to be used for the appointment of assessors and the functions they exercise, and to provide information relating to this to crofting communities and to keep these matters under review. Assessors are required to be resident in the crofting counties or in the new areas to crofting, and sub-paragraph (5) enables the Commission to pay them for any expenses or loss of earnings resulting from their role.

156. Paragraph 17 requires the Commission to have their main office in the crofting counties. The Commission's determination of the location of their premises must be approved by the Scottish Ministers.

157. Paragraph 18 sets out proposed financial arrangements for the Commission. Sub-paragraph (1) enables the Scottish Ministers to pay grants or make loans to the Commission. This allows the Scottish Ministers to provide the Commission with grant-in-aid. Sub-paragraph (2) enables the Scottish Ministers to determine the terms and conditions of such loans and grants and sub-paragraph (3) allows Ministers to vary these terms and conditions.

158. Paragraph 19 requires the Commission to prepare accounts. Sub-paragraph (1) requires the Commission to keep a proper set of accounting records and prepare a statement of accounts each year. This statement of accounts must be sent to the Scottish Ministers on a specified date as directed. Sub-paragraph (5) requires the Commission to make audited accounts available for public inspection.

159. Paragraph 20 requires the Commission to provide the Scottish Ministers with information on the exercise or proposed exercise of their functions as required.

160. Paragraph 21 enables the Scottish Ministers to transfer property, rights and liabilities to the Commission where it is considered necessary or expedient to do so.

SCHEDULE 2 – PERSONS RESPONSIBLE FOR APPLICATIONS FOR REGISTRATION

161. Schedule 2 provides two tables. Table 1 lists the person responsible, in relation to each regulatory trigger event in section 4(4), for an application for the first registration of an unregistered croft. Table 2 lists the person responsible, in relation to each regulatory trigger event in section 5(3), for an application to amend the registration details of a registered croft.

SCHEDULE 3 – APPLICATION OF ACT TO COMMON GRAZINGS

162. Schedule 3 is introduced by section 28 of the Act. It applies sections 8 –21 of the Act to common grazings as they apply in relation to crofts, subject to certain modifications. Sections 8 – 21 of the Act make certain provisions on the registration of crofts.

SCHEDULE 4 – MINOR AND CONSEQUENTIAL MODIFICATIONS

163. Schedule 4 makes minor and consequential amendments to the Small Landholders (Scotland) Act 1911; the Succession (Scotland) Act 1964; the Crofters (Scotland) Act 1993; and the Ethical Standards in Public Life etc. (Scotland) Act 2000.

164. Schedule 4 makes particular provision in relation to the transfer of responsibility for small landholdings. It extends the Commission's regulatory powers for small landholdings in the crofting counties to include any areas designated by order as new crofting areas. Also, small landholdings in Scotland have previously been regulated by the Scottish Ministers as the successor to the Board of Agriculture, with the most frequent regulatory action being in relation to vacant holdings, and similar to decrofting procedures. Schedule 4 also amends the Small Landholders (Scotland) Act 1911 to extend the powers of the Commission in the crofting counties to include any areas designated by order, to regulate vacant holdings; regulate construction of additional dwellings; regulate merger and amalgamation of holdings; and suggest model forms of agreements. Where two or more landhold units have been amalgamated, or a landhold unit joined with a larger unit the resultant holding is deemed to be a larger agricultural unit, currently this would render them ineligible for conversion to crofts, however the Act makes provision for the acceptance of applications even if a landhold holding is comprised within a larger agricultural unit.

165. Schedule 4 amends section 16 of the Succession (Scotland) Act 1964 so that the Commission's consent is no longer required to the transfer of the tenancy of a croft on the intestacy of a deceased crofter. It also repeals section 16A of that Act, which makes provision about obtaining Commission consent to such a transfer. It also extends the

*These Notes relate to the Crofting Reform (Scotland) Act 2010 (asp 14),
which received Royal Assent on 6 August 2010*

period within which a tenancy may be transferred under section 16 following the death of the crofter from 12 to 24 months.

166. Schedule 4 makes various consequential changes to the Crofters (Scotland) Act 1993 in relation to all Parts of this Act.

PARLIAMENTARY HISTORY TABLE

167. The following table sets out, for each Stage of the proceedings in the Scottish Parliament on the Bill for this Act, the dates on which the proceedings at that Stage took place, and the references to the official report of those proceedings. It also shows the dates on which the Committee Reports and other papers relating to the Bill were published, and references to those reports and other papers.

Introduction	
Bill as Introduced - 9 December 2009	SP Bill 35
Stage 1	
(a) Rural Affairs and Environment Committee	
2 nd Meeting 2010, 20 January 2010	Official Report of the 2nd RAE Committee meeting
3 rd Meeting 2010, 10 February 2010	Official Report of the 3rd RAE Committee meeting
4 th Meeting 2010, 23 February 2010	Official Report of the 4th RAE Committee meeting
5 th Meeting 2010, 2 March 2010	Official Report of the 5th RAE Committee meeting
6 th Meeting 2010, 10 March 2010	Official Report of the 6th RAE Committee meeting
7 th Meeting 2010, 17 March 2010	Official Report of the 7th RAE Committee meeting
4th Report, 2010 (Session 3) Stage 1 Report to Parliament	RAE Committee Stage 1 Report SP Paper 426
Government response to Stage 1 Report	Scottish Government response to RAE Committee Stage 1 Report, 12 May 2010
(b) Finance Committee	
29 th Meeting 2010, 15 th December 2009	Official Report of the 29th Finance Committee meeting
3 rd Meeting 2010, 2 nd February 2010	Official Report of the 3rd Finance Committee meeting
Report on Financial Memorandum	Finance Committee Report

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(c) Subordinate Legislation Committee	
4 th Meeting 2010, 2 February 2010	Official Report of the 4th Subordinate Legislation Committee meeting
Report on the Crofting Reform (Scotland) Bill at Stage 1	Subordinate Legislation Committee Report
(d) Consideration by the Parliament	
Stage 1 Debate – 13 May 2010	Official Report of Stage 1 debate
Stage 2	
Rural Affairs and Environment Committee	
14 th Meeting 2010, 2 June 2010	Official Report of the RAE Committee Stage 2 consideration - 2 June 2010
15 th Meeting 2010, 9 June 2010	Official Report of the RAE Committee Stage 2 consideration - 9 June 2010
16 th Meeting 2010, 16 June 2010	Official Report of the RAE Committee Stage 2 consideration - 16 June 2010
	Crofting Reform (Scotland) Bill [as amended at Stage 2]
	Supplementary Delegated Powers Memorandum
After Stage 2	
Subordinate Legislation Committee	
21 st Meeting 2010, 22 June 2010	Official Report of the 21st Subordinate Legislation Committee meeting
Stage 3	Revised Explanatory Notes
Consideration by the Parliament	
Stage 3 Debate – 1 July 2010	Official Report of Stage 3 Debate
Bill as Passed – 1 July 2010	SP Bill 35
Royal Assent	
6 August 2010	Crofting Reform (Scotland) Act 2010

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