

## **EUROMOUNTAINS.NET THEME 3**

Research into the defence and management of the fragile rural areas, landscapes and natural resources in mountains



**Scottish Crofting Foundation**

from past, to present, for future

**The effectiveness of Land Management Contracts as a policy tool for the protection of mountain landscapes; comparisons with other local approaches**

October 2006

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Oct 2006

<b>Section</b>	<b>Title</b>	<b>Page</b>
1	Introduction	2
2	Euromountains.net	2
3	The Study Tour and the Crofting System	2
4	Background to Case Study Areas	3
5	Current Trends and Pressures	6
6	The Policy Context and LMCs	9
7	Study Project 1 – Balmacara: Land Management Contract	10
8	Study Project 2 – North West Sutherland: Co-operative Working	13
9	Emerging Themes Revisited	18
10	Recommendations	20

## **1. Introduction**

This report describes two mountainous areas of the Highlands of Scotland – Skye & Lochalsh and North West Sutherland. Land management in both areas is economically marginal and changes to support regimes under the Common Agricultural Policy are tending to exacerbate existing downward trends in agricultural activity and as a result, have knock-on effects on the local rural economy. However, both areas are of high environmental and landscape importance and land use is recognised as playing a significant role in the maintenance of important habitats and species and the valued landscape on which the local tourist industry depends.

This study examined the means by which the public goods provided by land management in mountains areas are being supported by the Scottish Rural Development Programme and the new Land Management Contract system in particular. The study analyses how effective these Scotland-wide policy tools are in supporting and encouraging land management in the two study areas.

Against this background of European and national policy, the study then moves on to look at the different approaches taken to encourage and retain particular patterns of land use and overcome the disadvantages of living and working in remote mountainous areas.

The first approach (section 7) describes a system where the landowner of the Balmacara Estate in Lochalsh – the National Trust for Scotland, an NGO - supports crofters directly for particular management that benefit the landscape and environment. The National Trust provides some of their own funds along with public sector support and assistance from LEADER +. This is contrasted with management by crofters on another estate within the same area where the landowner is also a conservation body, but with a particular interest in wild land. Through this comparison it is possible to gauge the effectiveness of local land management agreements in addition to the Scotland-wide LMC mechanism.

The second approach from North West Sutherland (section 8) shows how - against a background of low levels of support from the CAP and Scottish Rural Development Programme - collectively

people can work together to improve the viability of land management activity, cut costs, improve production and provide alternative sources of income. Significant efforts are being made in the area by a number of voluntary sector groups to enhance economic activity in the area and retain active land management. Although faring generally poorly from mainstream land management support mechanisms, public sector funding to support particular environmental outcomes or community-based development has been accessed by these local voluntary collectives.

The report follows on from the study tour report issued in September 2006 in which a number of themes were raised and discussed. These are further developed in the case studies. Some of these ideas may be transferable to other European countries facing similar issues.

However, it remains a question of political will as how much support the country as a whole wishes to put into keeping people in remote and mountainous areas.

## **2. Euromountains.net**

Geography and fragility of the environment pose challenges to Europe's mountainous areas. Nations and autonomous regions are seeking ways to deal with these and have adapted their development efforts to fit the physical context. The aim of the project is to identify successful strategies for keeping people living and working in mountainous areas and to share these ideas between the partners.

This study is part of Theme 3: "managing the fragile mountain landscape, rural environment and natural resources". Themes 1 and 2 looked at improving services and developing resources and products.

The project aims to collect and transfer innovative solutions between the 13 partners (mainly regional authorities) from Italy, France, Spain, Portugal, UK and Norway. Theme 3 is being coordinated by Highland Council, on behalf of the Highland partners.

Three Scottish public sector partners are working with The Highland Council: Scottish Natural Heritage is the public body which is charged with protecting the environment; the Crofters Commission regulates and develops the crofting system of agriculture in the Highlands and Islands; Highlands and Islands Enterprise is the economic development body for this area. The Highland Council is the local authority in the UK which covers the mainland mountainous area of the north of Scotland along with some of the islands off the west coast.

The Scottish Crofting Foundation (SCF) has been contracted by The Highland Council to prepare the case studies. The SCF is a member based charity which develops crofting in the Highlands and Islands and represents the interests of crofters.

### 3. The Study Tour and the Crofting System

A study tour was held in July 2006 and attended by 25 delegates. The tour visited a number of crofting townships in Lochalsh on the Scottish mainland and on the island of Skye.

A key element of the visits was the crofting system of land tenure which is unique to the Highlands and Islands of Scotland. This is a system of land tenure whereby the crofter manages the land but does not own it. Crofters do, however, have an absolute right to occupy the land and to assign the tenancy to someone else. The crofter owns the buildings that sit on the land and would be compensated for any improvements to the land (eg drainage, fencing) when they assign the tenancy. The system developed for historical reasons in the 1880s and has proved a stable system which has maintained population in remote areas and kept the link between the people and the land over several generations. Before that, there was no security of tenure so the tenant had no incentive to improve the land or build a decent house so many families lived in poverty. In many cases, the crofting system is tied in with preserving the culture of the area as well as the landscape.

Crofts are generally small units and do not provide enough income to support a family. Most crofts are, therefore part time and crofters have an alternative job, often involving tourism. So the croft represents part time income for part time work.

Traditionally, crofts have a small area of arable land for the use of that family only (known as inbye land) along with a share of common grazing. The common grazing may extend over 100s of hectares and be shared between many crofters with the amount of stock carried being carefully controlled to prevent overgrazing. The sharing of grazing has led in the past to a culture of communal working, for example in gathering sheep from the hills for shearing.

The crofting system is still in place but is coming under strain from poor financial returns, lack of active crofters for communal work and the demand for crofts for second or retirement homes.

The discussions with people living in the study tour areas brought out a number of themes that were identified by the delegates in their tour reports. These are restated below.

- *“Duthchas”* – the Gaelic term describes the sense of this being one’s native land which you have inherited from your ancestors. And with the inherited right comes the responsibility to pass it on to your own children in good heart. Previous generations cleared the stones from the fields and made the land what it is; you have to keep faith with them and care for the land, whatever its shortcomings.

Agriculture cannot sustain a family by itself. Crofters have other jobs to supplement the part time farming that is crofting. If crofters were to take an economic decision then they would not farm but the link with the land keeps them ploughing and gathering and shearing. People leave the area for work but keep their croft in the family intending to return eventually.

This attitude also mitigates against combining crofts into bigger units, which would be more profitable, since this would break the crofter’s link with the land and their heritage.

- *Political will* – if the public and government want the landscape to be conserved or managed in a certain way and if they want to keep population in rural areas then they must devote the resources to doing this. If the political will does not support rural populations remaining where they are and providing a valued range of services then, by default, depopulation will occur and management without people to undertake the tasks is impossible. Mountainous areas are rarely wildernesses and have been shaped and managed by man for generations, therefore both the political recognition of the situation and the political will to manage mountain areas and support the mountain area populations are vital.

If we want to stop all agricultural activity in our mountain areas so that they return to wilderness (which is the direction that some conservation bodies would like to go) then this has implications for a wide range of policies and will lead to depopulation, the loss of the cultural heritage and perhaps the loss of some of the aspects that currently make the areas attractive for tourism and people moving into the area. The designation of certain areas as, for example, Sites of Special Scientific Interest imposes restrictions on the way the land is managed and so could have knock on effects on income and the viability of agriculture. Designation is part of the debate about how we want to manage our mountainous areas – as a working environment or as a wilderness playground or as a balance between the two extremes.

- *Fair payment for provision of public goods* – farmers and crofters are being asked to provide ongoing land management activity (where sometimes the economically rational decision might be to discontinue it) and take less efficient production routes to provide for public goods from which the wider population benefit. Examples of this are setting aside areas of land for particular habitats or cropping hay in meadows later than is agriculturally efficient to help breeding birds or preserve wild flower meadows. To ensure that these activities can be carried out, incentive and achievement payments need to be made. These rates need to be set to reflect the local conditions so that the rates make it worthwhile for the farmer or crofter to adopt this system with enthusiasm.

The experiences of the Balmacara Estate and the National Trust for Scotland provide an opportunity to look at how local organisations can ‘fill the gap’ between state policy implementation and local needs to ensure both the nature of local management and realities of cost are recognised. This type of activity also highlights the potential inadequacy of state rural and agricultural schemes in some mountain areas that do not conform to national agricultural models and where the role of land management is specific to both the environment and the cultural activity that developed there. It is therefore possible that such local schemes may provide potential templates for future variation of state schemes in particular environments.

- *Transferability* – the crofting model has worked well in Scotland for over 100 years but arose because of the special set of circumstances in Scotland in the nineteenth century. It may not be appropriate for other areas. However, certain aspects of communal working

might be applicable to other countries or other sectors such as forestry. For example, the idea of shares in common land with a limit on overall numbers of grazing animals.

- *Young people and succession* – if agriculture is to survive then there needs to be a steady inflow of young people. There are dangers of this not happening because of
  - poor economic returns for the work involved
  - inability to get housing because of competition from incomers
  - inability to get land because of blocking by older crofters / farmers.
  
- *Local food production and marketing* – more production and consumption of local food could help boost incomes from the land. Therefore investigations are needed into the link between producers and consumers at a local level. The advantages these links offer would include
  - reduced transport costs
  - production can be moderated through local demand
  - improved and low cost diet for some of the country's lowest income families
  - the development of meaningful jobs

This could both develop sustainable farm production and provide the environmental benefits required by residents and governments.

A separate report has been issued on the tour.

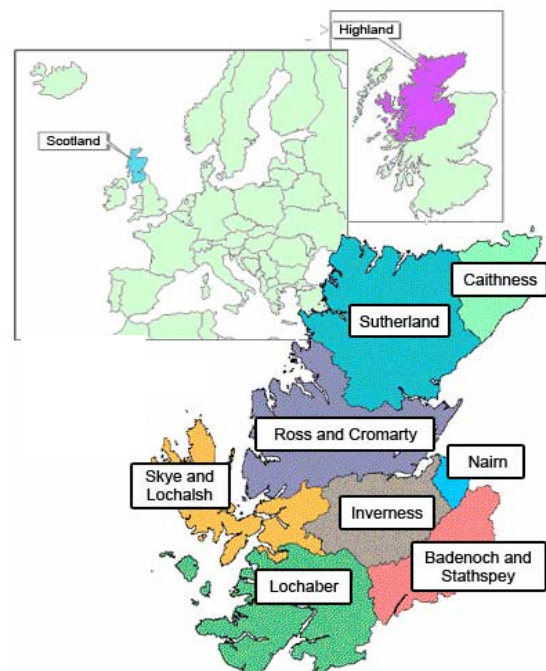
#### 4. Background to Case Study Areas

This section describes the Highlands and Islands of Scotland in general and the 2 case study areas covered by the report in detail.

##### a) Geography of The Highlands

The map shows the position of the Scottish Highlands and Islands on the periphery of the UK and of Europe. The Inverness area forms the heartland of the Highlands with the greatest concentration of population and industry. There are other smaller centres in Lochaber, Caithness and in Easter Ross. The area is characterised by a few small towns and a widely scattered population.

The population of the Highland Council area is 211,340. There has been a 1.9% increase over last 10 years but there is a wide variation with Caithness, Lochaber, Ross & Cromarty all showing population decreases.



The total area is 26,484 sq kms, an area nearly the size of Belgium. The population density is 7.9 persons / sq km which compares to the density for Scotland of 66.

Inverness is 880 kms from London and 250 kms from Edinburgh. Of the 2 study areas, Kyle of Lochalsh is 128 kms from Inverness and Durness in north west Sutherland is 160 kms from Inverness.

The Highlands are largely constrained in their capability for agricultural production except for the area bordering the Moray Firth from Nairn to Easter Ross. This is reflected in the designation of much of the region as Less Favoured Area.

Much of the area is protected under national or European designations for nature conservation and landscape interest.

<b>Designation</b>	<b>Land Area % of Highland</b>	
	<b>(hectares)</b>	<b>Land Area</b>
Site of Special Scientific Interest (SSSI)	500,307	19.1
Special Area of Conservation -candidate (cSAC)	381,686	14.6
Special Protection Area (SPA)	263,893	10.1
National Nature Reserve (NNR)	72,155	2.7
National Scenic Area (NSA)	527,705	20.2

*Source: Scottish Natural Heritage, 2003.*

The principle land uses are

- Agriculture – mainly stock rearing in the north and west (cattle and sheep) sold as store animals for fattening elsewhere. There is some arable land around the Moray Firth, principally growing barley and potatoes
  - Forestry covers 15% of the land area including over 300,000 ha of commercial forestry
  - Sporting estates – where the hill and moorland is kept for deer stalking and grouse shooting
  - Urbanisation / industrial development is limited apart from around Inverness and Easter Ross. Attempts to establish heavy industry based on raw materials or cheap local energy has generally failed. Oil rig construction boomed in the 1970s but then died away. Hydro-electric power generation is well established and wind farms are growing in importance.
- Disadvantages

Amongst the disadvantages of the area are

- Remoteness –the distance from markets and suppliers increases the cost of getting raw materials in and finished products out. This is especially true of agricultural produce which is often bulky or difficult to transport. Changes to animal welfare rules for transporting animals may exacerbate the problem.

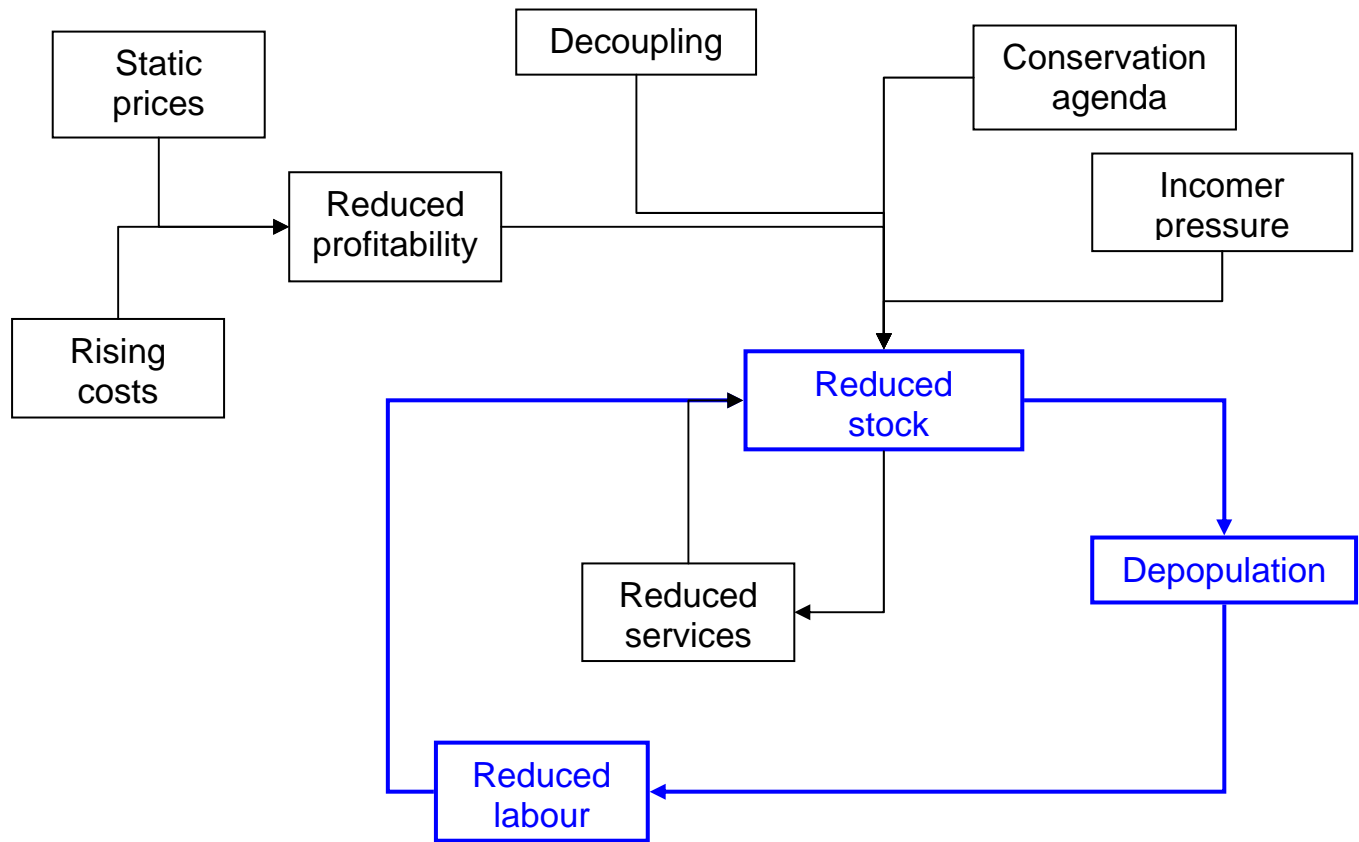
- Altitude and slope – most of the area is rocky and steep although the mountains are not generally very high. Only a very few peaks are above 1,000m. In the west, many of the mountains rise directly from the sea. On account of climatic conditions, vegetation even at low level is characteristic of much higher mountain massifs.
- Latitude – the area lies north of 57° (north of all of Germany and most of Denmark) and so has cool summers with lots of daylight. In winter, daylight may only last from 08.30 to 15.30.
- Climate – the climate is Atlantic maritime with high rainfall in the west and moderate rainfall in the east. Summers are cool with a short growing season. Grass growth doesn't start until April. Only one cut of hay or silage is possible in most areas. The winter temperature is moderated by the influence of the Atlantic but snow is common. Rainfall and a cool, damp climate have led to the creation of large areas of peat bog.
- Fertility – soils are thin or non-existent over most of the area with pockets of fertile land in some valleys and round the coast. The Moray Firth area is again an exception providing good arable land and moderate rainfall. Peat bog covers large areas and is of very poor agricultural quality supporting only the most extensive grazing systems. The extent and quality of blanket bog in the north of Scotland is however of international environmental significance.
- Population sparsity – low density of population means that services such as education and health are difficult to deliver outside the towns. There are also limited suppliers for land-based activities (eg slaughterhouses, feed merchants, vets) which can increase prices and increase overheads in travelling time. Low population numbers also reduce the political influence of the Highlands in the Scottish and UK parliaments. The population of the Highlands is around 4% of the Scottish population or about 0.3% of the UK population.

## 5. Current Trends and Pressures

Recently, economic drivers have encouraged farmers in remote, mountainous areas to reduce the amount of stock they are carrying.

- The main CAP support mechanism, the Single Farm Payment, has been completely decoupled in the UK since 2005 so that the grant received depends on the stock held in the 3 year period 2000 – 2002 not on the stock currently held. Thus a farmer can sell off all their animals and still receive the full subsidy as long as ground is maintained in accordance with minimum standards required to meet cross-compliance criteria.
- Profit levels have been decreasing due to steadily rising costs and static prices for store lambs and cattle. Some other products have dropped sharply in value: cast ewes are no longer so much in demand; prices for wool and hides have also dropped.
- In some areas there are fewer people farming and so there are fewer people available to help in labour-intensive tasks such as gathering sheep and cattle from the hills. Below a certain level, stock keeping is no longer viable in some areas.

- The objectives of the land owner can have a significant bearing on land management – even where the active management of the land is by crofters. Some conservation organisations and wealthy overseas investors who have bought land would prefer to see little agricultural activity carried out.
- Pressure from people moving into the area may also cause pressure to destock by pricing local people out of the housing market and by discouraging the keeping of livestock because it is “dirty” or “noisy”.



This new pressure to destock, coupled with the disadvantages described in section 4, could lead to a loss of critical mass which in turn leads to a loss of services, marts, suppliers, and vets etc and a downward spiral in agriculture. The resultant loss of population and change in the landscape could lead to a reduction in tourism (due to changes in the landscape and loss of manpower for the tourism industry) and hence a terminal downward spiral in total population. The evacuation of the population of St Kilda (an island group off the west coast of Scotland) in the 1930s is an extreme example of what can happen when the population level drops below critical level—not enough people were left to perform the necessary work so the remaining population had to leave.

There are some counter pressures to retain stock. For example, grazing cattle extensively over moorland improves the vegetation and increases biodiversity and the grant structure - through various agri-environment measures and the Less Favoured Areas Support Scheme have encouraged cattle keeping for environmental reasons. There is a niche market in tourism for

staying on a working farm. On the study tour, the sight of Highland cattle grazing amongst the houses in Duirinish had everyone clicking away with their cameras.

## **6. The Policy Context and Land Management Contracts**

Direct CAP support has been decoupled since 2005 and paid as the Single Farm Payment on the basis of historic receipts, so that the most productive areas continue to receive the highest payments. In our study areas, the payments per hectare are low on account of historically low levels of production.

Average Single Farm Payments in each of the parishes studied are as follows:

### Skye & Lochalsh

Parish of Lochalsh - £23.92 / Ha

Parish of Portree - £18.52 / Ha

### North West Sutherland

Parish of Assynt - £15.52 / Ha

Parish of Durness - £8.18 / Ha

Parish of Edrachilles - £8.04 / Ha

Parish of Farr - £9.04 / Ha

Parish of Tongue - £6.34 / Ha

The only sector in which some production link is maintained is beef, through the use of the Beef National Envelope mechanism.

The other principal source of support for land management is provided by the Less Favoured Areas Support Scheme, which provides support to help overcome remoteness and disadvantage. However, 85% of Scotland is designated as Less Favoured Area and on account of political pressure from farmers on the better land in the south and east of the country rates of support are adjusted for stock levels, with the better land receiving the higher payments: this means that the study areas receive relatively little as they have low stocking densities since the land is poor and cannot support high levels of cattle and sheep.

In the studied parishes, LFA payments range from £3 / Ha in the parish of Tongue to £15 / Ha in the parish of Lochalsh.

The LFA scheme is being reviewed and may change so that it is paid on an historical and effectively decoupled basis. Farmers will then receive the payments that they have received in the past so that the bias against remote areas is perpetuated. It would also mean that farmers could reduce the amount of stock they hold without losing support.

Crofters and small holders in the study areas are also eligible for assistance from a number of specific grants. One scheme assists with infrastructure and investment in holdings, another provides assistance towards renovating or building a house and another supports community

development. They are all small schemes in expenditure terms but are designed to help maintain population in these remote fragile areas.

There are a number of other mechanisms available under the Scottish Rural Development Programme in addition to the Less Favoured Areas Support Scheme. In the 2000-06 programming period these have included agri-environment support, support for afforestation and forest management and investment aids. The other new mechanism that was introduced in 2005 was the Land Management Contract, on which we wish to focus.

### Land Management Contracts

This is a new and still-developing scheme where farmers and crofters are supported for adopting farming practices which are less efficient but are considered to lead to public good because of their effect on wildlife, animal welfare or landscape. The first part of the LMC was introduced in 2005 as a Menu Scheme open to all IACS-registered holdings. The scheme offers financial support for socio-economic activities and support for managing the land in prescribed ways as well as support for measures related to improving quality of life, such as improving access to the countryside. The scheme is presented as a list of measures, from which each farmer has the freedom to choose options up to an expenditure ceiling.

The money available to farmers from this scheme is capped for each holding depending on the size of the holding. Farmers can apply for up to that amount. Due to a government perception of complexity, the scheme does not apply to common grazings, i.e. land held in common by a group of crofters and run jointly by them. This will be rectified in 2007 but currently limits the options that are available to crofters, whose main land areas is normally the share in the common grazing.

The options and payment rates in this Menu Scheme are decided at the Scotland level. Initial uptake in the first year of operation was around 50% of eligible applicants in Scotland. Data for the 2006 is not yet available.

A summary of the measures is shown below.

<b>Option</b>	
animal health and welfare programme	management of rush pasture
membership of quality schemes	biodiversity cropping
training	retention of winter stubbles
farm visits and talks	wild bird seed mixture
buffer areas	summer cattle grazing
management of hedges	nutrient management
management of ditches	improving access, maintaining paths
management of dykes	farm woodland management
management of moorland grazing	

The total spent on the scheme in 2005 was £14,104,076.

The most popular measure by far was the support for membership of quality assurance schemes, with 7548 applications for this measure. In effect, this is really paying for something that farmers

and crofters were already doing, so required no change of practice in order to claim funding. The other measure with noticeably high levels of application (3949 applicants) was the animal health and welfare programme, again offering support for something that was already being done.

The greatest expenditure was on improving access to the countryside with over £6,200,000 spent. The management of ditches /watercourses and the management of rush pasture are the other main expenditure items, again for things which are easily achievable. The payment rates for these measures are also very attractive.

### LMC in the study areas

Through analysis of data and discussion with farmers and crofters we studied the extent to which the LMC scheme had been used in each of the parishes studied, what measures were taken up and the decisions for and against making use of the scheme.

- Parish of Lochalsh (including Balmacara)

Only 10 holdings in Lochalsh claimed any money from the LMC in 2005. The majority of applications were for animal health and welfare measures, although 3 applicants claimed for the management of rush pasture and one claimed for management of moorland grazing. A total of £5106 was claimed by the 10 applicants. The lowest payment to a holding was £49.

- Parish of Portree (including Sconser)

19 holdings in this parish, out of a total of 71, claimed money from the LMC. £23101 was claimed. Land management measures - particularly the management of rush pasture and the management of moorland grazing - were used to a greater extent than in Lochalsh, suggesting that these were easier to achieve in this area. Use was also made of support for improving access to the countryside. While there were some reasonable sized claims per holding, several were also very low, with 3 applicants receiving less than £12 from the scheme.

- Parish of Assynt

In the parish of Assynt, 10 applicants, out of a possible 37, shared a total of £7559. The animal health and welfare measures and membership of quality assurance schemes were the most popular, although a little use was also made of support for management of moorland grazing, management of rush pasture and the management of dykes and ditches.

- Parish of Durness

Out of a possible total of 26 holdings, 9 claims were made, coming to a total of £10,925. This expenditure was almost exclusively on animal health and welfare measures and membership of quality assurance schemes with only one holding undertaking any of the land management prescriptions. With that one exception, payments were fairly small.

- Parish of Edrachilles

Of the 44 holdings in the parish, only 9 claimed support from the LMC, totalling £12,647. There was a reasonable mix of access measures, land management measures (again rush pasture and moorland grazing) and the socio-economic animal welfare and quality assurance prescriptions.

- Parish of Farr

This parish showed a better variety of measures than some of the other parishes studied, perhaps on account of some areas of better land in the straths being under agricultural management. 42 holdings claimed a total of £63,180.

- Parish of Tongue

Again the animal welfare and quality assurance measures were used most frequently by the 18 claimants, however a few of the land management measures were also used. Total expenditure in the parish was £19,364.

In the parishes studied the uptake was generally less than national average of around 50%.

Reasons given for this were that many of the land management measures do not apply to mountainous and upland areas, for example there are no hedgerows in the study areas and the winter stubble option can only apply if cereals are grown which requires arable land.

In some cases the rates for measures which are relevant in the study areas are very low (for example £1 / Ha for summer cattle grazing on moorland) and may not be attractive to small units without much land (as mentioned above, management of common grazings was excluded, thus only leaving small areas of in-bye land) for whom the small returns might make it hardly worth filling in the forms.

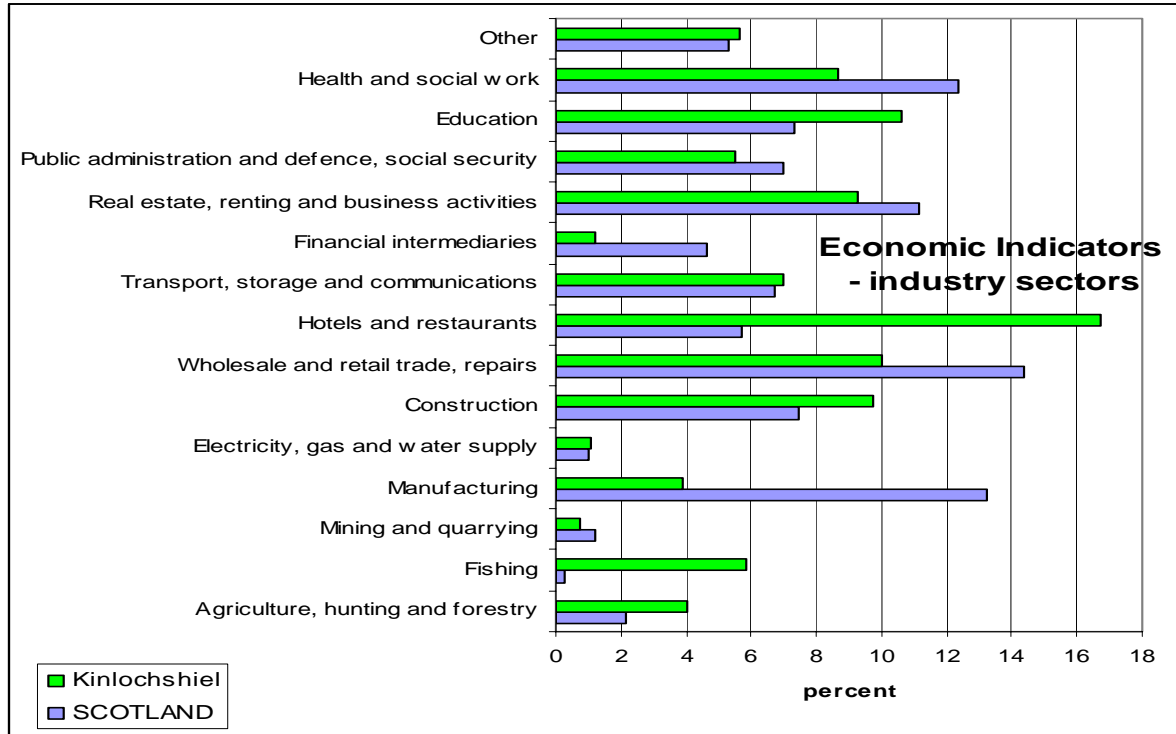
In general, in the study areas, little use was made of the land management measures which were felt to be unsuitable or supported at too low a rate.

## **7. Study Project 1 – Balmacara: Croft Management Scheme (a local LMC)**

### Skye & Lochalsh

The population of Skye and Lochalsh is 12,374 (2004) and has increased by 3.4% from 1994 to 2004. The local government ward containing Balmacara has a population of 1,830. There are fewer people of working age (58.3% v. GB 61.5%), fewer students (3.7% v. GB 5.5%) and more retired (2.7% v. GB 2.2%). There are more economically active people (79.1% v. GB 76%) and a much higher proportion of self employed (18.4% v. GB 9%). Unemployment is above the GB average (8.2% v. GB 5.8%). Part time work is more common (26.7% v. GB 23.6%).

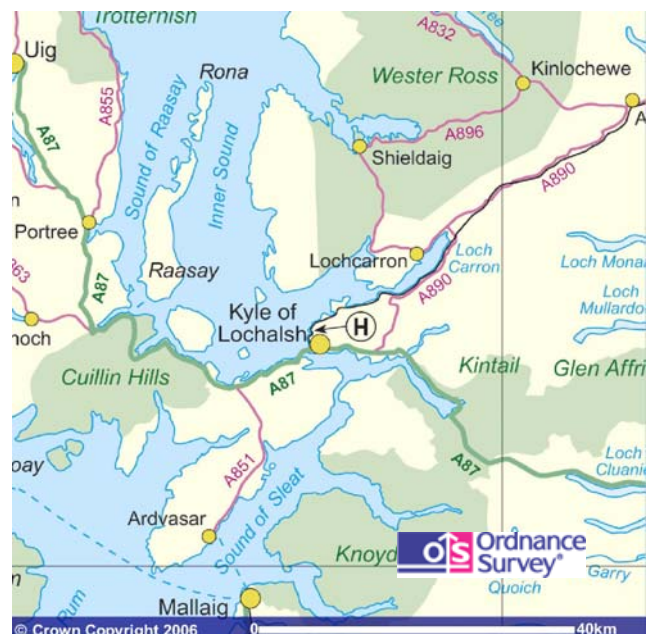
The graph below shows the distribution of industry compared to the Scotland average. As expected, hotels and restaurants ,fishing and agriculture are well above the Scottish averages. Manufacturing is low.



The Balmacara Estate in the Parish of Lochalsh is situated to the north and east of the town of Kyle of Lochalsh in the west Highlands. It is 128 kms from Inverness and is connected by double track road and by rail. It is on a popular tourist route connecting Loch Ness and the Isle of Skye which gives a good tourist trade with a longer season than many other areas. Kyle used to be the main ferry crossing point to Skye but the ferry has now been replaced by a bridge which gives good links to Portree on Skye which is the main centre of local government. Most services are available in Kyle (banks, supermarkets, doctor’s surgery etc), Plockton (senior secondary school) or in Portree 55 kms away which has local government offices. There is a hospital in Broadford 25 kms away.

The land rises steeply from the sea but there is a narrow strip of fertile land along the coast. The hills rise to 1,000m. The climate is moderated by the Gulf Stream and mild winds off the Atlantic. The islands provide some shelter from the prevailing westerly winds.

The Balmacara Estate is owned by the National Trust. Although without significant designation, the area is rich in biodiversity. The landscape on the estate is much valued as a tourism asset. Crofting tenants on the estate have continued traditional management including rotational cropping and extensive cattle grazing and this has contributed to a rich environment. Changes in underlying support policies and other socio-economic factors make this continued land use fragile and at risk



of disappearing. Some of the land is still managed under the ancient pre-enclosure 'runrig' system, where people use a different piece in different years. This is very nearly unique and hence important from a cultural heritage point of view, but this system does not fit well with modern agricultural administrative, meaning that these areas are often not able to take advantage of mainstream agri-environment support mechanisms.

Given the lack of suitability of the national Land Management Contract scheme in protecting the most valuable aspects of this system, a local scheme has been set up in Balmacara Estate by the National Trust for Scotland (NTS) within one of the areas visited on the Study Tour. (Reference - Traditional Croft Management Scheme, NTS Balmacara Estate, 5 April 2006)

The NTS is a conservation charity which has set out to help preserve the cultural and physical landscape within its estate. Many of the traditional practices are under threat from changes to land use and the grant system and, if they go, then the cultural heritage and the resulting biodiversity will be lost. Such traditional practices are becoming increasingly rare. The NTS has therefore set up its own version of land management contracts with options and rates set so that they are relevant to this one estate in the west Highlands.



The objectives of the scheme are specifically to

- encourage traditional rotational cropping
- encourage the retention of cattle
- foster the link between cattle and cropping
- encourage the expansion of species rich hay meadows and hay production
- make the system efficient and flexible.

The scheme supports the production of potatoes, turnips (for winter feed), cereals and grass crops with premia for producing hay rather than silage and for late cutting to allow floristic species to set seed. There is also a payment to support keeping cattle. The success of the scheme can be judged from the fact that it has encouraged a move from silage to hay, where the premium payment is £100 per hectare, and to late cutting of grass which again pays a premium of £100 per hectare over and above the £200 paid for a grass crop to be cut. There are 15 crofters in the scheme which represents a large take up of those eligible – only 2 active crofters did not take part. Thus we have a scheme which can influence farming practices when the options are relevant to the local situation and where the rates are set to reflect local costs. None of the land included in the scheme is covered by any designation.

The total cost of the scheme is around £26,000 for 2 years. Funding comes from the NTS, Scottish Natural Heritage and The Highland Council. The scheme is in its second year and may be extended for another 3 years.

This approach was contrasted with management on the Sconser estate, in the Parish of Portree. The estate, which is owned by the John Muir Trust, includes some of the Cuillin mountain range and is a very popular area among climbers and walkers. Some of the land is protected by national and European designation. Crofting tenants manage common grazing areas and lower slopes near the coast, although in the township of Sconser the in-bye or arable land was taken for use as golf course.

Hence, agricultural management is generally based around extensive management of livestock with little cropping. As the objectives of the John Muir Trust relate more to the maintenance of wild land than of agricultural activity in the mountains, there is no similar locally-tailored support mechanism. Crofters on the Sconser estate can use only the national LMC scheme, which as discussed above, is not especially well suited to the management of mountain and upland areas. Little use has been made of it in the township for land management, although a few people took up the animal health measures and support for membership of a quality assurance scheme. They are however eligible for incentive payments from a site-specific Natura 2000 scheme as the much of hill area is designated as an SPA for golden eagles.

This provides a useful contrast with the management at Balmacara. If the scheme there is a success after its trial period, then the NTS and the other bodies involved will put the case to the Scottish Executive for developing a series of locally-based schemes throughout Scotland, in effect operating the governments Land Management Contract on a targeted, localised basis. This would be a major administrative task to develop a large number of sets of options and rates but could be done if the political will was there.

### **Conclusions from the Balmacara Study**

The locally-targeted scheme, although it contains only a small number of land management measures, has measures specific to maintenance of a particular agricultural system. As such it is relevant to the crofters involved and payment rates are set at a level which is realistic and attractive as can be seen from the high level of participation. It is too early yet to judge how effective it will be in the long term in securing ongoing management.

The Scottish Executive already has a network of locally based offices across Scotland which could develop a similar scheme locally or regionally. A locally based scheme could tailor options to whatever is relevant and unique to the area eg stone dykes in Caithness, management of peat lands in Sutherland, control of red deer in Wester Ross, or managing habitats for eagles in Skye or corncrakes in the Uists. Various reports have highlighted that the natural and cultural heritage of these areas are their most important assets and that much of current land management practices are inappropriate, often driven by the support systems (see for example [www.duthchas.org.uk](http://www.duthchas.org.uk) project report).

The system of tailoring payments decided locally to support traditional practices in land management will have relevance to other European countries.

## **8. Study Project 2 – North West Sutherland: Co-operative Working**

## North West Sutherland

The parishes of NW Sutherland are very sparsely populated and geographically very peripheral. They contain important areas of peatland and mountain habitat with a coastal fringe actively worked for agriculture. Significant areas of moorland are under environmental protection legislation and land management is mainly by extensive grazing management of sheep, of deer for sporting and small areas of forestry and native woodland.

Some agriculturally-managed habitats in the area are of particular importance to priority species, including the corncrake. The land is mostly in the ownership of a number of large estates with crofting tenants on coastal land and common grazings. Agricultural activity in the area is economically marginal and recent changes to CAP policy are likely to lead to decline in traditional management.

The area around Cape Wrath is also used extensively as an exercise and training ground by the Ministry of Defence – a use which impacts both socio-economically and on the natural resource and its management. The study area represents a mountain area of environmental significance yet with distinct socio-economic and development challenges.

The area covered by the initiatives that we describe here constitutes the extreme north west tip of mainland Scotland. It is 160 kms from Durness to Inverness, some of this over single track roads with passing places, which makes journeys long and hazardous, especially in winter. The nearest rail connection is in Thurso, 115 kms to the east of Durness.



The hills are not high but the hills are rocky with blanket peat bog between them. There is very little fertile land anywhere apart from the valleys of Strathnaver and Strathalladale. The land is exposed to west and north winds off the Atlantic which bring rain. The area is on the same latitude as southern Norway. Settlements are placed round the coast with the interior being very sparsely populated with only a very few houses. The coast is mostly crofted and the interior is sporting estates. Sutherland has a population density of 2.2 people per square km (which compares to 7.9 in The Highland Council area and 65.4 in Scotland).

Services are limited. There are 2 secondary schools at Bettyhill on the north coast and Kinlochbervie on the west, based on The Highland Council's policy of dispersing secondary education and doing away with the need for pupils to board away from home during the week. There are 5 doctor's surgeries throughout the area. But local government is based on the east coast 128 kms away. The nearest supermarket is Thurso. The nearest hospital is Wick, 149 kms away.

The population of Sutherland is 13,706 (2004) and has increased by 4% from 1994 to 2004. The 2 local government wards have a population of 4,106. There are fewer people of working age (59% v. GB 61.5%), fewer students (3.7% v. GB 5.5%) and more retired (3.6% v. GB 2.2%). There are slightly more economically active people (78% v. GB 76%) and a much higher proportion of self employed (16.8% v. GB 9%). Unemployment is well above the GB average (8.9% v. GB 5.8%). Part time work is more common (27.6% v. GB 23.6%).

The graph below shows the distribution of industry compared to the Scotland average. As expected, hotels and restaurants, fishing and agriculture are well above the Scottish averages. Manufacturing and retail are low.

While the mountains are not high in comparison to other parts of Europe, the combination of poor soils, climate, latitude and altitude make this an unpromising agricultural area. Grazing of cattle and sheep is the main agricultural activity. Average Single Farm Payment levels in the area are less than £10 / Hectare. Animals are sold in the autumn for fattening in the more fertile east and south of Scotland.

Much of the area is designated under 1 or more environmental or landscape schemes: in the area there are 2 National Scenic Areas, a number of Sites of Special Scientific Interest, part of the Peatland Management Scheme, candidate Special Areas of Conservation, Ramsar sites, Special Protection Areas and Marine Consultation Areas (see [www.snh.org.uk/publications/online/corporate/factsandfigures/0304/reportindex.asp](http://www.snh.org.uk/publications/online/corporate/factsandfigures/0304/reportindex.asp) ).

The people in the area have adopted an approach of working together to overcome their disadvantages. These co-operative ventures have come from the bottom up as local people have identified a problem, set up an organisation and only then sought funding from elsewhere.



There are a number of examples –

### ✓ **North West Cattle Producers Association**

The NWCPA is a body set up to promote the keeping of cattle in the study area. Cattle numbers have decreased steadily over the last hundred years or so and this is perceived to have a detrimental effect on the environment, vegetation and wildlife. Cattle are historically the main product and are very much part of the culture – loss of cattle affects the cultural landscape as well as the physical landscape. (The Balmacara project described in section 7 also focuses on supporting cattle numbers rather than sheep.) Cattle improve the fertility of soil, keep down rank vegetation and improve the habitat for insects. Growing winter fodder for cattle also has environmental benefits for wildflowers, insects and birds.

NWCPA is run by a board of voluntary, local people with a part time project worker who is on a 3 year contract for 2 days a week funded by a mixture of money from the Crofters Commission, the local public sector development agency, a private charitable foundation and some European money. The project worker is half way through the 3 year contract. (Reference [www.nwcpa.org.uk](http://www.nwcpa.org.uk) )

The aims of NWCPA are to –

- encourage the keeping of cattle
- minimise production costs for cattle producers
- boost marketing of cattle from the area
- provide training, advice and education.



The NWCPA has been successful in increasing the number of producers and has raised the profile of the area by bringing top experts to the NW for open days and to share expertise. However, overall numbers of cattle are not increasing.

One big producer is reducing his herd from 80 to 10 (and also reducing sheep numbers) in response to the decoupling of the Single Farm Payment: he can draw on the same amount of support income regardless of how much stock is carried. He is, therefore, cutting down on stock rearing to concentrate on the sporting side of his estate.

Another major barrier to expansion is the age structure of the crofters and farmers. The lack of young people in farming means that there can be over dependence on a small number of people to do the work and the whole structure is very vulnerable. There is also a natural tendency to reduce stock numbers as the farmer gets older in order to have less work and so stock numbers fall. Unless there is a way of providing some succession planning then this trend will continue.

### ✓ **North Highland Forest Trust**

The North Highland Forest Trust (NHFT) is a company with a voluntary board of directors and a small staff of project of forester, company secretary and project co-ordinator. There is a membership of local community woodland groups, land owners, land managers and individuals. (Reference [www.nhft.org.uk](http://www.nhft.org.uk) )

The aims are to –

- promote the community management of woodland
  - promote woodland creation and restoration
  - promote local utilisation of timber and woodland products
- by supporting local groups and by providing publications and training.

The NHFT has completed over 100 projects since 1993 involving some 2,000 ha.

Within the study area, they completed a project at Scourie which planted native woodland (mainly birch and oak) over a 118 ha site of formerly rough grazing with rock outcrops and areas of deep peat. There was 76 ha of planting and 19ha of grant aided open ground within the scheme. The trees types were matched to the soil types and existing vegetation. This should recreate the vegetation that was present several centuries ago. The NHFT carried out the initial survey work, provide a costed proposal providing skills and experience that the local community did not have.



The project will provide some economic benefits in the future from timber and from woodland grazing for stock. In addition, there will be substantial benefits to the environment in terms of wildlife, plant life, and biodiversity. There may also be tourism spin offs in the future.

There is continuing interest in reforestation with native species for amenity woodlands, as opposed to commercial planting of imported conifer species. However, the availability of grants structure is key to maintaining momentum. The grant system is being reorganised in Scotland and it is envisaged that woodlands grant will go in to the competitive Tier 3 of the Land Management Contract scheme when it is introduced in 2007. The scheme needs to ensure that money will continue to be available for woodland planting.

#### ✓ **Durness Development Group**

The purpose of the group is to promote the benefit of the inhabitants of Durness especially by promoting education, trade and industry and protecting the environment. The group tackle a range of projects and this is an ongoing process to encourage and promote sustainable development. The sustainable development is made up of four key goals -

1. making the most of the natural and cultural resources without damaging them
2. retaining a viable and empowered community



3. reducing problems of remoteness by delivering local needs locally and
4. reducing dependence on external inputs and avoiding harmful effects on other people, places and future generations.

The group aims to create opportunities and meaningful interests to keep young people in the area, by providing local employment.

The group is addressing a required local need by providing the structure and fabric for prolonged sustainable development. It has been in existence for 5 years. The need for such a group was identified from individuals and groups in the Community. Approaches were made from the population to the local enterprise company and Community Council to establish a structure that could tackle the problems of the area. This area has been the subject of various initiatives, the most recent Duthchas (a European Scheme) and Initiative at the Edge (a Government programme). In their three year lives, these projects set in motion the first stages whereby the area communities could draw up their own development programme and then with the assistance of local funding agencies take some of the projects forward. Amongst the conclusions drawn was that that local remote villages should form structures such as the development group to tackle local problems from local ideas. This group is following model examples provided from these initiatives.

The organisation is a charity with voluntary directors: there is no paid employee to manage projects. Funding is on a project by project basis and, without ongoing funding, there are no guarantees for the future which limits the scope of the group. (Reference [www.durness.org/Development%20Group.htm](http://www.durness.org/Development%20Group.htm) to see the 2005 Annual Report)

Projects include having artists in residence working with young people, providing a community building, archaeological digs, leaflets and signage.

A major annual event is the Cape Wrath Challenges, including a marathon run from the village to Cape Wrath, the NW tip of Britain and back. In 2006, 140 people took part. Other events included a fancy dress run and hill race. The week also involved clay pigeon shoots, farm visits, sheep dipping demonstrations, wine tasting and a ceilidh. This event is successful in bringing a large number of people into the area early in May thereby extending the season for caravan sites, accommodation providers, shops and restaurants. The unique selling point of the event is the very remoteness and ruggedness of the area so the Durness community have turned their biggest negative factor for the area into a positive. “There is nothing else anything like it” was one comment made by a visitor. The events are chosen to tie in with the landscape so they build on the character of the landscape and work with the environment without damaging it in any way.



The whole area is being rebadged as “Mackay Country” which refers back to its ancestral clan heritage to appeal to those people whose ancestors had left the area in the 18<sup>th</sup> and 19<sup>th</sup> centuries (and indeed the 20<sup>th</sup> century). This again turns a historic negative (depopulation) into a positive marketing opportunity for the 21<sup>st</sup> century.

While the activities of the Durness Development Group highlighted here do not directly affect land management they do directly affect the people who manage the land and the natural resources. The supplementary income that comes from tourism supports the farming activities of many crofters and enables them to continue living in the area. Crofting especially is a part time occupation so the income from letting out a self catering cottage or working in a hotel in the summer is essential.

### ✓ **Conclusion**

The population of North West Sutherland are faced with significant disadvantages in terms of population sparsity, remoteness and land and climatic constraints. The mainstream support mechanisms for land management do not fully recognise the conditions in the area nor the additional costs of working the land and living in the area. The initiatives highlighted above are examples of community-based development where the community has identified what needs to be done and sought public sector funding to assist with their voluntary effort. There are other examples of co-operative working in agriculture and horticulture in the other where small producers combine to give themselves the scale to produce or market more efficiently.

There is a common development model for these groups –

Stage 1 a dedicated group of volunteer local people establish the need then work together to get an organisation started

Stage 2 outside funding or economic development agencies come in and assist. Often, this requires the employment of a project manager or development officer to maintain momentum as the organisation grows and the work involved becomes too much for volunteers.

Stage 3 (possibly) the group becomes self financing.

This model ensures the buy in and support from the local community but does need outside assistance to work.

## **9. Emerging Themes Revisited**

Section 4 identified 6 themes that need to be addressed. Sections 7 and 8 look at 2 possible approaches to allowing people to live and work in remote, mountainous areas, against a policy background which does not yet properly support land management in these areas for the public goods delivered. In this section we examine the approaches to see whether they can meet the themes identified.

### ✓ *“Duthchas”*

The sense that people belong to the land rather than the land belongs to the people keeps many crofters and farmers working in these remote, inhospitable areas, even where a land management practice, which has environmental / landscape benefits is not the most economic option. This can be encouraged by schemes such as the NTS croft management scheme which rewards crofters for managing the land in traditional ways. This maintains the cultural landscape without making it a museum. The Durness Development Group are trying to trade on what makes their area special in order to attract visitors and so support and retain the indigenous population. The Duthchas project final report section 3.1 states

- ▶ The natural and cultural heritage were identified by the local people through the community surveys as overwhelmingly their most important and valued assets. This provides a strong foundation from which to build development paths that are more sensitive to these assets.

(reference [www.duthchas.org.uk](http://www.duthchas.org.uk)).

✓ *Political will and Fair payment for provision of public goods*

Any approach to supporting agriculture requires money to be distributed from the centre to the periphery – for the case study areas this means convincing councillors in The Highland Council in Inverness, Members of the Scottish Parliament in Edinburgh, and Members of the UK Parliament in London that their case is worthwhile. Each level of political power is increasingly remote and increasingly dominated by an urban majority. However, in Scotland, the campaign to change the Crofting Reform Bill shows that it is possible for the periphery to influence government at the centre. The monies involved in supporting rural communities can be small compared to other public service budgets and it is up to the people to make the case that public support buys cost effective public good in terms of landscape, cultural, environmental and other benefits. The identification and spread of best practice from around the European partners should strengthen this case since the development models will have been proven elsewhere.

✓ *Transferability*

The case studies outlined are transferable both to other countries and to other sectors. For example, it would be possible to pay people to manage mountainous areas in such a way to control the risks of fire or erosion, but the actions and payment rates would have to be set locally so that they accurately reflected the costs of the work involved.

✓ *Young people and succession*

Neither of the 2 case studies directly address this issue. An increase in economic viability may encourage some young people to stay but other measures are needed to make land and housing available. There has been an increase in older people moving and becoming active in crofting (for example the author took over the family croft at age 45 after living in Edinburgh, Zambia and England) and this mitigates against the emigration of young people. However, the issue of young people leaving the area after school to go on to University or employment in cities needs to be addressed.

✓ *Local food production and marketing*

There is a trend away from supermarket, processed food to locally produced, traceable food. Things like vegetable or fruit production can form part of the output of a farm and provide another income stream. Polytunnels can overcome the cool climate and short growing season. The internet may also provide opportunities for direct selling from remote areas direct to the consumer, for example meat from native breeds or sale of eggs of rare poultry breeds. This direct selling allows the producer to market on a small scale building on the image of remote, clean mountains farmed in a traditional way and so get a premium price.

Agriculture in remote, mountainous areas is generally not economic. People do it because it is part of their culture and heritage. If we want to keep people living and working in these areas because of the landscape or cultural or economic benefits to the country as a whole then they

must be supported. If we fail to support these people then the young people will continue to drift away to where there is work and the landscape, both physical and cultural, will no longer be maintained. Some groups such as the John Muir Trust who own the Sconser estate on Skye (visited on the study tour) would welcome a reversion to wild land. However, this is a decision that needs to be debated and not allowed to come about by default. This report has set out 2 possible approaches to keeping people living and working on the land which can be further debated at the project seminar.

As the study tour report from Buskerud in Norway said “the future of mountain areas cannot be made by stubborn enthusiasts and romantics”. There is a need for clear policy on the benefits and reasons for supporting mountainous areas, funding from outside the area (EC, national or local government, development agencies, or charities) to prime the pump and input and support from the local community.

## **10. Recommendations**

This report recommends that two approaches to supporting the management and protection of fragile mountain areas be considered –

- ✓ compensating farmers for income lost by adopting practices which are less efficient but which support the environment and preserve traditional cultural landscapes. Compensation must be set at a rate which makes traditional practices worthwhile.
- ✓ working co-operatively to overcome loss of scale in production and the disadvantages of remoteness.

The usefulness of these models and their transferability to other regions should be considered at the Theme 3 seminar in December.