

# Croft House Grant Scheme full guidance

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## Table of Contents

[Introduction](#)

[Aims and objectives](#)

[Provision of this scheme](#)

[Who is eligible](#)

[Who is ineligible](#)

[Other reasons for rejection](#)

[New house – rates and conditions](#)

[House rebuilding or improvements – rates and conditions](#)

[Questions and answers](#)

[How to apply](#)

[Complaints and refusals](#)

[Annex A](#)

[Annex B](#)

[Download guidance](#)

## Introduction

Crofting tenure requires crofters to provide their own housing, despite not owning the land on which the house is built.

This can make it difficult for crofters to access conventional forms of housing finance.

This Scottish Government funded scheme provides grants for crofters to improve and maintain the standards of crofter housing with the aim of attracting and retaining people within the crofting areas of Scotland.

These areas are often in the most remote areas of the Highlands and Islands and suffer from disadvantages of scale, terrain, climate and remoteness.

Before you apply for this scheme, please read this guidance in full.

## Aims and objectives

This scheme encourages the productive use of croft land through creating and improving the standards of crofter housing.

Through improved housing, the scheme aims to attract and retain people in the more remote areas of the Highlands and Islands.

## Provision of this scheme

If you apply, you are not automatically entitled to assistance. Even if you meet the basic eligibility criteria, we must consider other issues before a final decision is made.

Before we can offer a grant you must convince us that your circumstances justify support.

For a new house, you will have to show that your existing accommodation is un-suitable in some way and that a new house would enable you to work your croft to a level that is suitable for that croft. Activity and proposals will be unique to each croft.

For rebuilding and house improvements, your croft must be in need of an upgrade or renovation, or need to be extended or altered to meet the needs of your household.

Assistance will not be given towards the cost of inessential accommodation, or to compensate for not properly maintaining a property.

Grants will be geographically targeted into priority areas.

The tables below show the rates of assistance available for the construction of a new house and the rebuilding and improvement of an existing house.

## New house

Geographic priority area		
High	Standard	Low
£22,000	£17,000	£11,500

## Rebuilding and improvement grant

Geographic priority area		
High	Standard	Low
40% of costs up to a maximum of £22,000	30% of costs up to a maximum of £17,000	20% of costs up to a maximum of £11,500

We will confirm the amount of grant applicable to your croft's location when we acknowledge receipt of your completed application form. Areas of priority may change.

Payments will be made in three instalments and you should not commit to starting any work until your application has been approved.

[Back to top](#)

## Who is eligible

This scheme is open to:

- crofting tenants
- owner occupiers of a croft, acquired from the landlord within the last seven years
- cottars
- Kyles crofters

To be eligible, you must be inadequately housed because:

- your present accommodation does not provide sufficient accommodation for you and your immediate family
- your present accommodation does not meet an adequate standard
- you currently live with parents, are at least 21 years old, and can show you have worked the croft for at least two years

Alternatively you must be in need of a house on the croft because:

- you currently live more than 10 miles away
- the type of agricultural activities require your constant presence on the croft
- the needs of an existing business require you to live on the croft
- you currently live in a council house (or other tenancy)

Work must not start on the project until we send you written approval to do so.

The assisted house must become your main residence and you must intend to work the croft.

Approval for assistance under the Croft House Grant Scheme should be in place prior to any decrofting direction being sought from the Crofting Commission.

Decrofting of a house site is essentially taking the land out of crofting tenure, which will make you ineligible for assistance from this scheme.

[Back to top](#)

## Who is ineligible

You are not eligible for assistance if you:

- are the landlord of the croft or the spouse or partner of the landlord
- are adequately housed within working distance of the croft (10 miles), unless there are special circumstances which require you to live on the croft
- do not intend to work the croft or do not provide proposals that commit you to working the croft within a reasonably short timeframe

The whole project is ineligible if work has started on any part of it prior to approval, or if the assisted house will not be your main residence.

If you have already received, or applied for, grant aid from any other public source to support this proposal, you cannot also apply under this scheme.

[Back to top](#)

## Other reasons for rejection

Assistance under the scheme will normally be refused if:

- you would normally be ineligible for assistance but circumstances have been drastically altered (to your benefit) in order to make you eligible
- you gave up ownership on an adequate house within the last five years, which was within reasonable working distance of the croft
- assistance was provided to build a new house on the croft in the last 15 years
- proposed improvement work is ineligible
- assistance was provided to improve the croft house in the last 10 years
- the cost of the project is less than £10,000

[Back to top](#)

## New house – rates and conditions

### **Grant rates**

The current rates of grant assistance for new houses are set out in the table below:

Geographic priority area		
High	Standard	Low
£22,000	£17,000	£11,500

### **Conditions**

Grant conditions apply for 15 years for a new house. The main conditions are:

- the house must be occupied by you or your family
- the building must be maintained by you and your family
- you must keep the building insured against destruction or damage by fire
- you must adhere to the crofting plans agreed with us

If you break any of the conditions within the grant period you must repay the outstanding proportion of the grant with interest from the date of final payment of the grant instalment.

If you propose to give up the tenancy of your croft, or if you propose to let, sell or otherwise dispose of the croft or the croft house site you must inform us of your intention in writing.

You must also provide the name and address of any proposed new tenant / occupier.

We will make payments for the construction of new homes as work progresses. You must provide receipts which verify the work you are claiming payment for, and it must be signed by a surveyor.

Claims for rebuilding and improvement work will be paid in three instalments. Conditions relating to payments and the amounts will vary between projects.

Stage	Geographic priority area		
	High	Standard	Low
Roof tiled and windows in	£9,000	£7,000	£5,000
Interior complete	£8,000	£6,000	£4,000
Completion certificate obtained	£5,000	£4,000	£2,500

A fee is payable for the preparation of legal documents. This will be deducted from the total amount of grant for the preparation and recording of the Notice of Payment of Grant document.

Claims will normally be processed within 90 days of receipt.

[Back to top](#)

## House rebuilding or improvements – rates and conditions

### Grant rates

The current rates of assistance are as set out in the table below:

Geographic priority area		
High	Standard	Low
40% of costs up to a maximum of £22,000	30% of costs up to a maximum of £17,000	20% of costs up to a maximum of £11,500

We will confirm the amount of grant applicable to the location of your croft when we acknowledge receipt of your completed application form.

Areas of priority may change.

The balance between the total cost and the grant must be met from your own resources.

### Conditions

Grant conditions for house improvements apply for ten years. The main conditions are:

- the house must be occupied by you or your family
- the house must be maintained by you and your family
- you must keep the building insured against destruction or damage by fire
- you must adhere to the crofting plans agreed with us

If you break any of the conditions within the grant period you must repay the outstanding proportion of the grant with interest from the date of final payment of grant instalment.

If you propose to give up the tenancy of your croft, or you propose to let, sell or otherwise dispose of the croft or the croft house, you must inform us of your intention in writing. You must also provide the name and address of any proposed new tenant / occupier.

Claims for rebuilding and improvement grants will be paid in three instalments.

Conditions relating to payment and amounts of these instalments will vary between projects and will be confirmed when an application is approved.

You should note that a fee is payable for the preparation of legal documents. This will be deducted from the total amount of grant for the preparation and recording of the Notice of Payment of Grant document.

[Back to top](#)

## Questions and answers

**Q.** Can I sell my current house before applying for scheme assistance to build a new house?

- You are advised against doing so. You may find you are ineligible for scheme assistance and may regret selling your existing home prematurely. An application for assistance should be submitted as soon as possible after you have decided on your building plans and before any work is started on the project. However, you can submit an application at any time.

**Q.** I am a tenant of a 'bareland' croft. Is assistance available to build a new house?

- Depending on the merits of the case, and providing the normal criteria are met, assistance may be granted. However, you should not expect assistance if you have created the bareland croft yourself, or if a grant was paid within the last 15 years for a new house on the croft.

**Q.** Can grant assistance be used towards a second or holiday home, a cottage for holiday rental or work space?

- No, assistance is not available for any of these purposes. The assisted house must be your main residence, on your croft, in order to work your croft. Assistance must be used for housing purposes only.

**Q.** Does the house need to be insured?

- The croft house must be fully insured against destruction and damage by fire. We strongly advise you to take out a fully comprehensive index-linked insurance policy to cover the full replacement value of the house.

[Back to top](#)

## How to apply

You can download the application form below.



[Croft House Grant Scheme application form \(PDF, Size: 656.6 kB\)](#)

doc\_external\_url: <https://www.ruralpayments.org/media/resources/Croft-House-Grant-Scheme-application-form.pdf> Croft House Grant Scheme application form

You can also get a copy of the form from any of our area offices.

The application form should be completed carefully, taking account of this guidance document. If you are having difficulty completing the form, you should contact your local area office for advice.

Providing the application form is complete, we will acknowledge receipt of it, confirm the amount of grant appropriate to the location of your croft, and start processing the application.

During this process, we will notify your landlord and confirm your status with the Crofting Commission.

We may need to write to you for additional information.

If you have applied for a rebuilding and improvement grant, or where you advise your existing accommodation is inadequate, we will be required to inspect your existing property.

You are entitled to prepare plans and obtain planning permission and consents in advance of a grant application.

Payment claims should be submitted to area offices, where payments are processed.

You can check the contact details for your nearest area office below.

[Contact us](#)[Back to top](#)

## Complaints and refusals

If you are unhappy with a decision we have made regarding your application, you have the right to request a review of your application.

Likewise, if you are unhappy with our service as a whole, we have a dedicated complaints procedure to help you resolve this.

You should put your complaint or review request in writing and address it to:

Head of CHGS Branch  
Croft House Grant Scheme  
The Business Centre  
Crossapol  
Isle of Tiree  
PA77 6UP

You can find out more information about our complaints and appeals procedures below.

[Complaints](#)[Appeals](#)[Back to top](#)

## Annex A

### **Eligible work – new houses**

Types of house:

- new houses may be either traditionally-constructed or timber-framed. Other suitable types will be given individual consideration

The size of a new house should:

- have at least four apartments (three bedrooms and one living area) in addition to the kitchen and bathroom
- be related to the size of the household and the needs of the croft

Within the funding limits shown above, the following may also be eligible:

- central heating
- provision of a fuel store of appropriate size
- connection to the mains electricity supply
- the supply and installation of a new private generator
- connection to the mains gas supply
- installation of bulk liquefied petroleum gas tanks (sited above ground only) and associated pipe work and fittings
- provision of roads, bridges and boat slips
- provision of water supplies

### **Ineligible work – new houses**

The following are ineligible for assistance:

- mobile homes
- temporary structures
- house to be built away from the croft
- second or holiday homes

The size of a new house cannot:

- be less than four apartments (three bedrooms and one living area) in addition to the kitchen and bathroom
- be of greater size than meets the needs of the household and the croft

[Back to top](#)

## Annex B

### **Eligible work – rebuilding and improvements**

The proposed work must bring the whole croft house up to an acceptable standard and provide satisfactory accommodation, incorporating all anticipated improvements, for a substantial period.

Applications received within ten years following the payment of grant assistance, for similar or other improvement work for the same house, are likely to be refused.

It is in your own interests to ensure that all necessary work is included in the one application.

The minimum value of investment for the rebuilding and improvement of a house (including crofter's contribution and grant contribution) is £10,000.

The lowest of two competitive estimates should show that the cost of the work is at least £10,000. Applications for improvement work costing less than £10,000 will be rejected.

Internal improvements can include the provision of:

- kitchen storage
- sink with hot and cold water supplies and drainage
- solid/oil/gas fired cooker
- fixed bath or shower, wash hand basin and water closet and drainage
- renewing defective floors
- electrical wiring or rewiring to lights and socket outlets
- central heating, including the provision of heating from renewable sources

Extensions, alterations or enlargements can include:

- additional bedrooms where necessary
- alterations to provide satisfactory kitchen and living areas
- construction of a storm porch of minimal size, i.e. up to four square metres (no other type of porch)
- provision of a fuel store of appropriate size

Major repairs can include:

- re-roofing (which may include a new roof structure)
- renewing rhones and downpipes
- replacing doors and windows
- re-pointing or renewing the roughcast to the walls
- roughcasting the walls for the first time
- providing a damp-proof course to the walls
- providing wall and roof insulation
- treating woodworm, dry rot or wet rot
- re-pointing, roughcasting or rebuilding chimney heads, including lead flashings
- providing foul and rainwater drainage systems
- lowering surrounding grounds levels, treating the solum, rising damp and providing under floor ventilation

Services (within the funding limits shown above), can include:

- connection to the mains electricity supply
- wiring for the first time to lights and power points in the house
- the supply and installation of a new private generator, including energy generated from renewable sources
- connection to the mains gas supply
- installation of bulk liquefied petroleum gas tanks (sited above ground only) and associated pipe work and fittings

- all necessary builder, joiner, plaster and other works in connection with the above items
- improvement of roads, bridges and boat slips
- improvement of water supplies

### **Ineligible work – rebuilding and improvements**

Maintenance work and minor repairs do not qualify for assistance unless they are clearly incidental to or associated with works of improvement which are being assisted.

For example plaster or joinery repairs following first-time installation of new bathroom facilities.

Other ineligible work includes:

- projects where the total cost of materials and labour is less than £10,000
- garages

Assistance is not available on improvements which we believe are of a higher standard than is necessary, given that assistance comes from public funds.

[Back to top](#)

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