

# Rural Development: Crofting Agricultural Grant Scheme full guidance

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**Date published: 6 May, 2017**

**Date superseded: 9 June, 2017**

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## Introduction

The Crofting Agricultural Grants (Scotland) Scheme – known as CAGS – provides grants to tenant and owner-occupier crofters, living in the Highlands and Islands Enterprise Area, towards the costs of a range of agricultural operations.

The scheme is administered by the Rural Payments and Inspections Division (RPID). Since October 2009 CAGS has been part of the Scottish Rural Development Programme (SRDP).

These guidance notes provide information on the types of projects eligible for grants, as well as explaining the various ways you can access funding and what is expected of you in carrying out the work. These guidance notes cannot cover all the individual circumstances or all possible variations of agricultural operations.

They should not be looked upon, therefore, as providing complete guidance. We would advise that you seek further advice if there is any uncertainty about potential applications or claims.

## Aims and objectives

Crofting exists in areas of Scotland where agricultural production and investment costs are traditionally high. It is widely regarded as a socially, culturally and environmentally important activity, for the sense of identity it provides, the landscape it produces and the systems of communal working it supports.

This scheme is designed to aid and develop agricultural production on crofting businesses, thereby sustaining the economic basis of crofting and helping retain people in rural communities. Funding supports crofters in carrying out individual or collective investments that reduce production costs.

Examples of projects include (but are not limited to):

- improving stock control
- protecting crops from damage by deer
- wintering of livestock
- storing winter fodder
- improving grassland management

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## Eligibility for grants

### **Q1 As a tenant of a croft, am I eligible for assistance?**

Yes, provided you are the tenant of a registered croft or the official sub-tenant (approved by the Crofting Commission) and the work you are undertaking is one assisted under the scheme see [Appendix A](#).

If your croft is officially sublet then all applications and claims should normally be submitted by the sub-tenant during the period of the sublease. As the official sub-tenant of a croft, you are advised to obtain the principal tenant's permission for any improvement works you intend to carry out, and agree compensation payable at the end of the sublet.

In addition, your entitlement to major capital improvement works may be restricted by the length of the sublease approved or remaining. In those instances where the remaining length of the lease prevents the application being submitted by the sub-tenant, the tenant may make the application in their own right.

A common grazings committee or grazings constable regulated and registered by the Crofting Commission may apply where the proposed operation is on common grazings.

### **Q2 As an owner-occupier of a registered croft, am I eligible for assistance?**

Yes. Owner-occupier crofters are treated in the same way as tenant crofters.

### **Q3 As a short-term lease holder of a registered croft, am I eligible for assistance?**

Yes. If you lease from an owner-occupier, with the consent of the Crofting Commission, you are eligible in the same way as sub-tenants of tenant crofters, as detailed in Q1.

### **Q4 What if I do not live on my croft?**

Assistance is not available if you live more than 20 miles (32 kilometres) from your croft.

### **Q5 If my holding is not a croft am I still eligible for grant?**

No. Eligibility is restricted to tenants, owner-occupiers, sub-tenants or short-lease holders of registered crofts (approved by the Crofting Commission).

### **Q6 What is a business?**

A business is defined as any one agricultural business being undertaken by a tenant or owner-occupier crofter whether as an individual or in association or partnership with other crofters. A common grazings committee may also qualify as a business where work is undertaken on a common grazing.

A business must also be classed as a small or medium-sized enterprise (SME) in line with Annex 1 of Commission Regulation 70/2001 (as amended).

A SME has fewer than 250 employees, has either an annual turnover not exceeding 50 million euros, or a balance sheet not exceeding 43 million euros and is not owned at a rate of more than 25 per cent by other companies.

### **Q7 What other criteria must I satisfy to qualify for assistance?**

Aid will only be granted to eligible agricultural businesses which meet the following standards:

#### **Hygiene and Animal Welfare**

Improvements must satisfy all statutory requirements and observe the latest codes of practice regarding animal welfare, food and animal hygiene, pollution control (PEPFAA, Groundwater Directive) and transport (Welfare of Animals in Transit), as well as generally adhering to the Standard of Good Farming Practice.

In addition, all activities must observe the latest codes of practice regarding animal welfare, food and animal hygiene, pollution control (PEPFAA, Groundwater Directive) and transport (Welfare of Animals in Transit), as well as generally adhering to the Standard of Good Farming Practice.

#### **Market Outlets**

Produce from crofting agriculture has a well-defined identity mainly due to its traditional production methods. Marketing of livestock has changed little over the years and continues to be mainly through local markets or local marketing initiatives.

While no support is provided by this scheme in the marketing of produce, it is a condition under the scheme that proposals for non-traditional crofting agricultural operations (e.g. horticultural enterprises) will be assisted only if they are supported by a business plan that identifies market outlets for produce from the proposed development.

It remains open to us to contact the market outlets you have identified in your application.

#### **Environmental Considerations**

For example, for slurry stores you will need to develop a waste management plan to calculate the amount of storage required.

If an investment is of a nature that requires planning permission, the planning process you must undertake will ensure that environmental issues are taken into consideration. In addition, for any investment where planning permission was not required, you will be asked to explain the assessment you have undertaken to ensure there is no significant negative environmental impact caused by the investment.

Costs associated with regulatory processes, such as planning permission, are not supported by this scheme.

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## **Grant rates and limits**

### **Q8 What rate of grant will be provided?**

#### Individuals

- 80 per cent of approved costs in Less Favoured Areas (LFAs) and 60 per cent of approved costs in non-Less Favoured Areas for those applicants who meet the young farmer criteria below
- 60 per cent of approved costs in Less Favoured Areas (LFAs) and 40 per cent of approved costs in non-Less Favoured Areas for other farmers

#### Groups

- 90 per cent of approved costs in Less Favoured Areas (LFAs) and 80 per cent of approved costs in non-Less Favoured Areas for those applicants who meet the young farmer criteria below
- 80 per cent of approved costs in Less Favoured Areas (LFAs) and 60 per cent of approved costs in non-Less Favoured Areas for other farmers

### **Q9 How do I qualify for the young farmer grant rates?**

To qualify for the young farmer grant rates you must meet the conditions set out below. To qualify for the group rates for young farmers, all members of the group need to meet these conditions.

Whether you are applying as sole trader or as part of a group, to be considered a young farmer for the purposes of this scheme, you must be able to demonstrate that you:

- are under 41 years of age on the date you submit your application – you will need to supply your driving licence, passport or birth certificate
- have set up as head of the business you are making an application for, during the five years before the date you submit your application, and supply supporting evidence of this
- have adequate occupational skills and competence. This could be a certificate of education or vocational qualification relating the agricultural activities on your croft or a statement, from an appropriate source, that confirms you hold the equivalent experience. If you are unable to provide any of these, you will be expected to provide a declaration of undertaking that you will obtain the appropriate skills and competence, within 36 months of payment of grant. Supporting legal agreements must cover a period that ends at least five years after the date the application is submitted

Charities and trusts cannot benefit from the enhanced grant rate for young farmers.

#### **Q10 Is there a maximum limit on expenditure eligible for grant?**

The maximum grant that can be awarded in a rolling two-year period is limited to £25,000 per individual crofter.

The maximum grant payable per grazing committee (or other eligible crofter group) is limited to £125,000 in a rolling two-year period.

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## Eligible works

#### **Q11 What type of work is eligible for grants?**

Eligible work is listed in [Appendix A](#).

#### **Q12 How is the eligibility of the work assessed?**

A grant will only be approved if you can demonstrate that the project meets at least one of the following scheme objectives:

- reduce production costs
- improve and redeploy production
- improve quality
- preserve and improve the natural environment, hygiene conditions and animal welfare standards
- promote the diversification of farm activities\*

\*This relates to diversification within the agricultural sector, such as changing methods of production (e.g. organic or horticulture), the introduction of new crops or the introduction of specialist breeds.

[Appendix B](#) provides examples of how works undertaken can meet scheme objectives. Support may be available where it is a first-time improvement, where the improvement is an integral element of a larger project or where a substantive upgrade is involved

Support will not be available for applications which are solely intended to replace existing improvements and which are intended to serve the same purpose as the original.

However, where a previous facility is classed as derelict (i.e. no longer serviceable or fulfilling its function and incapable of being repaired or maintained), then assistance may be available providing you can also demonstrate that the improvement meets one or more of the scheme objectives.

The operation will also have to be justified on agricultural grounds, be technically sound and represent value for money. Any actual costs claimed must be consistent with the current rates for such work in the area.

#### **Q13 How can the work be carried out?**

You can either do the work yourself or arrange to have the work done by a contractor.

All work must meet the specifications set out in the scheme's technical guidance booklet. This is available from your local area office, or electronically from the Scottish Government's website.

If the work does not meet the required specifications we may reduce or refuse to pay grant aid to you or recover any payment that has already been made.

#### **Q14 What costs are eligible?**

All operations must be applied for on the basis of the actual costs to be incurred. Where a contractor or supplier provides goods or services, these should be supported by competitive quotations (see Q15).

Where the work is undertaken by either you or an employee, the labour costs can also be applied for. The value of your labour will be assessed by your local area office and the rates we use are based on, but not linked to, the Agricultural Wages Board.

Where labour costs are claimed they must be supported with completed timesheets which will be issued to you with your grant offer and claim form. Costs associated with regulatory processes, such as planning permission, are not supported by this scheme.

#### **Q15 How many competitive quotations are required?**

At least two competitive quotations are required for each application submitted for all operations where the total costs being applied for is £10,000.00 or less. Where the total costs are over £10,000.00, three competitive quotations are required.

Applicants living in more remote areas may not be able to obtain multiple quotations. In these circumstances you should contact your local area office for further advice.

All quotations must be on company-headed paper and must be submitted with your application. Applications not accompanied by the appropriate number of quotations will be rejected. We reserve the right to ask for additional quotations at any time.

#### **Q16 Is it possible to combine a CAGS grant with another form of grant?**

No. If you apply for assistance from this scheme, you may not apply for grant aid under other publicly funded grant schemes for all or part of the same work.

Where work is carried out under a government-assisted training scheme, payment may be made under this scheme for the materials. Reasonable and justified subsistence costs may also be eligible especially where remoteness and inaccessibility is an important feature.

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## [Applying for this scheme](#)

To be able to apply to this scheme your business must be registered with Rural Payments and Services online and have a Business Reference Number (BRN).

[You can find out more about how to register your business here](#)

#### **Q17 Do I need to obtain prior approval before starting work?**

Yes. In no circumstances will grants be paid if you incur costs or start work before receiving our written approval to do so.

The need for prior approval also applies to proposals to change the agreed operations – refer to Q21.

#### **Q18 How do I apply for approval?**

To be considered for a grant you will need to fully complete a CAGS application form.

Forms are available below or from your local area office.

[PF08 - Crofting Agricultural Grant Scheme application form](#)

When preparing your proposal for inclusion with your application, you need to make sure you include all the necessary supporting documentation. This might include:

- maps for land-based options
- architectural drawings for buildings or plans relating to, for example, fencing projects
- planning permission or confirmation from your local authority that planning permission is not required
- permits where appropriate
- CE marking certificates for structural steel (refer to section “Additional information on eligible operations - Agricultural Buildings”)
- any relevant specialist advice (local authority or private)

Please check that all appropriate text boxes are completed and contain all the relevant information. The grant application must be submitted to your local area office where an assessment of your application will be carried out to determine the following:

- need for the project for which grant aid is sought
- viability of your business and the project
- all-round sustainability of your project and farm business, including the existence of normal market outlets for the product(s) concerned
- compliance with the specified statutory minimum standards regarding the environment, hygiene and animal welfare (this may need to be externally verified)

Remember:

- the investment must not be solely for the purpose of increasing production capacity
- investments which are simply to replace an existing asset will not be eligible
- you must demonstrate that the investment meets one or more of the objectives set out in Q12 of these notes

Please remember we will reject any application that is not completed with the appropriate detail or supported by the necessary evidence.

### **Q19 Can I appoint an agent to act on my behalf?**

Yes. You may appoint an agent to act for you. You must fill in form PF05 – Business Mandate to authorise an agent to act for you. This form is available below or from your local area office.

[PF05 – Business mandate form](#)

However, as the eligible applicant you will still be responsible for incurring all the eligible costs, meeting the other scheme rules, and for any penalties we might apply for rule breaches which may occur.

### **Q20 What happens next?**

Once your application for prior approval has been received, a member of staff from your [local area office](#) may visit you to discuss your proposal in more detail.

All applications will be subject to a scoring system at the assessment stage. This will consider the merits of each proposal against a number of criteria, which may be subject to refinement as the scheme progresses.

For example:

- does the proposal match with an agricultural need
- is the proposal proportionate to the size of the agricultural unit
- does the proposed investment provide business efficiency

If your application is successful, you will receive an offer of contract letter from your local area office. Your contract letter will state the maximum grant you could receive and any special conditions attached to it. You must sign, date and return the offer of contract letter to your local area office. Once received, an authority to proceed letter will then be issued, enclosing a claim form.

Applications for grant aid must be approved before costs are incurred and work is started. Please refer to Q17.

Timescales for claiming grants will be included in your letter but you will normally be expected to complete the work within 12 months of the date of the authority to proceed letter. The offer of the grant will be withdrawn if the work is not completed and a claim submitted within these timescales.

The grant subsequently claimed should not exceed the amount set out in the offer letter. Any claims submitted which include costs in excess of the grant amount approved may be subject to penalties which will reduce the amount of grant paid by the value of the over-claimed sum.

If you are unsuccessful, you will receive a letter explaining why from your local area office. There is no right of appeal against the refusal of an application.

### **Q21 Can I request a change to my grant offer after it has been issued?**

Yes. However, any request to vary the offer, including any change to design and / or specification, must be made in writing and approved by your local area office before the change is implemented. Please also refer to Q17.

There may be rare occasions where contractors are already on site and have identified additional works or costs not covered in the original application. In these circumstances, applications to vary can be made by telephone. However any variations made in such a way must be confirmed in writing within seven days of notification of the change, should permission to proceed be given.

Failure to adhere to this will result in the costs relating to the variation being treated as unauthorised and therefore subject to any appropriate restrictions and / or penalties.

### **Q22 What assistance is available for organic production?**

Where organic materials are used in investment in land management operations the full cost of the materials used can only be claimed if you are registered with an approved organic body. Examples include:

- Scottish Food Quality Certification Ltd
- Biodynamic Association
- Soil Association Certification Ltd
- Organic Food Federation
- Organic Farmers & Growers Ltd

If you are not registered with an approved organic body your claim will be restricted to the value of non-organic alternative inputs.

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## **Claiming grants**

### **Q23 How do I claim a grant?**

A claim form will be enclosed with your authority to proceed letter. Once work has been carried out the claim form must be completed and sent to your local area office where an assessment will be carried out to determine that it meets the following conditions:

- claims are accompanied by original receipted invoices confirming that the costs were incurred and paid by the legal occupier of the croft
- any approved labour costs are claimed at the assessed value as detailed in the written authority and accompanied by completed timesheets
- a Declaration of Performance Certificate is provided for fabricated structural steelwork - the steelwork fabricator should issue this to the customer following delivery and payment (refer to section "Additional information on eligible operations - Agricultural Buildings")

On satisfactory completion of the works, we will issue a final grant payment providing all the conditions of the scheme have been met. However, it is possible to submit interim claims for work carried out and costs incurred and paid at milestones agreed prior to the completion of the project.

#### **Q23.1 Over-claim penalties**

Article 63 of Commission Implementing Regulation (EU) No 809/2014

This scheme is part of the European Commission's Common Agricultural Policy and is highly regulated. The Scottish Government has to apply the Commission's procedures for dealing with non-compliance.

This will include taking action when claims do not conform to the grant offer or the work completed, even if those claims were submitted in good faith.

We do not have discretion about whether to apply penalties. Any claims submitted that include costs in excess of the amount approved in your offer of contract, will be subject to penalties that will reduce the amount on which a grant will be paid, by the value of the over-claimed sum.

The simple rule to avoid penalties is don't claim more than the eligible costs set out in the offer of contract or the value of the work actually completed, if this is less.

#### Example one: Single element – over-claim

|          | Invoice costs declared | Eligible costs declared | Amount approved | Certified eligible costs (pre-penalty) | Amount grant calculated on (post penalty) |
|----------|------------------------|-------------------------|-----------------|--|---|
| Item one | £1600                  | £1600                   | £1400           | £1400                                  | £1200                                     |
| Total    | £1600                  | £1600                   | £1400           | £1400                                  | £1200                                     |

This is an over-claim of more than 10 per cent. The amount to be paid is calculated as follows:

- the amount claimed is restricted to the value of the original amount approved (i.e. £1600 - £200 = £1400)
- then a further deduction of a penalty amount equal to the restriction amount is applied (i.e. £1400 - £200 = £1200)
- the applicable grant rate (e.g. 60 per cent) is applied to this amount (i.e. £1200 x 60 per cent) meaning £720 will be paid

#### Example two: Multiple elements – claim including over-claimed elements

|            | Invoice costs declared | Eligible costs declared | Amounts approved | Certified eligible costs (pre-penalty) | Amount grant calculated on (post penalty) |
|------------|------------------------|-------------------------|------------------|--|---|
| Item one   | £60                    | £60                     | £50              | £50                                    | £40                                       |
| Item two   | £30                    | £30                     | £60              | £30                                    | £30                                       |
| Item three | £80                    | £80                     | £70              | £70                                    | £60                                       |
| Total      | £170                   | £170                    | £180             | £150                                   | £130                                      |

In example two, the eligible costs and amount claimed are less than the amount approved. However, as the eligible costs for items one and three both exceed the approved amounts, these items will be:

- restricted to the approved amount, and
- as the amount claimed exceeds the eligible amount to be paid by more than 10 per cent, a penalty will also be applied. The amount of this penalty will be the same as the restriction

This means, in the example above, item one is restricted by £10 to the amount approved for the item. Additionally, a penalty reduction of £10 is applied. The same process also applies to item three. The total amount on which grant is payable, after the application of these restrictions and penalties, is £130.00.

Where work fails to meet the required standards, you will be notified in writing and will be allowed 28 days to complete any remedial work and re-submit your claim.

You can appeal against a decision to reduce or refuse your claim for grant assistance, within 60 calendar days from the date of the decision letter.

See the section on appeals and complaints below for further details.

#### Q24 What receipts and other supporting documentation am I required to submit with my claim?

When you submit your claim, you will need to provide us with supporting documentation, such as receipts and invoices. A full list of what documentation you need to include is listed in [Appendix C](#).



**Q25 Can I pay a share of the costs and assign the grant element of the costs to a supplier or contractor?**

No. There is no facility to assign the grant directly to a contractor or supplier. All costs have to be incurred and paid prior to payment of grant aid.

**Q26 How are the payments issued?**

We make payments using the Bankers Automated Clearing Services (BACS).

We can only make payments to a bank account which accepts BACS payments. If we do not already have your business' nominated bank account details, or if you want to change them, you can do this online by first [registering with Rural Payments and Services](#).

Alternatively, you can complete PF03 – Register your Bank Details Form – Sterling and send it to your area office. Blank PF03 forms can be downloaded below or from your area office.

[PF03 - Register your bank details – sterling](#)

Please keep your bank details up to date to avoid payment delays. We are not responsible for delays to your payments because you or your agent gave us incorrect bank details or did not tell us about a change to your bank account details before we processed your payments.

**Publishing your payment details**

The European Commission introduced legislation in 2014 that requires Member States to publish details of the amounts paid to Common Agricultural Policy beneficiaries. Data will be published for all beneficiaries on a searchable website and will include the name and locality of the beneficiary, and details of the amounts and schemes for which subsidy has been paid.

However, for those receiving less than the equivalent of €1,250 in subsidies, the name of the beneficiary will be withheld.

The first data to be published in this format will be made available from 31 May 2015 and will cover all payments made in the period 16 October 2013 to 15 October 2014. The data will be updated annually and remain available for two years from the date it is published.

**Q27 How does VAT affect my claim?**

If your business is not registered with HMRC for VAT purposes at the time of your application, the grant will be paid on the full cost of the eligible work including VAT, where appropriate. If your business is registered for VAT purposes at the time of your application, the grant will be paid exclusive of VAT.

If your status changes after approval has been given, you must notify your local area office which will advise you what effect this change has on any future claim.

**Q28 How long will it take for my grant claim to be processed?**

We will normally make payments within 90 days of receiving a valid claim.

We would expect claim processing to be completed, in most cases, much quicker than 90 days. However, the Scottish Government must exercise certain controls and comply with European legislation that governs schemes such as this one.

These rules require that detailed checks must be carried out on all claims for payment submitted under the Scottish Rural Development Programme, and that a proportion of these claims must also be inspected before a payment can be made.

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## Applicant's responsibilities

**Q29 What are my responsibilities in terms of participation in the scheme?****29.1 Continuing agricultural use**

All items purchased or constructed with the assistance of a grant must remain in use for the purpose for which the grant was approved, which is normally three years.

If an item is used mainly for non-agricultural purposes, you will be required to repay the money with interest as per EU Regulation 809/2014, Article 7.

### 29.2 Retention of assets

If you dispose of assets that have been the subject of a grant within three years of receipt of that grant, we would normally expect you to repay the whole amount of grant with interest. However, if the asset were to remain in use for the purpose set out in the grant, this recovery could be waived in whole or in part.

### 29.3 Insurance

The responsibility for the design and execution of the works and any liability arising from this lies solely with you. It is advisable for you or your contractor to be insured against all risk of injury, damage or loss arising, from whatever cause, in the course of the work. Any additional expense which may be incurred because of failure to insure or inadequate insurance will not be covered by the grant.

### 29.4 Provision of accurate information

You are responsible for ensuring that all information provided in support of an application or claim is accurate in all respects. Failure to do so will result in the recovery of any grant paid plus interest.

### 29.5 Allowing authorised persons access to land or premises

You are required to allow an authorised person, at reasonable hours and on producing authorisation, access to inspect land and premises relating to an application or claim. If you obstruct an authorised person in carrying out these duties some or all of the grant may be withheld and / or some or all of the grant already paid, plus interest, may be recovered.

## **Q30 What are my statutory responsibilities?**

### 30.1 Approvals, regulations and notification

All approvals, regulations and notifications must be complied with before grant is claimed. These may include:

- planning permission
- building regulations
- completion certificates
- National Park requirements
- fire certificates
- health and safety
- food hygiene
- Sites of Special Scientific Interest (SSSI) Consent
- scheduled monuments
- listed buildings
- public rights of way or core paths
- felling licence or tree preservation orders
- conservation areas
- regulations where the Scottish Environment Protection Agency (SEPA) are the competent authority

This list is not exhaustive and it is the applicant's responsibility to ensure all relevant regulations are complied with.

### 30.2 Public Access Rights

As a land manager you must manage your land responsibly for public access purposes. When applying for any proposed improvement on your holding you must ensure they are not in contravention of Part 1 of the Land Reform (Scotland) Act 2003 (access rights) by inadvertently restricting or severing an established access route.

## **Q31 What if my croft lies within a Site of Special Scientific Interest (SSSI)?**

In a SSSI, additional arrangements apply. You will have received a list of 'Operations Requiring Consent' (ORC) for the site when it was notified as an SSSI. If you wish to apply for a grant for a proposal

that includes carrying out operations listed on the ORC list you must apply to Scottish Natural Heritage for consent before you intend to begin work.

Additional assessments will also be made by Scottish Natural Heritage if the land is also within a Special Protection Area (SPA) or Special Area of Conservation. No work can begin without Scottish Natural Heritage consent and any subsequent breach would see any payments restricted or recovered.

### **Q32 What if my croft lies within a National Nature Reserve (NNR)**

You will have agreed in a Management Agreement with Scottish Natural Heritage how the reserve should be managed to ensure nature conservation. This agreement will govern your proposals and Scottish Natural Heritage local staff will be happy to discuss any uncertainties that you may have.

### **Q33 Are there any regulations concerning any change of use of croft land?**

Yes. The Environmental Impact Assessment Regulations have been in place since February 2002. Crofters must seek written approval from us before converting unused land to intensive agricultural use if these works are likely to have significant effect on the environment. Examples include the ploughing of land not cultivated in the last 15 years and the drainage of wetlands.

For further details please [contact your local area office](#) .

### **Q34 Are there any requirements concerning record keeping?**

Yes. You must keep any invoice, account or other document relating to a claim for a grant for a period of five years, or for such other period as specified in your offer of contract.

If it is discovered that any condition has been breached there is the facility to recover all or part of the grant with interest. If it is established that any information provided in support of the claim is materially false or misleading, this will result in the refusal of assistance or the recovery of all the grant paid with interest, and may also invoke legal proceedings.

### **Q35 Do I need to provide information and publicity if I receive assistance for my proposal?**

If your proposal is successful, and you receive funding for a project which total costs exceeds €50,000 (£38,865 at September 2014 exchange rate) then you must put up an explanatory plaque. Where the total cost exceeds €500,000 (£388,650) you must put up a billboard.

The plaque or billboard must include:

- a description of the project or operation
- the European flag, to standards detailed in EU regulations 1974/2006 Annex VI section 4
- the statement 'The European Agricultural Fund for Rural Development: Europe investing in the Rural Areas'. This information shall take up at least 25 per cent of the billboard or plaque

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## Data disclosure

We have a legal duty to keep the conditions of:

- the Data Protection Act 1998
- the Freedom of Information (Scotland) Act 2002 (FOISA)
- the Environmental Information (Scotland) Regulations 2004 (EIR)

It is the policy of Scottish Ministers to share relevant data, including historical data, that is held on your business with other organisations for legitimate purposes and when required to do so and also to share relevant data on FOISA and EIR when it is in the public interest.

It is also the policy of Ministers to release information on recipients and grants provided under the Scottish Rural Development Programme. We will protect other personal data we receive in line with the Data Protection Act 1998.

We will use the data you have provided primarily for the purpose of processing this application.

However, personal data may also be used subject to the safeguards of the 1998 Act for purposes connected with, Administration of the Common Agricultural Policy, SRDP and other aid schemes.

Data may be passed (when necessary for these purposes) to other bodies. For example to the Scottish Environment Protection Agency (SEPA) for environment and water monitoring purposes, or to local authorities for milk or health purposes.

Data may also be used for statistical purposes, not identifying individuals, which may reduce the need for some statistical data collection. It may also be used when necessary to comply with the Freedom of Information Act or the Environmental Information Regulations noted previously.

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## Appeals and complaints

### Appeals

If we have written to tell you we have already – or soon will – refuse, reduce or recover your payment and you are not sure why we have made this decision, you should urgently contact your area office for more information.

#### [Contact us](#)

If after this you are not satisfied with our decision, you may wish to ask us to formally review our decision about your claim for payment under the EU Rural Payments Appeals procedure.

To do this you must submit a written request on a Review Application form to your area office within the legal timescale. This is currently no later than 60 days from the date on our original decision letter. If this timescale changes, we will tell you in an amended letter.

Area office staff will then arrange to meet with you – or phone you if you prefer – to formally Review your appeal in more detail.

By law they must do this no later than 60 days from the date they receive your Review Application form. This will give you the opportunity to explain to a senior member of staff why you think our decision is incorrect, provide additional evidence, ask any related questions and seek relevant clarification.

The area office must then send you a written report of the Review meeting within 60 days. The report will either confirm, amend or alter our original decision, or revoke it entirely and substitute a new decision.

If after this you are still not satisfied with our decision, you can submit an appeal to the Scottish Land Court. You must do this within 60 days of receiving the area office report.

You can get further information on the EU Rural Payments Appeals procedure and the Review Application form from your area office.

### Complaints

A complaint is an expression of dissatisfaction with our standard of service, procedures, or processes that you feel requires a response or explanation from us. You or your representative can complain in person by phone, by e-mail or in writing.

All complaints will be treated seriously by us and you will receive a full response.

Our complaints procedure has two stages:

- **Stage one – front line resolution**

Frontline resolution aims to quickly resolve straightforward customer complaints that require little or no investigation. Under this part of the procedure you should direct your complaint to the officer in charge of the staff you have been dealing with.

This person is likely to be located in your area office or in our Edinburgh office. They may be able to answer your concerns to your satisfaction. We aim to address your stage one complaint in five working days. If you are dissatisfied with our response you can ask us to consider your complaint at stage two.

- **Stage two – investigation**

We will look at your complaint at this stage if you are dissatisfied with our response at stage one. We also look at some complaints immediately at this stage, if it is clear that they are complex or need detailed

investigation before we can resolve the issue. We will acknowledge receipt of your complaint within three working days.

For stage two complaints we will appoint an independent investigating officer who has an in-depth knowledge of the issue you are complaining about and you will receive a report at the end of the investigation. We aim to issue this report as soon as possible but no later than 20 working days.

You can obtain further information about our complaint handling procedure by [visiting the Scottish Government website](#) or by e-mailing us at [SGComplaints@gov.scot](mailto:SGComplaints@gov.scot).

If you are not satisfied with the decision reached in the stage two report, you or your representative have the right to ask the Scottish Public Services Ombudsman (SPSO) to investigate your case. The SPSO cannot normally look at:

- a complaint that has not completed our complaints procedure
- events that happened, or that you became aware of, more than a year ago
- a matter that has been or is being considered in court for example the Scottish Land Court

You can contact the SPSO at the following address:

Scottish Public Services Ombudsman  
4 Melville Street  
Edinburgh  
EH3 7NS

T: 0800 377 7330

Further information about the Scottish Public Services Ombudsman [is available at their website](#) .

If you are satisfied with the service we have provided, or wish to highlight some exceptional performance, we would be happy to hear from you. We would welcome your suggestions on how we might build on the service we provide.

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## [Appendix A – Items eligible for grant aid](#)

### [Principle categories of eligible options](#)

1. Erection or improvement of agricultural buildings, and shelters for the temporary housing and sheltering of out-wintered livestock.
2. Works associated with agricultural building, including yards, hard-standings, dungsteads, and silos (excluding grain silos).
3. Investment in land management, including the initial grassland improvement works for the restoration of degraded land and the control of bracken.
4. Slurry stores.
5. Arterial drainage and field drainage.
6. All other forms of general drainage including under drainage, hill drainage and ditching.
7. Provision or improvement of facilities for the organised feeding of out-wintered livestock, including permanently fixed troughs and feed barriers, and associated concrete bases.
8. Provision or improvement of equipment for the handling and treatment of livestock.
9. Planting of shelter belts and the provision of fences, hedges, walls, gates or stock grids.
10. Provision or improvement of amenities, including water supplies, mains electricity connections, electricity generators or gas supplies.
11. Provision of electrical equipment.

12. Provision or improvement of access tracks to land improvement areas, roads, bridges, culverts or boat slips.

13. Assistance of up to £500 towards the establishment of a properly constituted common grazings committee.

Support may be available where it is a first-time improvement, where the improvement is an integral element of a larger project, or where a substantive upgrade is involved. Support will not be available for applications which are solely intended to replace existing improvements and which are intended to serve the same purpose as the original.

However, where a previous facility is classed as derelict (i.e. no longer serviceable or fulfilling its function and incapable of being repaired or maintained), then assistance may be available providing the applicant can also demonstrate that the improvement meets one or more of the scheme objectives. (See Section 4, Q12)

## Additional information on eligible operations

**Agricultural buildings** (Relates to eligible operation one – erection or improvement of agricultural buildings and shelters)

Investment is eligible where it relates to the construction of permanent buildings for agricultural livestock, including all the usual buildings for keeping livestock and storing crops produced on the unit. Buildings for general service purposes and buildings for other kinds of livestock kept for the production of meat, milk, wool, fur or hides, and buildings associated with honey production and stabling for keeping horses used for agricultural work, can also be supported. The provision of facilities for sheltering out-wintered livestock are eligible.

All improvements must be durable and not flimsy or makeshift. Buildings must comply with British Standards where these are appropriate, and, assuming normal use and maintenance, continue to benefit the agricultural business for a minimum of ten years. Plastic-clad structures for horticulture or livestock are eligible providing the structure satisfies the structural requirements for the particular site. The plastic cladding to the frame is not normally eligible for assistance but the structure must satisfy all other aspects, such as welfare, ventilation or escape.

Also included are ancillary works such as demolition works, pen divisions, feed barriers, water supplies (including storage cisterns, troughs, bowls and nipple drinkers), electrical wiring to light points, switches, sockets and starter switches, rainwater disposal system for the building, aprons, screen walling, amenity planting and penning.

Size of the steading:

Assistance will be limited to the size and type of steading suitable to the actual or potential agricultural needs of the croft as assessed by the agricultural officer, but the total eligible land held by the applicant may be taken into account. Seasonal or grazing lets are not taken into account.

As a guide, we consider the minimum size of a croft building (i.e. a general purpose building) to be of the order of five metres by six metres, providing a floor area of 30 metres square (based on an average souming of two cows and 10 to 15 sheep).

On an active croft with a souming or stock carry (including grazings share) of five or six cows and 100 sheep, with a modest suite of agricultural machinery, a building providing a floor area 126 metres square (14 metres by 9 metres) would be considered adequate.

However, to accommodate the larger crofts found particularly on the east coast and for active crofters, the scheme is sufficiently flexible enough to consider an applicant's proposals for a large building. In such cases it would be for the applicant to make a clear case for a building that would exceed this size.

The location of the building:

The building must be on the croft. In doubtful cases documentary evidence may be sought. Note that a separate area that has been added to a croft as an enlargement is regarded as part of the croft.

CE marking of structural steel:

Steel framed buildings are eligible for funding under Scottish Government RPID capital grant schemes only where structural steelwork is produced by a steelwork fabricator who can provide the following documents at the application stage.

1. Factory Production Control (FPC) Certificate – issued by a notified body
2. Welding Certificate – issued by a notified body

In addition following should be provided with your claim for steelwork :

3. Declaration of Performance (DoP) – issued by the steelwork fabricator

In cases where the grant recipient decides to use an alternative structural steelwork fabricator, these three documents must also be submitted along with your grant claim.

Buildings will not be eligible for grant funding if the fabricator of structural steelwork cannot provide these documents.

**Offices and IT equipment** (Relates to eligible operation one – erection or improvement of agricultural buildings and shelters)

Offices may be eligible but only where the planned office space is part of a shed application or within an existing shed. Office space within the croft dwelling is not supported.

The provision of IT to improve agricultural business effectiveness may be eligible where livestock is subject to statutory record keeping requirements.

The scheme will support applications for desk top computers but not lap top computers. Applications for printers will also be considered. Any software specifically required for managing aspects of the croft that meet CAGS scheme objectives (see Q12) may be eligible.

In addition, applicants will have to demonstrate an agricultural need for the equipment. We would normally restrict approval of this type of application to Grazings Committees and other eligible groups.

Computerised components of equipment (e.g. ventilation systems in livestock housing) that are integral to an approved CAGS project will also qualify for grant assistance.

**Investment in land management** (Relates to eligible operation three – investment in land management)

Soil analysis is required in all applications submitted for works which come under eligible operation three. Soil analysis must have been carried out within 12 months of submission of the application. The control of bracken is exempt from this requirement.

Grants are available to bring about distinct and durable improvement in the quality of permanent pasture. Before approving applications, checks will be carried out to ensure that the investment is justified on both agricultural and cost / benefit criteria.

The necessary works may include ploughing, cultivation, herbicide sprays, suitable grass seed mixtures and appropriate amounts of lime and fertilisers as required to create a new sward. Application of fertiliser must be determined by the implementation of nutrient budgeting schemes to prevent the over-application of nutrients.

Degraded land is defined by the condition of the sward. It is considered degraded when improved sown grasses are no longer present at a reasonable level. The productive indicator species are ryegrass, cocksfoot, timothy and clover.

If it is required to test the level of sward degradation within a field, a number of metre square test site, should be randomly selected to whether indicator species are less than 30 per cent. If the test sites average less than 30 per cent indicator species then the land can be consider degraded and eligible for grant support.

Soil analysis is eligible for grant aid as part of an acceptable scheme but will not exceed 12 per cent of the cost of the approved project.

Bracken control can be carried out by approved chemical means. Appropriate follow-up action to prevent re-colonisation is an essential element of any control programme. Applicants must demonstrate that appropriate follow-up action will take place in order to qualify for assistance. Failure to implement agreed

measures to encourage useful herbage species or to take appropriate follow-up action by an agreed date may result in recovery of the grant.

Aerial spraying is only acceptable for grant aid where it can be shown to be the most cost effective and practical method of obtaining the required result. To comply with conservation and amenity considerations crofters will have to provide evidence of consents from the following:

- EPA – at least 72 hours prior to aerial spraying if the application is to be made within 250 metres of any water
- Scottish Water – (SEPA will now consult Scottish Water on the applicant's behalf)
- Scottish Natural Heritage – at least 72 hours prior to aerial spraying if the land to be treated lies on or within 1500 metres of a designated conservation site

#### **Slurry stores and related equipment** (Relates to eligible operation four)

The provision of roofed and unroofed silos (excluding grain silos) and other works associated with agriculture, including yards, hard-standings, dungsteads and slurry stores, are eligible. Stores for all grain to be used on the croft are eligible, including propcorn, wet grain or distiller's grain.

Investments relating to items constructed after 1 September 1991 are covered by the Control of Pollution (Silage Slurry and Agricultural Fuel Oil) (Scotland) Regulations 2003 and will be deemed to meet the minimum standards.

Investments to bring items in line with the 2003 Regulations will not be eligible for funding because the grant can only be used to fund items necessary to comply with recently introduced regulatory or statutory requirements. Where the facilities are being improved from the minimum standards to above the minimum standards, then a grant may be considered.

If there is a change to the farming system (e.g. from straw bedding to cubicles), the investment could be considered for grant aid.

- low volume umbilical slurry irrigation systems – fixed equipment such as pumps and pipes are eligible for grants, but associated mobile elements such as hoses, reelers and applicators are considered to be routine agricultural machinery items for the disposal of slurry and are not eligible
- earth bank silage pits and earth bank slurry lagoons – these could, in theory, receive grants provided they meet all necessary regulations and codes of good agricultural practice. Where earth bank structures are proposed, guidance must be sought from SEPA. Advice on silage and slurry storage facilities may be obtained from SEPA

#### **Investment in ditching and field drainage systems** (Relates to eligible operation four, five and six)

To help prevent soil degradation, grants are available for the excavation of new ditches and the re-grading of existing ditches. Installation of new pipe or tile under-drainage systems on previously improved, enclosed land and the improvement or intensification of existing pipe or tile under-drainage systems is eligible for assistance.

The installation of suitable permeable backfill above the new drains to improve the permeability of the drain trench is also eligible. The cost benefit criteria will take into account the quantity of infill used. In cases of doubt you should consult your local area office.

Eligible ancillary works include:

- sub-soiling
- mole drainage
- provision of gravel-filled mole channels or gravel-filled narrow trenches where the work is an integral part of installing a new under-drainage system, and provided that permeable infill is placed above the new pipe drains to act as a connection to the soil treatment works
- provision of any ancillary structures required for effective land drainage, including drain outlets, inspection chambers, silt traps and inlet grids, as well as drainage pumps, culverts and simple access bridges
- high-pressure water jetting to remove ochre in certain circumstances when carried out in association with the installation of a new under-drainage system

Works ineligible for grants include maintenance work and routine replacements. These include:

- pitting and rodding of drains



- jetting and the repair of pipes, culverts or other associated structures
- mole drainage, sub-soiling, gravel-filled mole drainage or gravel-filled narrow trenches not associated with a new under-drainage system or associated with a new under-drainage system installed without permeable infill
- repeat sub-soiling, moling, gravel-filled moling or gravel slotting
- piping and filling ditches for land reclamation

The cost of any necessary field exploration may be eligible for grant aid as part of an acceptable scheme, but will not exceed 12 per cent of the cost of the approved project.

It is your responsibility to consult and obtain any necessary wayleaves or other permissions that are required and to comply with any statutory requirements, which may apply to the proposed works. Providing it is for the benefit of your agricultural business, work under this item may be eligible even if it is to be carried out on land out-with the business.

All claims for grants on field drainage, including ditching, must be accompanied by a plan – drawn to scale – of the completed work. Plans should be of a suitable scale, preferably 1:2500.

Drain layout must be plotted accurately showing the size and length of each drain laid and the exact position of junction boxes, inspection chambers etc. The cost of providing the plan is eligible for grant aid. You may be required to expose short sections of the work at your own expense to allow inspection.

Arterial drainage and river works can be considered. Eligible works include:

- widening, deepening, re-grading or realignment of the channels of rivers, streams, canals and ditches that are outlets for drainage water from at least 100 hectares of land or equivalent outflows
- the provision of new open or piped channels that will serve at least 100 hectares of land or equivalent outflows
- the provision, restoration, strengthening, heightening or realignment of flood protection works
- the protection of riverbanks and flood defence works against erosion
- the provision, replacement, improvement or reinstatement of culverts, conduits, outfalls and flap valves rendered necessary by and associated with eligible arterial drainage works

If your proposal includes arterial drainage or river works, you must consult with Scottish Natural Heritage and/or SEPA before starting any work.

### **Provision or improvement of equipment for organised feeding of livestock (relates to eligible operation seven).**

The provision or improvement of equipment for the organised feeding of livestock can be eligible. Normally we would expect it to be fixed to an existing facility but we would permit the use of mobile feeding equipment, dependant on the circumstances detailed in your application.

In order to ensure value for money, we envisage mobile equipment being limited to a number of fixed points where hardstandings could be sited on a croft. Operations of this type are also subject to a minimum retention period of three years.

Eligible items include troughs, feed barriers, concreted or hardcore hard-standings, feed rings and calf / lamb creeps. In some circumstances eligible facilities may be more appropriate on a township or group basis.

### **Cattle crush** (Relates to eligible operation eight – provision or improvement of equipment for the handling and treating of livestock)

A cattle crush could be eligible providing it is fixed (bolted) in one location and preferably is an integral part of a new handling system (although it could also be part of an existing handling system). In exceptional circumstances, portable or demountable crushes may qualify as part of a handling system.

### **Mobile stock handling facilities** (Relates to eligible operation eight – provision or improvement of facilities to handle and treat livestock)

The purchase of a set of pens that can be dismantled and re-erected would not constitute sufficient justification for grant. However, in a situation where a mobile system is clearly required on a unit with parcels of land at a distance from one another, the purchase could be considered as such a system could reduce movements of sheep, with associated benefits to animal welfare.

Inclusion of such a system in an application would have to be supported by a justification that clearly shows the benefits of a mobile system over and above a fixed location system on a unit that can justify the capital investment. In the majority of cases, the pens should not be the only item being funded. They should contribute towards more wide-ranging improvements to the system of husbandry as a whole.

All investments that include mobile equipment will be considered on a case-by-case basis. The case for a mobile handling system would be strengthened if the applicant is able to identify fixed suitable locations for use.

Mobile handling systems must also be able to demonstrate one or more of the following:

- animal welfare / environmental benefits (e.g. reduced movements of sheep)
- better efficiency of production (e.g. lambs can be drawn for slaughter more frequently, leading to premium weights and grades being more regularly achieved)

**Fencing, dykes, hedges, gates and shelterbelt** (Relates to eligible operation nine – planting of shelter belts and the provision of fences, hedges, walls, gates or stock grids)

Fencing may be eligible for grant aid where it forms an essential part of a project, contributing to animal welfare, bio-security, crop protection or traditional field boundaries. Only the most cost-effective and appropriate type of fencing will be eligible. Assistance is not available for replacement fencing unless the existing fencing is in a dilapidated state and is no longer fit for purpose.

The establishment of an effective hedge or shelterbelt for the protection of livestock or crops, or essential ancillaries such as protective fencing and ditching, is eligible. The establishment of windbreaks for horticultural business is similarly eligible. Ineligible items include commercial forestry. Shelterbelts and hedges must be designed to fulfil the required agricultural purpose.

For wall or dyke improvements, including flag fencing, recognisable sections normally of not less than five metres in length must be substantially rebuilt. The existing materials or additional materials from old walls may be used in the restoration work.

Substantial rebuilding may include setting the upper courses and copingstones of drystone dykes in cement mortar. Comprehensive pointing of a drystone wall or dyke for the first time or comprehensive repointing operations are only acceptable where this is common practice in the area, keeping in mind the amenity consideration.

Piecemeal repointing or minor repairs are not eligible.

**Stock grids** (Relates to eligible operation nine – planting of shelter belts and the provision of fences, hedges, walls, gates or stock grids)

Contributions paid to highway authorities towards the capital cost of stock grids on croft or township roads under a formal agreement made in terms of section 47 of the Roads (Scotland) Act 1984 are also eligible, as are major reconstruction works to improve an existing grid and associated gates, fencing and by-pass.

Minor repair work to the grid, its approaches, gates and fencing are ineligible, as are works on a grid which are the responsibility of the Highway Authority. RPID will apply strictly the Agricultural Justification tests to applications for stock grids. If the installation of a grid is the most realistic way of serving the agricultural purpose, it may be eligible for a grant.

**Amenity services** (Relates to eligible operation ten – provision or improvement of amenities)

Assistance can be given for connections for the supply of water, electricity and gas, where an agricultural need is clearly demonstrated. Supplies for domestic use are not eligible.

**Electrical equipment** (Relates to eligible operation 11 – provision of electrical equipment)

This covers the provision of electrical equipment, for a specific agricultural purpose, that is needed to promote or complete the production stage of a commodity.

Eligible items include but are not limited to:

- fans for grain and hay drying
- electrically powered augers, bruisers, mixers, etc
- sheep-shearing equipment, including clipper heads

- portable generators required to power eligible equipment. An electrical certificate must be submitted with any claim for grant aid on an electrical installation

**Roads, bridges and culverts** (Relates to eligible operation 12 – provision or improvement of access tracks)

Eligible items include:

- the construction of a new road or bridge where none existed before. Making roads from the native soil or sub-soil without the addition of other materials may be eligible where site conditions are considered to be satisfactory. Where conditions are less than satisfactory the use of geotextiles to stabilise the sub-base may be necessary
- the substantial upgrading of an existing road, which must include the addition of new materials to a suitable depth over the whole surface
- grouting and coating with bituminous emulsion and chippings where this is part of making-up a new road or improving an existing road
- work on an existing road designed to improve drainage by altering the level of the surface, providing grips, or strengthening steep slopes with more suitable materials (e.g. coated macadam or concrete). Care should be taken that such work is approved only in places where it is really necessary
- widening roads and reconstructing bridges and culverts
- where there is a danger or hazard to people or stock as a result of works being done under this paragraph, safety and protective fences or walls of a permanent kind can be provided as part of the works and be eligible for grant aid under this paragraph, as are consequential works such as the re-erection of fences and walls

The cost of constructing a new road can be disproportionate to the agricultural income of the croft and the other investments that may take place on the croft. Normally roads are justified where agricultural activity on the croft would be difficult or impossible without road access.

Associated bridges and culverts should be designed and constructed to suit the needs of the agricultural business, in accordance with good civil engineering practice. Boat slips that are required to improve the welfare and handling stock may also be eligible.

Investment in access tracks to land improvement areas (Relates to eligible operation twelve – provision or improvement of access tracks)

The formation of tracks or the hardening of an earth road to give access to previously treated land improvement areas are eligible works.

Such tracks may be constructed on the existing ground surface or excavated sub-soil without the addition of any other materials where site conditions are considered to be satisfactory. Works may include bulldozing, blasting rock, levelling, and consolidating ancillary drainage work.

Access tracks should be constructed to the minimum standards needed to fulfil their intended agricultural purpose.

**Assistance of up to £500 towards the establishment of a properly constituted common grazings committee** (Relates to eligible operation 13)

Assistance to support the setting up of formally constituted Common Grazings Committees that will be responsible for having oversight and management responsibility for the use of grazing land in shared use within remote and rural crofting communities.

As well as being responsible for the control of use and maintenance of the common grazing land, Common Grazings Committees will be responsible for co-ordinating delivery of joint investments that result in the improvement of the agricultural land.

This is a one off grant (based upon a standardised cost of £500) to support the engagement of a consultant to help establish a Common Grazings Committee. Applications of this type must be made to the Crofting Commission to approve Common Grazings Regulations.

Sections 47 to 52 inclusive of the Crofters (Scotland) Act 1993 set the legal framework within which common grazings committees operate.

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## Specific restrictions

### **Mobile equipment**

Mobile equipment can be eligible for support and each case will be assessed in its own right. In order to ensure value for money, we envisage mobile equipment being limited to a number of fixed points where hardstandings could be sited on a croft. Operations of this type are also subject to a minimum retention period of three years.

Exceptions are where the equipment is essential and integral to the project (for example, the project could not go ahead without this equipment or the project could not function or operate properly without this equipment). Sufficient agricultural justification must also be demonstrated.

The item must not be the only item being funded and must contribute to a wider project aim. The equipment should provide value over the economic life of the project – a minimum of three years. Additional conditions regarding mobile equipment:

- the serial numbers of any equipment must be retained along with any documentation relating to its use
- the applicant must retain a register of all equipment
- the equipment must be available for inspection
- the applicant must advise if there is an intended change to the stated use of the equipment

### **Purchase of production rights, animals, land or plants**

The purchase of production rights, animals, land and plants (or the planting of plants) are not eligible investments.

### **Investment in milk, pigs and poultry**

Limitations will be applied on assistance given per business for dairy, pig and poultry production, consistent with the scale of crofting activities.

- fattening / breeding of pigs

Assistance is limited to work related to the provision or upgrading of a maximum of 300 fattening pig places in one business. A business must have sufficient cereal cropping land to produce 35 per cent of its pig feedstuff requirements, even if it does not actually produce the feedstuff. Assistance should not be given to non-land based intensive pig fattening units.

- poultry and egg production

Poultry includes all domestic fowl, turkeys, ducks, geese and game birds for the production of meat or eggs. Assistance may be given only where the number of birds does not exceed 1,000. If the number of birds exceeds 1,000 no assistance will be given.

### **Use of organic materials**

Where organic materials are used in investment in land management operations the full cost of the materials used can only be claimed if the claimant is registered with an approved organic body. Examples include:

- Scottish Food Quality Certification Ltd
- Biodynamic Association
- Soil Association Certification Ltd
- Organic Food Federation
- Organic Farmers & Growers Ltd

If you are not registered with an approved organic body your claim will be restricted to the value of non-organic alternative inputs.

### **Secondhand equipment**

European Commission regulations specify that the purchase of secondhand equipment may be regarded as eligible expenditure when the following four conditions are met severally and jointly.

1. A declaration by the seller of the equipment confirms its exact origin and that the equipment has not already been the subject of national or community assistance.
2. The purchase of the equipment represents a particular advantage to the project or is made necessary by exceptional circumstances (e.g. no new equipment is available on time, threatening the execution of the whole project).
3. A reduction of the costs involved as compared with the cost of the same equipment purchased new, while maintaining a good cost / benefit ratio.
4. The equipment acquired must have the necessary technical characteristics consistent with the requirements of the project.

The application should contain the necessary documentation to show that these requirements have been complied with.

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## Appendix B – Examples of how work undertaken can meet scheme objectives

### Scheme objectives

1. reduce production costs
2. improve and redeploy production
3. improve quality
4. preserve and improve the natural environment, hygiene conditions and animal welfare standards
5. promote the diversification of farm (croft) activities

| Operation                              | Description            | Outputs   | Scheme objective |
|--|------------------------|---|------------------|
| Agricultural buildings – operation one | Stock housing          | Create capacity to in-winter (additional) stock (number/type stock) which will lead to: | 5 and 3          |
|  |                        | _% reduction in fodder wastage  | 1                |
|  |                        | _% reduction in calf mortality.   | 1                |
|  |                        | _% reduction in vet bills   | 1                |
|  |                        | An increase in average calf weights by _kgs   | 1                |
|  |                        | Reduce weekly man hours by _hrs   | 2                |
|  |                        | Increase grazing period by _ days   | 5                |
|  | Erection of polytunnel | To extend production season by _ days (provide details of extended season)              | 1                |
|  |                        | Increase output (provide details)   | 2                |
|  |                        | Increase range of crops (provide examples of increased range)                           | 1 and 2          |
|  |                        | Achieve a recognised quality grade  | 3                |
|  | Storage                | Reduction wastage of hay/ straw by _kgs   | 1                |
|  |                        | Reduce cost of purchased feed through buying in bulk (provide amount saved per tonne)   | 1                |
|  |                        | Reduce cost of purchased hay/ straw through purchasing in                               | 1                |

|  |                      |  |         |
|--|----------------------|--|---------|
|  |                      | summer (provide estimate of cost saved per tonne)  |         |
| Land management – operation three                            | Bracken control      | Increase fully usable grazing area by _ha which will lead to:  | 1       |
|  |                      | An increase in lambing percentage (provide estimate)   | 2       |
|  |                      | An increase in weaned lamb weight (provide estimate)   | 2       |
|  |                      | An improvement in sheep and cattle health through a reduction in bracken poisoning resulting in overall increased output                       | 3       |
|  |                      | An increase in the biodiversity of _ha currently infested with bracken   | 4       |
| Land management – operations four, five and six              | Drainage             | Extend grazing period in field by _ days   | 1       |
|  |                      | Increase hay/silage crop output by _%  | 2       |
|  |                      | On average, extend working period of ground by _ days (provide estimate of extended dates)   | 2       |
|  |                      | Through improvement in sward composition, increase quality of hay/silage crop by _%  | 3       |
|  |                      | _% reduction in damage to land by poaching and tracking  | 4       |
| Feeding of outwintered stock – operation eight               | Outdoor feed area    | Increase average calf weights by _kgs (provide full details of expected improvements)  | 1       |
|  |                      | Reduce labour input (provide details and the estimated labour savings)   | 1 and 2 |
|  |                      | _% reduction in damage to land by poaching and tracking  | 4       |
| Provision of fences, hedges, walls or gates – operation nine | Hedges/fencing       | _ % increase in production in arable crops by providing shelter  | 2       |
|  |                      | _% decrease in lamb mortality by providing shelter   | 4       |
|  |                      | To protect grass and arable crops thereby reducing the need to purchase winter keep by _%  | 1       |
|  |                      | Improve stock control reducing gathering time by _hrs man hour per week  | 2       |
|  |                      | To improve health control by keeping fields clean for grazing young stock thereby increasing output by _% and reducing medical/vet costs by _% | 4       |
| Provision of electrical equipment – operation 11             | Electrical equipment | Reduce labour input (provide details and the estimated labour savings)   | 1 and 2 |
| Road, bridges and culverts – operation 12                    | New access road      | Provide reasons, details of machine and estimate of extended life  | 4       |
|  |                      | Allow full vehicular access to an area of agricultural land for  | 1 and 2 |

|   |              |   |               |
|---|--------------|---|---------------|
|   |              | a particular purpose (provide full details)   |               |
|   |              | _% reduction in damage to land by poaching and tracking   | 4             |
| Costs incurred in setting up a regulated common grazings committee – operation 13 | Co-operation | Co-operation among crofters in organising joint work processes and sharing facilities and resources for the development of crofting activity. | 1,2,3,4 and 5 |

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## Appendix C – Invoice and evidence requirements in support of grant claims

The following guidance will help avoid delays in processing claims for payment caused by the submission of incorrect or incomplete supporting documents. Please remember we will reject any claim that is not completed with the appropriate detail or supported by the necessary evidence.

All claims with labour costs should be accompanied by timesheets which will be supplied with your grant offer and claim form. All claims with actual costs should be supported by properly receipted invoices.

In order to be acceptable an invoice should show the following:

- supplier's name and address
- customer's name and address
- detailed statement of services involved or goods supplied, separately costed and including VAT where appropriate
- date of supplying the goods or services
- total amount due for payment by the customer
- where appropriate, the net amount actually paid by the customer, giving details of any discount, credit or hire charges, which fully explain any difference between the amount due and amount paid
- signature or business stamp of the person receiving payment on behalf of the business which issued the invoice
- date and method of payment
- additional evidence of payment (see note below)

Where a claim includes an individual transaction of £5000 or over, or where it includes an invoice for £200 or over which has been paid in cash, the receipted invoice should be backed by some other evidence of payment. Acceptable additional evidence of payment could be:

- cleared cheque, bank giro transfer slip, or bank or credit card statement confirming the invoice details. A print out from an on-line bank account is acceptable but only where the applicant / claimant(s) name and address are included
- accountant's report
- certified extract from the croft accounts

Where the applicant is a young farmer, as defined in Q9, they must provide one of the following evidence:

- driving licence
- birth certificate
- passport

Additionally, both of the following:

- confirmation of when they were established as head of holding
- confirmation of their occupational skills and competencies

This list should not be seen as definitive and the Scottish Government reserves the right to seek additional information as it deems necessary in support of an application or claim for grant aid.

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## Appendix D – Contact details

|  |   |   |
|--|---|---|
| <p>BENBECULA<br/>AFRC - RPID<br/>Balivanich<br/>Isle of Benbecula<br/>HS7 5LA<br/>Tel: 0300 244 9600<br/>Fax: 0300 244 9601<br/><a href="mailto:SGRPID.benbecula@gov.scot">SGRPID.benbecula@gov.scot</a><br/><a href="#">Book an appointment now</a></p>       | <p>INVERNESS<br/>AFRC - RPID<br/>Longman House<br/>28 Longman Road<br/>Inverness<br/>IV1 1SF<br/>Tel: 01463 234141<br/>Fax: 01463 714697<br/><a href="mailto:SGRPID.inverness@gov.scot">SGRPID.inverness@gov.scot</a><br/><a href="#">Book an appointment now</a></p> | <p>PORTREE<br/>AFRC - RPID<br/>Estates Office<br/>Portree<br/>IV51 9DH<br/>Tel: 01478 612516<br/>Fax: 01478 613128<br/><a href="mailto:SGRPID.portree@gov.scot">SGRPID.portree@gov.scot</a><br/><a href="#">Book an appointment now</a></p>   |
| <p>STORNOWAY<br/>AFRC - RPID<br/>10 Keith Street<br/>Stornoway<br/>HS1 2QG<br/>Tel: 01851 702392<br/>Fax: 01851 705793<br/><a href="mailto:SGRPID.stornoway@gov.scot">SGRPID.stornoway@gov.scot</a><br/><a href="#">Book an appointment now</a></p>            | <p>ELGIN<br/>AFRC - RPID<br/>Alexander Fleming House<br/>8 Southfield Drive<br/>Elgin<br/>IV30 6GR<br/>Tel: 01343 569500<br/>Fax: 01343 569501<br/><a href="mailto:SGRPID.elgin@gov.scot">SGRPID.elgin@gov.scot</a><br/><a href="#">Book an appointment now</a></p>   | <p>KIRKWALL<br/>AFRC - RPID<br/>Government Buildings<br/>Tankerness Lane<br/>Kirkwall<br/>KW15 1AQ<br/>Tel: 0300 244 9626<br/>Fax: 0300 244 9625<br/><a href="mailto:SGRPID.kirkwall@gov.scot">SGRPID.kirkwall@gov.scot</a><br/><a href="#">Book an appointment now</a></p>                   |
| <p>THURSO<br/>AFRC - RPID<br/>Strathbeg House<br/>Clarence Street<br/>Thurso<br/>KW14 7JS<br/>Tel: 0300 020 1234<br/>Fax: 0300 020 1258<br/><a href="mailto:SGRPID.thurso@gov.scot">SGRPID.thurso@gov.scot</a><br/><a href="#">Book an appointment now</a></p> | <p>LERWICK<br/>AFRC - RPID<br/>Charlotte House<br/>Commercial Road<br/>Lerwick<br/>ZE1 0HF<br/>Tel: 0300 244 9599<br/>Fax: 0300 244 9598<br/><a href="mailto:SGRPID.lerwick@gov.scot">SGRPID.lerwick@gov.scot</a><br/><a href="#">Book an appointment now</a></p>     | <p>GOLSPIE (Formerly located in Lairg)<br/>AFRC - RPID<br/>The Links<br/>Golspie Business Park<br/>Golspie<br/>KW10 6UB<br/>Tel: 0300 067 6841<br/>Fax: 01408 634222<br/><a href="mailto:SGRPID.golspie@gov.scot">SGRPID.golspie@gov.scot</a><br/><a href="#">Book an appointment now</a></p> |
| <p>OBAN<br/>AFRC - RPID<br/>Cameron House<br/>Albany Street<br/>Oban<br/>PA34 4AE<br/>Tel: 0300 244 9340<br/>Fax: 0300 244 9331<br/><a href="mailto:SGRPID.oban@gov.scot">SGRPID.oban@gov.scot</a><br/><a href="#">Book an appointment now</a></p>             |   |   |

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