

***CROFTERS COMMISSION***

***BOARD MEETING***

***20 AUGUST 2009***

## CROFTERS COMMISSION

A BOARD MEETING WILL BE HELD IN GREAT GLEN HOUSE,  
LEACHKIN ROAD, INVERNESS ON  
THURSDAY 20 AUGUST 2009 AT 10.00 AM

### A G E N D A

**1 APOLOGIES**

**2 APPROVAL OF DRAFT MINUTES OF 14<sup>th</sup> MAY 2009**

**3 MATTERS ARISING FROM PREVIOUS MEETING**

**4 CROFTING SERVICES: REGULATORY BUSINESS**

**4.1 Argyll, Skye & Lochalsh and South Inverness**

4.1.1 3 Carbostbeg, Bracadale, Skye –  
Minute of Quorum Decision for Noting (Paper attached)

**4.2 East & West Highland**

4.2.1 South Erradale, Opinan & Port Henderson, Gairloch –  
Minute of Quorum Decision for Noting (Paper attached)

4.2.2 6 & 8 Badcaul and share pertaining to 9 Badcaul –  
Minute of Quorum Decision for Noting (Paper to follow)

**5 POLICY**

5.1 2010 Board/Policy/Quorum Meeting Dates (Paper attached)

5.2 Governance & Efficiency Report (Paper attached)

**6 AOB**

**BOARD MEETING - 20 AUGUST 2009**

**PART 1 - APOLOGIES**

**BOARD MEETING - 20 AUGUST 2009**

**PART 2 - APPROVAL OF DRAFT MINUTES OF 14 MAY 2008**

**BOARD MEETING - 20 AUGUST 2009**

**PART 3 - MATTERS ARISING FROM PREVIOUS MEETING**

**PART 4 - CROFTING SERVICES**

**BOARD MEETING - 20 AUGUST 2009**

**MINUTE OF QUORUM DECISION FOR NOTING**

**ARGYLL, SKYE & LOCHALSH AND SOUTH INVERNESS - APPORTIONMENT**

Croft:	3 Carbostbeg, Bracadale, Skye
Common Grazings:	Carbostbeg, Bracadale, Skye
Applicant:	Douglas MacLeod
Case No:	4.21.14154

**1 MEMBERS OF QUORUM**

This case was considered on 11<sup>th</sup> June 2009 by a Quorum of Commissioners:

Drew Ratter, Convener  
Murdo MacLennan  
Issie MacPhail

**2 REASON FOR BRINGING CASE TO THE QUORUM**

At their meeting on 12<sup>th</sup> February 2009, the Commission proposed to approve a modified area extending to 195 ha for a period of 10 years, on the following grounds:

- The proposed use is reasonable and practicable for the stated purpose;
- Apportioning the area will enable Mr MacLeod to better manage his stock;
- The Grazings Committee support the application to ensure Mr MacLeod has no interest in the remainder of the Common Grazings for the term of apportionment; and
- No objections have been received from the local crofting community.

Mr MacLeod submitted written representations against this proposed decision, primarily on the basis that the expenditure involved in making the land workable would not be justifiable and the reinstatement and return to the Sheep Stock Club would not be straightforward. In conclusion, he asked that a Hearing be held.

**3 DECISION OF QUORUM**

The Quorum considered all the circumstances of the case, including the written representations and the note of the Hearing. It confirmed approval of the area extending to 195 ha for a period of 10 years on the grounds that no new information was obtained in the written representations or conveyed at the Public Hearing. Commissioners asked officials to clarify the implications of a period apportionment to Mr MacLeod and advise him that it was open to him to request the Commission to extend the duration of the apportionment at the end of the 10 year period.

**BOARD MEETING - 20 AUGUST 2009**

**MINUTE OF QUORUM DECISION FOR NOTING**

**EAST AND WEST HIGHLAND - APPORTIONMENT**

Grazing:	South Erradale, Opinan & Port Henderson, Gairloch
Applicant:	Mr Kenneth Tallach
Area Applied for:	1.02 ha
Reason for Application:	To provide a house site
Case Number:	4.21.14445

Ailsa Chisholm introduced the case. Commissioners considered all the information, including the Report of the Hearing chaired by Mr Ratter on 10<sup>th</sup> June 2009 and a plan of the requested apportionment.

After discussion the Commission confirmed refusal, as detailed in the proposed decision, as follows:

- There would be no benefit to the croft;
- There are objections from the Grazings Committee and the landlord;
- Where the reason for an apportionment is a house site not intended for occupation by the shareholder, all shareholders should benefit from that change of use of a common grazing; and
- It is uncertain that the purpose of the apportionment could be achieved given the landlord's intention of refusing sale.

**BOARD MEETING - 20 AUGUST 2009**

**PART 4 - CROFTING SERVICES**

**4.2.2** *6 & 8 Badcaul and share pertaining to 9 Badcaul –  
Minute of Quorum Decision for Noting*

*(Paper to follow)*

**PART 5 - POLICY**

**BOARD MEETING - 20 AUGUST 2009**

**2010 BOARD/POLICY/QUORUM MEETING DATES**

**1 KEY ISSUES FOR CONSIDERATION**

- 1.1 Need to agree number of, and dates for, Plenary (Board) Meetings for 2010.
- 1.2 Need to agree number of, and dates for, Policy Meetings for 2010.
- 1.3 Need to agree number of, and dates for, Quorum Meetings for 2010.

**2 TIMING**

- 2.1 This Paper is submitted to the August Board laying out proposed meeting dates for 2010 for Board, Policy and Quorum days.

**3 SUMMARY OF RECOMMENDATIONS**

- 3.1 The Board are asked to agree the Meeting dates outlined in the tables below. These dates have been prepared in a similar format to those agreed in 2009.

**3.2 2010 Plenary Meetings**

MONTH	DATE	VENUE
February 2010	Thursday 11 <sup>th</sup>	Inverness*
May 2010	Thursday 6 <sup>th</sup>	Inverness*
August 2010	Thursday 5 <sup>th</sup>	Inverness*
November 2010	Thursday 18 <sup>th</sup>	Inverness*

\*Although the venue is shown in all cases as Inverness, Commissioners may wish to consider holding some meetings elsewhere.

**3.3 2010 Policy Meetings**

MONTH	DATE	VENUE
March 2010	Thursday 11 <sup>th</sup>	Inverness
September 2010	Thursday 16 <sup>th</sup>	Inverness

\*Additional Policy Days may be arranged on a required basis.

### 3.4 2010 Quorum Meetings

<b>MONTH</b>	<b>DATE</b>	<b>VENUE</b>
January 2010	Thursday 21 <sup>st</sup>	Inverness
February 2010	Thursday 18 <sup>th</sup>	Inverness
March 2010	Thursday 18 <sup>th</sup>	Inverness
April 2010	Thursday 15 <sup>th</sup>	Inverness
May 2010	Thursday 13 <sup>th</sup>	Inverness
June 2010	Thursday 10 <sup>th</sup>	Inverness
July 2010	Thursday 8 <sup>th</sup>	Inverness
August 2010	Thursday 12 <sup>th</sup>	Inverness
September 2010	Thursday 9 <sup>th</sup>	Inverness
October 2010	Thursday 14 <sup>th</sup>	Inverness
November 2010	Thursday 11 <sup>th</sup>	Inverness
December 2010	Friday 17 <sup>th</sup>	Inverness

## 4 RECOMMENDATION

4.1 Schedule of meetings outlined above are recommended.

**BOARD MEETING - 20 AUGUST 2009**

**FINANCE & BUDGET REPORT**

**1 The attached Papers contain:**

**Annex A** Draft Minutes from the Governance & Efficiency Meeting of 4<sup>th</sup> August 2009.

**Annex B** Summary of Risk Register.

**Annex C** A summary of monthly Management Accounts for the period from 1<sup>st</sup> April 2009 to 30<sup>th</sup> June 2009.

**2 Recommendation**

Commissioners are referred to the attached Papers for their information.

**DRAFT NOTE OF GOVERNANCE & EFFICIENCY COMMITTEE MEETING HELD AT  
CROFTERS COMMISSION, INVERNESS ON  
TUESDAY 4<sup>th</sup> AUGUST 2009**

**ATTENDING:** Murdo MacLennan, Commissioner (Chair)  
Robin Currie, Commissioner  
Angus McHattie, Commissioner  
Nick Reiter, Chief Executive  
Gordon MacDonald, Head of Corporate Services

**1 APOLOGIES & WELCOME**

- 1.1 No apologies were received. Mr MacLennan and Mr McHattie joined the meeting by telephone conference.

**2 APPROVAL OF MINUTES OF MEETING OF 8<sup>th</sup> MAY 2009**

- 2.1 The Minutes of Meeting held on 2<sup>nd</sup> February 2009 were approved subject to some minor amendments.

**3 MATTERS ARISING FROM THE MINUTES OF MEETING HELD ON  
8<sup>th</sup> MAY 2009**

**Advertising Costs** – investigations showed little room for cost reduction due to statutory and procedural requirements. However, it was agreed this should be reviewed annually.

**'Reserve list'** of projects. Mr MacLennan noted in view of this year's tight budget these were unlikely to be utilised. However, the idea was desirable if case funds became available.

<b>ACTION POINT 1</b> Mr Reiter to e-mail Commissioners seeking suggestions for project 'reserve' list and to table proposals at following Board Meeting.
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**Gaelic Issues**

Mr MacLennan had been unable to make arrangements to hold the meeting in Gaelic as planned due to the date being re-arranged at short notice. He did, however, mention a recent Public Hearing in the Western Isles where a Gaelic Translator had been sourced at a reasonable cost. Arrangements will now be taken forward for the next meeting to be held in Gaelic either at the Commission or in a Gaelic speaking community.

<b>ACTION POINT 2</b> Outstanding - Mr MacLennan to arrange for the next meeting to be conducted in Gaelic.
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## FREEDOM OF INFORMATION

The Committee enquired whether FOI requests followed any particular pattern. Also agreed Commissioners should be informed if any enquiries were made about them – with replies to be made available to Commissioners.

<b>ACTION POINT 3</b>	Outstanding - Mr MacDonald to provide the Committee with a breakdown of types of FOI enquiries as soon as possible.
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<b>ACTION POINT 4</b>	Outstanding - Mr MacDonald to prepare a summary of the Risk Register (see Annex B) to be tabled together with a draft of the Annual Report at the August Board Meeting.
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<b>ACTION POINT 5</b>	Mr MacDonald to arrange for summary of main T & S allowances to be circulated to Commissioners.
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## 4 MANAGEMENT ACCOUNTS TO END JUNE

The breakdown of the budget for running costs was shown in the Report (see Annex C). Funds allocated to the Commission were lower this year due to transfer of activities from the Commission eg payments to Initiative at the Edge, the Croft Entrant Scheme, the allocation of Area Office salaries now returned to SGRPID etc.

Mr Reiter confirmed last year's efficiency savings had been met. Mr McHattie queried the level of temporary staff costs. Mr Reiter confirmed this largely related to constraints of the recruitment process and some decisions on replacement being held back, pending the move to Great Glen House.

Discussion took place on the GGH move. The investment appraisal was due to be approved at the next Project Board Meeting for submitting to the Scottish Government.

<b>ACTION POINT 6</b>	Mr Reiter to circulate Investment Appraisal and Minutes of next Project Board to Commissioners.
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### Other points raised:

- Level of sales of cast animals at farm (due to sale of cows);
- Scheme income below budget (due to timing of receipts);
- Staff subsistence above budget (due to chance – spending not evenly spread throughout year – but to be monitored for next quarter).

## 5 PAPER ON PERSONAL USE OF MOBILE PHONES/BLACKBERRIES

The recommendations of the Paper were agreed.

<b>ACTION POINT 7</b>	Finance Team to e-mail statements to users, who will be responsible for ensuring personal use is reasonable and for refunding any excessive calls.
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## 6 AUDIT COMMITTEE GUIDANCE

The SG Audit Committee Handbook was considered. It was agreed that due to the status of the Commission, there was no requirement for a full formal Audit Committee. It was felt that the Governance & Efficiency Committee was more flexible and appropriate for the Commission's circumstances. As the Commission is not a full NDPB, the composition of Audit Committees was not appropriate.

## 7 ANY OTHER BUSINESS

### Financial Memorandum

Mr Reiter is to meet with Sponsor Division about the Financial Memorandum which is to come back to the Committee at some stage for discussion.

<b>ACTION POINT 8</b> Mr Reiter to discuss Financial Memorandum with Sponsor Division and provide up-date at next Committee Meeting.
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## 8 DATE OF NEXT MEETING

The date of the next meeting is 29<sup>th</sup> October 2009.

**NOTE:** **THIS IS A DRAFT NOTE SUBJECT TO FORMAL APPROVAL OF THE COMMITTEE AT ITS NEXT MEETING**

5.2 - Annex B - Risk Register  
Risk Register

ANNEX B

	A	B	C	D	E	F	G	H	I	J
1			Risk Rating prior to action					Risk Rating after action is taken		
2		Nature of Risk	Likelihood	Consequence	Overall Risk Rating*	Cause and Assessment	Controls and further action	Likelihood	Consequence	Overall Risk Rating*
3	<b>Project</b>									
4	<b>Move to new office premises - Great Glen House</b>									
5	<b>Risks</b>									
6	Inadequate/inappropriate accommodation	Staff	Possible	Major	High	Location & facilities disrupts operational efficiency/teamwork & staff morale	Project team formed to lead preparation, headed by joint SNH/CC Project Board with detailed individual workstreams. Staff visits taken place & feedback sought	Unlikely	Moderate	Minor
7	Financial business case not viable	Financial	Possible	Major	Moderate	Existing Castle Wynd lease commitments up to June 2011 undermine financial case	Close liaison with property team in Edinburgh who are negotiating with landlord	Possible	Minor	Minor
8	Post-move loss of corporate identity/loss of public accessibility	Stakeholders	Possible	Moderate	Moderate	Fragmentation of staff within building, poor signage, lack of clarity for phone & visitor access	Maintain high profile of issue with project teams, learn from experience of Deer Commission etc	Possible	Minor	Minor
9	Technical - IT & telephony - systems not properly set up	Delivery	Possible	Major	High	Key systems partially or fully non-functioning - major disruption of ongoing core work	Dedicated workstream within project team, initial discussions already held	Unlikely	Minor	Minor
10										
11										
12	<b>Project</b>									
13	<b>Ensuring staff skills and structures are appropriate to meet operational plan targets</b>									
14	<b>Risks</b>									

\*NB. The Overall Risk Rating column does not update automatically

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15	Structure inappropriate for tasks - decisions may be made at inappropriate levels	Staff	Possible	Major	High	Need to determine appropriate balance of grades & line management structure for various tasks	Restructuring under discussion with opportunity for staff input. Will need to be reviewed some time following implementation	Unlikely	Moderate	Minor
16	Staff numbers inappropriate for tasks, staff departures leading to loss of key skills	Delivery	Unlikely	Major	High	Departures, combined with slow SG recruitment procedures and restructuring	Creative & pre-emptive use of temporary staff/other project teams, dependent on restructuring decisions	Possible	Moderate	Moderate
17	Staff skills inappropriate for tasks	Staff	Unlikely	Major	Moderate	Loss of development functions & consequent moves of staff leading to mismatch of skills & roles	Reallocation of duties to reflect skills of current staff	Unlikely	Moderate	Minor
18	Key work areas not resourced adequately	Delivery	Possible	Major	High	Restructuring eg for absentee work does not take skills into account, mismatch between expectations & resources	Keep under continuing review, open process for reallocating duties, ongoing communication with staff	Possible	Moderate	Moderate
19										
20										
21	<b>Project</b>									
22	<b>Data security</b>									
23	<b>Risks</b>									

\*NB. The Overall Risk Rating column does not update automatically

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2		Nature of Risk	Likelihood	Consequence	Overall Risk Rating*	Cause and Assessment	Controls and further action	Likelihood	Consequence	Overall Risk Rating*
24	IT system failure leads to loss of records and inability to continue core operations	Delivery	Possible	Major	High	Use of standard backup & disaster recovery precautions required	Full data & system backups carried out daily, tapes held in secure off-site storage. Partial disaster recovery contract shared with SNH	Unlikely	Minor	Minor
25	Paper records lost due to fire, flood etc	Delivery	Unlikely	Moderate	Moderate	records held off-site in suitable accommodation	Storage contract to be periodically reviewed. Copying of historic files to electronic format feasible but likely to be prohibitively expensive	Possible	Moderate	Moderate
26	Loss/theft of confidential electronic/paper data leading to public exposure	Reputation	Possible	Moderate	Moderate	Could be caused by technical or behavioural weaknesses, training & procedures required	Recommendations of Scottish Government Data Handling review being implemented	Unlikely	Moderate	Minor
27										
28										
29	<b>Project</b>									
30	<b>Sound financial management</b>									
31	<b>Risks</b>									
32	Decisions made without available funds lead to non-completion of commitments	Financial	Likely	Major	High	Failure to include financial issues in decision-making	Regular production of relevant financial statements, to be reviewed by senior management & Board periodically. Setup of audit/ risk/efficiency Board sub-group	Unlikely	Minor	Minor

\*NB. The Overall Risk Rating column does not update automatically

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Risk Register

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2		Nature of Risk	Likelihood	Consequence	Overall Risk Rating*	Cause and Assessment	Controls and further action	Likelihood	Consequence	Overall Risk Rating*
33	Decisions lead to underspend of funds hence under-achieving potential	Financial	Possible	Moderate	Moderate		Regular production of relevant financial statements, to be reviewed by senior management & Board periodically. Setup of audit/risk/efficiency Board sub-group	Unlikely	Minor	Minor
34										
35										
36	<b>Project</b>									
37	<b><i>Cost effective provision of appropriate bulls for hire by crofting communities under CCQIS</i></b>									
38	<b>Risks</b>									
39	Failure to meet animal health and welfare standards	Reputation	Rare	Major	Moderate		constant monitoring review	Rare	Major	Moderate
40	Failure to meet livestock regulatory requirements	Reputation	Rare	Major	Moderate		constant monitoring review	Rare	Major	Moderate
41	Serious illness, accident or injury to farm staff	Staff	Unlikely	Major	High	hazardous nature of farming activities	continuous improvement in development and implementation of health and safety procedures	Rare	Major	High
42	Loss of key staff due to uncertainty of scheme future	Staff	Possible	Moderate	Moderate	Insecurity re job & accommodation	Address accommodation issues, keep staff informed of progress	Possible	Moderate	Moderate

\*NB. The Overall Risk Rating column does not update automatically

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2		Nature of Risk	Likelihood	Consequence	Overall Risk Rating*	Cause and Assessment	Controls and further action	Likelihood	Consequence	Overall Risk Rating*
43	Accident or injury to member of the public	Reputation	Unlikely	Major	High	hazardous nature of farming activities	continuous improvement in development and implementation of health and safety procedures	Rare	Major	High
44										

\*NB. The Overall Risk Rating column does not update automatically

## THE CROFTERS COMMISSION MONTHLY MANAGEMENT ACCOUNTS - SUMMARY

from 1st April 2009 to  
30th June 2009

	YEAR TO DATE			FULL YEAR			Percentage variance
	ACTUAL	BUDGET	VARIANCE	FORECAST	BUDGET	VARIANCE	
<b>GRANTS</b>							
CHGS GRANTS	332,763	650,000	<b>317,237</b>	2,600,000	2,600,000	-	<b>0.0%</b>
CBGL LOANS	(84,869)	75,000	<b>159,869</b>	300,000	300,000	-	<b>0.0%</b>
CBGL LOAN REPAYMENTS	(836,936)	(525,000)	<b>311,936</b>	(2,100,000)	(2,100,000)	-	<b>0.0%</b>
CHGS LEGAL FEES	-	2,000	2,000	8,000	8,000	-	<b>0.0%</b>
CHGS INSURANCE COSTS	-	2,000	2,000	8,000	8,000	-	<b>0.0%</b>
CHGS INSURANCE INCOME	-	(3,750)	(3,750)	(15,000)	(15,000)	-	<b>0.0%</b>
				-	-	-	
CCAGS	437,676	600,000	<b>162,324</b>	2,400,000	2,400,000	-	<b>0.0%</b>
	<u>(151,366)</u>	<u>800,250</u>	<u><b>951,616</b></u>	<u>3,201,000</u>	<u>3,201,000</u>	<u>-</u>	<u><b>0.0%</b></u>
<b>RUNNING COSTS</b>							
SALARIES	551,420	522,219	<b>(29,201)</b>	2,144,204	2,115,000	<b>(29,204)</b>	<b>-1.4%</b>
<u>Commission</u>			-			-	
CURRENT EXPENDITURE	181,087	218,754	<b>37,667</b>	941,003	941,000	(3)	<b>0.0%</b>
CAPITAL EXPENDITURE	-	1,000	1,000	4,000	4,000	-	<b>0.0%</b>
RURAL DIRECT INITIATIVE	5,719	-	(5,719)	-	-	-	
<u>Farm/Cattle Improvement Scheme</u>			-			-	
CURRENT EXPENDITURE	92,659	115,754	<b>23,095</b>	377,000	377,000	-	<b>0.0%</b>
CAPITAL EXPENDITURE	-	1,250	1,250	-	-	-	<b>0.0%</b>
INCOME	(161,721)	(110,502)	<b>51,219</b>	(190,522)	(174,000)	<b>16,522</b>	<b>9.5%</b>
	<u>669,164</u>	<u>748,475</u>	<u><b>79,311</b></u>	<u>3,275,685</u>	<u>3,263,000</u>	<u><b>(12,685)</b></u>	<u><b>-0.4%</b></u>

**BOARD MEETING - 20 AUGUST 2009**

**PART 6 - ANY OTHER BUSINESS**