

CROFTING REFORM ETC. ACT 2007

EXPLANATORY NOTES

BACKGROUND

The Act

Part 3: Termination of Tenancy, Decrofting, Etc.

Section 25: Compensation for improvements for purposes other than cultivation or grazing etc.

105. This provision reflects the introduction of the concept of using a croft for another purposeful use (defined at Schedule 2 paragraph 3(b) of the 1993 Act (as amended by section 7(2) of the Act) or use of common grazing land for other purposes defined in new section 50B of the 1993 Act inserted by section 26 of the Act). By the insertion of new subsections (6A) and (6B) it alters the previous effect of section 30 of the 1993 Act which dealt with compensation payable to the crofter by the landlord in respect of improvements to the croft. It means that a landlord will now be required to compensate a crofter for things that the crofter does in order to use the croft for a non-agricultural purpose only if the landlord has previously agreed to do so.
106. This reflects the fact that these things may be of no value to either the landlord or an incoming croft tenant. It also reflects the fact that the croft tenant could readily realise the value of such improvements (if they have any value) by assignation or purchase and sale of the croft. New section 30(6A) of the 1993 Act specifies what would not be considered an improvement for the purposes of section 30 and new section 30(6B) qualifies that by indicating that the works mentioned in new section 30(6A) will be classed as improvements if the landlord has agreed in writing that the croft can be used as proposed.
107. It is worth noting that in many instances the provisions of Schedule 3 of the 1993 Act would be likely to preclude any entitlement to compensation. However, this new provision will impart greater clarity and certainty for both parties.