Written submission from Charles Connell and Co (Holdings) Ltd

THE LAND REFORM (SCOTLAND) BILL

I have read the Policy Memorandum on the above Bill issued by the Scottish Government, and respond to same accordingly.

This Private Company (over 100 years old) suffered a transformation in the late 1960’s through the general collapse in ship-building and the largest part of the Company being forced into joining Upper Clyde Shipbuilders (we had 1400 Staff). Charles Connell & Co (Holdings) Ltd however remained and on the demise of its ship-building interests had to look for fresh fields to develop, one of the most important of which was, to get a greater involvement in land ownership and the production possible from that investment. Hence the variety of enterprises we manage.

Some outstanding features of this development were:

I The farmland was developed for a multiplicity of economic purposes on an Arable Estate in Perthshire and a Highland Sporting and Agricultural Estate in Inverness-shire, and provided over 60 jobs.

The development plan covered:

(i) Agriculture coupled with the necessary housing programme (23 new dwelling houses).

(ii) Intensive Poultry producing one million broiler chickens per year with back-up from Laying-egg Production and an interest in a Feed Mill. This continued for fifty years but has now been excluded from the main chicken processors work programme in Scotland and therefore the poultry houses are redundant and are being taken down. Note – Loss of 20 Jobs.

(iii) A Salmon Farming Company was developed in Argyll along with a Hatchery in Perthshire but owing to the very low proceeds received for salmon this unit has been sold on to the Norwegians. However 18 full-time jobs were created.

(iv) The Highland Estate has been regenerated on the basis of bringing back to life the Sportings and developing a substantial Renewables Operation which is mostly let out to Scottish & Southern Electricity. However the Company is developing two Micro Hydro Schemes for £3Million and an overall investment for all of the above interests in the last few years amounts to another £1Million. An illustration of daily activity this summer has been that over 25 tradesmen are working on the site on various developments, with a total of three new houses built.

Sportings have created three new full-time jobs and bring substantial money turnover to the district during the season. Sportings are notoriously difficult to make a positive return from so therefore the introduction of Sporting Rates may well jeopardise this operation and are an unfortunate development which does not have our support.
Amelioration could be achieved by a discount to the rate of tax reflecting employment and youth training, and Sportings on Deer could be excluded dependent upon the Estate co-operating with a Deer Management Plan and the cost thereof.

Substantial investment was required to reinstate the grouse moors, furthermore Sporting Rates in Scotland are a tax on conservation and are not levied in England and Wales. More costly sport in Scotland will drive tourists South, where there is an ample supply of good shooting.

With regards Grouse Moors ratings, where the Government state that the tax will pay for some of their policies; I would caution this assumption as three times in my grouse moor experience the stock has been hit by grouse disease, which is a recognised periodic problem, and only 30 Brace a year for up to 5 years has been shot. Presumably that would result in little or no tax being gathered for these years and therefore could not be relied upon.

(v) Modest Forestry has been developed where suitable on both properties including native woodland re-establishment schemes and the Estates participate in Wildlife Estates Scotland.

We therefore consider that the common good has been well served by this Company in the employment created and maintained.

II Letting is not a problem as all our land is in hand.

III Aims of the Bill to address the barriers to further development

In our current experience, the main barrier to further development comes from a Charitable Organisation who are challenging the Government decision to licence the Wind Farm on the Highland Estate. It should be noted that the creation of Renewables with both Hydro Schemes and the potential Wind Farm on the Highland Estate will create substantial monies being paid annually to the local communities.

IV Background

(i) Arable Farming in Perthshire is completing a third very difficult wet weather season for cereal crops through lack of sunshine and is also experiencing such a low international value that growing wheat and malting barley appears to have questionable viability.

(ii) Furthermore the sheep trade is collapsing exacerbated by the Tunnel closure and the new equivalent of the Single Farm Payment from Europe is seriously reduced (by as much as 25%).

Section (i) & (ii) jeopardise a further 10 jobs.

(iii) But the Bill seeks to (a) increase the contribution of Scottish land to sustainable economic growth (b) shift the governance of same and (c)
the Government wishes to see power passed to communities and correct inequalities of wealth arising from land ownership.

V Opinion

We believe that our Company has attempted to meet the Bill’s more constructive elements in the last decade, and that there are other features which sow insecurity and uncertainty for us for the way forward, and are far from helpful for our alternative wishes for the future. Indeed they are unfair by comparison with an investment in general commerce, or agriculture in another country.

VI Result

Inevitably the Company will take the above into account in considering its future policy.