

Cross Party Group in the Scottish Parliament on Rural Policy

Wednesday 20th May 2015, 5.45 – 7.30pm, Committee Room 2

What should rural Scotland look like in 2035?

Minutes (Approved)

Present

Alex Fergusson	MSP (Chair, Co-convenor)
Graeme Dey	MSP (Co-convenor)
Jim Hume	MSP (Co-convenor)
Christian Allard	MSP
Jean Urquhart	MSP
Jamie McGrigor	MSP
Allan Bowie	NFUS (Speaker)
Andrew Heald	Confor (Speaker)
Barry McCulloch	Federation of Small Businesses (Speaker)
Derek Logie	Rural Housing Service (Speaker)
Jenny Gascoigne	RWE Innogy UK Limited (Speaker)
Jonny Hughes	Scottish Wildlife Trust (Speaker)
Leon Thompson	VisitScotland (Speaker)
Giles Ruck	Foundation Scotland (Speaker)
Sarah Skerratt	SRUC (Speaker)
Alan Hampson	SNH
Alistair Prior	Scottish Government
Andrew Brough	Bowhill Estate
Ann Packard	RSA Scotland
Annie McKee	The James Hutton Institute
Dame Barbara Kelly	
Chloe Purves	Scottish Enterprise
Christiane Valluri-Nitsch	University of Edinburgh
Christina Noble	Here We Are Project
Clare De Bolle	YouthBorders
Clare Magill	Rural Science & Analytical Unit, RESAS, Scottish Government
Clare Slipper	NFUS
David Miller	James Hutton Institute
Deborah Mays	DCM Heritage
Diarmid Hearn	National Trust for Scotland
Ellie Brodie	SRUC
Emma Cooper	Scottish Rural Action
Eric Calderwood	Stirling University and the Cooperative Group
Eric Samuel	BIG Lottery
Eva Milroy	Crichton Institute
Fiona Mackenzie	UHI
Fraser Sutherland	Citizens Advice Scotland

Gemma Hopkinson	GWCT
Geoff Simm	Academic Director and Vice-Principal Research, SRUC
Iain Thom	Research and policy at the Scottish Green Party
Ian Cooke	Development Trusts Association Scotland
Ian Davidson	Rural Payments and Inspections Directorate, Scottish Government
Ian Macdonald	Borders Foundation for Rural Sustainability
Jamie Dent	D&G Small Communities Housing Trust
Jane Atterton	SRUC
John Glen	Buccleuch Estate
Jonathan Wordsworth	Archaeology Scotland
Julian Bell	SAC Consulting
Katy Dickson	Scottish Land & Estates
Katy Jeffrey	SRUC
Kerry Barr	NFUS
Lani Evan	Winston Churchill Fellow
Liz Brooks	Crichton Carbon Centre
Liz Hawkins	Scottish Government
Maggie Gordon	Scottish Rural Action
Marc Metzger	University of Edinburgh
Michelle Farquhar	Holyrood Communications
Mike Strachan	Forestry Commission Scotland
Nina Clancy	RSABI
Norman MacAskill	SCVO
Rebecca Marek	Scottish Youth Parliament
Robin Haig	Scottish Crofting Federation
Ross McLaren	Scottish Churches Rural Group
Sarah Allison	Scottish Association of Young Farmers
Scott Somerville	Scottish Association of Young Farmers
Siân Ringrose	SRUC
Stuart Brooks	John Muir Trust
Syd House	Forestry Commission Scotland
Terry Levinthal	National Trust for Scotland
Vicki Swales	RSPB
Wayne Grills	British Association of Landscape Industries (BALI)

Apologies

Alan Laidlaw	Crown Estate Scotland
Andrew Midgley	Scottish Land and Estates
Andy Wightman	Andy Wightman
Anna McBurney	Scottish Government
Anne McGuire	MP
Brian Williams	SRUC
Callum Macdonald	Skills Development Scotland
Chantal Fenton	Angus Council
Christopher Bathgate	Scottish Government

Claire Baker	MSP
Colette Backwell	Scotland Food and Drink Federation
Daniel Gotts	Scottish Natural Heritage
David Balharry	Scottish Government
David Green	SRUC Board Member
David Watts	Aberdeen University
Davy McCracken	SRUC
Douglas Scott	Scottish Borders Council
Duncan Nisbet	Scottish Government
Euan Leitch	Built Environment Forum Scotland
Ewen Scott	Scottish Government
Fergus Murray	Argyll & Bute Council
Frank Beattie	Scottish Enterprise
Frank Strang	Scottish Government
Graham Blythe	European Commission Office in Scotland
Grant Moir	Cairngorms National Park Authority
Harriet Smith	Loch Lomond and the Trossachs National Park
James Ogilvie	Forestry Commission
Jamie Stewart	Scottish Countryside Alliance
Jane Smernicki	SRUC
Jayne Glass	Centre for Mountain Studies, Perth College, UHI
John Hutchison	Scottish Rural Action
Jose Munoz-rojas	James Hutton Institute
Kirsten Leask	Soil Association Scotland (Food for Life Scotland)
Mark Shucksmith	Newcastle University
Martin Meteyard	Whitmuir Community Farm Ltd
Martin Price	Centre for Mountain Studies, UHI
Mike Bonaventura	Crichton Carbon Centre
Neil Cummings	The Horticultural Trades Association (HTA)
Nicola Hill	Dumfries and Galloway LEADER
Pat Snowdon	Forestry Commission
Peter Ross	Dumfries and Galloway LEADER
Priscilla Gordon-Duff	Moray Local Development Strategy Working Group (Moray LEADER)
Rachel Searle-Mbullu	Foundation Scotland
Rebecca Dawes	Scottish Association of Young Farmers
Richard Simpson	MSP
Sally Thomas	Scottish Government
Sarah Boyack	MSP
Sarah-Jane Laing	Scottish Land and Estates
Stephen Graham	Highland Council
Stephen Pathirana	Scottish Government
Steven Thomson	SRUC
Tony Fitzpatrick	Glasgow University/Crichton Institute
Tony Huggins-Haig	Arthouse Galleries
Tracey Forbes	University of Aberdeen

1. Welcome, introductions and apologies

Alex Fergusson MSP (Chair and Co-convenor) welcomed all attendees to the meeting and acknowledged the high turnout. He introduced two other co-convenors of the Group (Graeme Dey MSP and Jim Hume MSP). Claire Baker MSP has stood down from her position as Co-convenor and we are awaiting a replacement for her. Jamie McGrigor MSP, Jean Urquhart MSP and Christian Allard MSP were also in attendance.

He noted that a sign in sheet was being circulated and asked all attendees to sign it before leaving. There were no objections to photos or an audio recording being taken. He asked attendees to give their name and organisational affiliation when asking questions and noted the #CPGRuralpolicy for anyone tweeting to use. He noted that the meeting would close at 7.45pm.

2. Approval of the minutes from the last meeting (18th February “Rural Economies: Diversify or Die?”)

The minutes of the last meeting on February 18th were circulated on March 4th. No edits/comments were received by the Secretariat. Jim Hume MSP proposed the minutes as a true record of the meeting and this was seconded by Ross McLaren. The approved minutes will now be posted on the [CPG webpage](#) within the RPC website.

3. Matters arising: CPG membership

Jane Atterton (Secretariat, SRUC) informed participants that a short survey would be sent out in the next 2-3 weeks to clarify individuals'/groups' membership status. This is to help the Secretariat ensure that the Group's records are up-to-date as we enter their final year in this role. The survey will ask individuals/groups if they wish to be full members of the Group or only on the mailing list and this will then be subject to approval by the Co-convenors. Please respond to the survey asap.

4. Six minute ‘pitches’ followed by discussion:

The meeting featured eight speakers. The first speaker (Sarah Skerratt, SRUC) provided an overview of the policy context for our discussion on land. Each of the other speakers provided a 6 minute ‘pitch’ for a particular sector/interest. The key points from their ‘pitches’ are summarised below. All presentations can be downloaded from the [web page](#) for this meeting.

Sarah Skerratt, SRUC

- Presented an overview of the breadth and complexity of policies affecting rural Scotland – EU and Scottish Government, national and rural; no policies are “land-neutral” – all affect rural Scotland’s land in some way. The overview included reference

to Europe 2020, Cohesion Policy, European Structural Funds and the CAP at EU level, and at Scottish level, the National Performance Framework, land reform, the Agricultural Holdings Legislation Review, planning and infrastructure, poverty, young people, health, equalities and inclusion, economic development, etc.

- Policy uncertainties after 2016 and particularly after 2020. What happens next? And what do we want to happen next? How should this shape what we do now?

Allan Bowie, NFUS President

- Vision for 2035: Dynamic businesses in the future based around Scotland's food and drink and being a 'Good Food Nation'. Agriculture will be well integrated with other activities and land uses.
- Subsidies/farm income support from EU through CAP may well be very different in future – for example, targeted at more marginal land.
- To maximise Scotland's rural business potential to become dynamic and profitable we need:
 - Broadband infrastructure, to enable businesses to export high value, high quality products anywhere (particularly in a scenario where subsidies are potentially far less);
 - People living in rural areas so we need affordable housing, small businesses operating and young people staying on;
 - Strong promotion of Scotland's larder at home and abroad; a focus on high value products and adding value through processing, not 'commodity bog standard products' – Scotland has a strong record in relation to whisky and fishing for example and there is no reason why this can't be repeated in other sectors;
 - An openness to innovation and new farming techniques; make better use of the research and innovation coming out of Scotland's research institutes;
 - Clever thinking about how to work together – the political dynamics of Scotland are/will change – how do we harness these changes for the benefit of rural? Scotland needs a strong voice in Europe and Westminster to put its case forward.

Andrew Heald, Technical Adviser, Confor

- The Scottish forestry sector is worth £1 billion per year and employs more than 40,000 people; much of Scotland's timber is used in construction and over 80% of it is FSC certified; the Scottish sawmill industry (including the mill at Lockerbie) is world leading; the forestry industry provides a range of well paid, highly skilled jobs in rural areas.
- There is a standard perception of the industry that still prevails which is of large-scale monoculture planting. This lack of progression of attitudes in civil service staff presents a barrier to the development of the industry. Instead the industry is now focusing on mixed planting producing world leading products, and we need to recognise its multiple roles in mitigating climate change, reducing flooding, delivering sustainable woodfuel, providing jobs and space for outdoor activities, protecting ancient woodland, etc..

- Forestry is a long-term business; the timber which will be harvested in 2035 was planted in around 2000.
- Need to have a 'level playing field' for woodland creation, management and production to have woodlands which are integrated with other land uses within the landscapes – not sectoral silos.
- Need for new housing in Scotland which will require timber; Scotland could provide this rather than importing from Scandinavia if we promote productive/diverse woodland developments. Some schemes are taking 3 years to get through the approval process; this needs to be speeded up.

Leon Thompson, Government and Parliamentary Affairs Manager, VisitScotland

- Tourism plays a critical part in rural Scotland economies and the cohesion of its communities; the sector accounts for 20-25% of GDP in some rural areas (higher than its contribution in urban Scotland).
- Tourism exists as a part of the mix that Scotland has to offer alongside Scotland's food and drink, heritage, culture and people; landscape is a key focal point in VisitScotland's promotion of the country and is a key trigger for visitors to come to Scotland.
- Would like to see tourism play a greater role in rural Scotland and its communities in 2035 – more diverse, more activities. For example, it has a crucial role to play in providing opportunities for farms to diversify and in expanding the slow food movement. Food is a vital part of the visitor experience in Scotland and in driving up the quality in restaurants across rural and urban Scotland; rural Scotland's distilleries are another key asset and draw for visitors.
- Would like to see greater awareness of rural tourism and the role it plays in future, with an expanding range of opportunities for visitors (some of which will be delivered by farmers), including enabling visitors to have an authentic experience. Developments in the coming years include the potential for stronger links with the geoparks which will get UNESCO status at the start of next year, a Marine Tourism Strategy which will help develop tourism opportunities in coastal communities. Providing visitors with good connectivity is crucial as this enables them to share their experiences, potentially to a global audience.

Derek Logie, Chief Executive, Rural Housing Scotland

- House prices have increased by 80% in recent years with the average price of rural houses in the Highlands being five times the average income of those working in the area.
- Housing is critical as its supply underpins local service provision, contributes to community vitality, and ensures that communities do not become dominated by wealthy, older incomers.
- There are half the number of council/housing association houses in rural Scotland as compared to urban and 12% of houses in rural areas are empty.
- Despite the need for affordable housing in rural areas, they only receive 9% of the subsidy for affordable housing.

- Young people are currently forced to leave rural areas (or live in unsuitable conditions) as affordable housing is not available. Mechanisms for providing more affordable housing are often not suitable for rural areas. By 2035, tailored policies are required to support young people to remain and return to rural areas. Currently, grants for building new homes are not accessible to young people.
- In existing houses, fuel poverty is a significant challenge. 22% of those living in rural Scotland are in extreme fuel poverty. When new housing is built it needs to take 'affordable warmth' into account.
- In future, we need to have a situation where young people are not forced to leave rural communities and where rural Scotland receives a level of Scottish Government subsidy which is proportionate to its share of the population. Land reform is crucial, particularly the transfer of more land to community ownership will also provide more opportunities for communities to plan and build their own housing. We need a more flexible, enabling planning system which will encourage rural development, including house building to sustainable standards (e.g. well insulated). Opportunities for hutting need to be explored to reduce the pressure for holiday homes and we need to encourage more private landowners to rent their properties on a permanent basis rather than for holiday homes.

Barry McCulloch, Senior Policy Officer, Federation of Small Businesses

- The rural economy is overwhelmingly small; small and medium sized enterprises (SMEs) already account for 80.5% of private sector employment in remote and accessible rural areas.
- There is still a need to grow the stock of small, rural businesses to insulate these areas from economic shocks and help mitigate the reduction in public sector employment.
- For example, between 2010 and 2014, the remote and rural business base only increased by 5.4% at a time when the urban business base grew by nearly 30%.
- For economic vibrancy, it's essential to target the key barriers to growth to unleash the latent potential in rural, small businesses. Digital infrastructure is a key barrier, for example:
 - 32% of businesses in Argyll and Bute have no 2G coverage
 - 99% of firms in Dumfries and Galloway have no 4G coverage
 - Only 19% of Aberdeenshire's geography has access to superfast broadband
- Build on the multiplier effect and promote relocalisation efforts to boost rural economic growth and employment. For instance, 3 times as much money stays circulating locally when spent with small firms.

Jenny Gascoigne, Head of Onshore Development Team, RWE Innogy UK Limited and Giles Ruck, Chief Executive Foundation Scotland

- Energy policies are largely based within the climate change agenda for renewables rather than being driven by their own policy agendas.

- Currently, the Scottish Government has a target of 100% of electricity used in Scotland to be generated from renewables by 2020. We have almost met our interim target for 2015. Almost two thirds of the energy generated in 2014 was from onshore wind but we need both onshore and offshore developments to meet the 2020 target. Some of this is already consented and waiting to be built, but it will only be built if economic incentives are available to make it viable. Onshore wind is the most cost effective onshore option but if support is reduced as a result of decisions in Westminster then Scotland will be left with a shortfall.
- Additional renewable energy generation projects will bring jobs and benefit funds for rural communities, more rent payments for landowners, habitat enhancement options, etc. The 5GW of additional projects required will bring approx. £300 million from operation and maintenance costs with almost half of this estimated to be spent locally to the wind farms. There will be an estimated £25 million in additional community benefits payments annually.
- There will be some changes to the landscape but these are not uncontrolled and indiscriminate. There will be no developments in Scotland's National Parks.
- These developments are potentially critical in bringing power back to communities and maintaining people within the landscape, addressing community regeneration and housing issues, etc.. But critical to bringing about these positive developments is having communities at the heart of decision-making.
- Foundation Scotland has a role to play in working with communities and developers to ensure the best use of the funding available. The organisation advocates a long-term approach based on assets and strengths and supports local decision-making through providing project management, mentoring, conflict resolution etc. help and advice.
- There is currently £8.5 million per annum in community benefits payments but this could reach £50 million by 2035 if not before. Funding has been used for a range of housing, transport, service provision, etc. schemes and critical to all is that the power is held by communities themselves.

Jonny Hughes, Chief Executive, Scottish Wildlife Trust

- 98% of Scotland is classified as 'rural'; agriculture, forestry and fishing activities equate to £1.6 billion or 1% of Scotland's GDP; the total income from farming activities in 2013 was £3.9 billion, the cost of farmed activities was £2.8 billion; the sector receives £570 million in support payments, mostly from the EU. Farming is not a profitable business at the moment and something will have to change in future, especially as the future of support payments is in question.
- Scotland has been experiencing an increase in the population in the last decade in accessible rural areas (11%) and remote rural areas (5.7%) so people want to live in rural rather than urban areas.
- We are seeing cultural changes in the way that land is managed, for example, relating to the proposals on land reform, or the movement of landowners away from maintaining traditional intensive grouse moorland and towards re-wilding land. We may also see local communities managing their own land in different ways. The diversification of rural businesses is growing; more people are buying online, new businesses are being established and there is more demand for rural business units – there is a positive future for the rural economy.

- Biodiversity has been on the decline but we are turning a corner in the EU and Scotland due to regulations and incentives to restore damaged ecosystems, but we need a better understanding of how to manage land not to be sectoral but multifunctional, innovative and full of activity.
- However, we need a better understanding of the need to manage land to deliver a range of public benefits. We need to move away from sectors and monocultures, sprawling forestry plantations, scarred landscapes, etc. to a more multifunctional model which is built around innovation and activity led and happening locally at community level. The traditional approach has failed economically, ecologically and socially and instead we need to invest in local stocks of natural capital to generate a range of different ecosystem services (or benefits to society), whilst still encouraging private enterprise to thrive.

Key issues raised in the discussion included:

- **Young people:** The next generation should be the ones in the driving seat, making the decisions about what's happening in their local areas (and beyond) not the older population, many of whom have moved to rural areas in search of a quiet life. We need to be more radical and innovative in our thinking about how to use land otherwise we will still be having the same discussion in 2035 – involving young people could provide such an opportunity. There are some great examples of young people getting involved in spending community benefit funds, for example, but we need to assist young people in becoming more engaged and more effectively share best practice. We should not forget that we also need to have fun!
- **Local decision-making:** Community visioning and devolved decision-making is key. Expanding/continuing charrettes for local planning and giving the Land Use Strategy (and Pilots) 'teeth' could be possible strategies for achieving this. Local communities are best placed to devise and implement approaches to tackle challenges such as youth out-migration. Local visions need to be built on to achieve a coherent over-arching vision for rural Scotland.
- **Locally-based activities:** We need to encourage greater energy sufficiency/reliability locally; we need to encourage communities (that wish and are able to) to run local energy schemes (these could include energy production from waste agricultural products), build local housing, etc.; this will help to ensure there are appropriate local solutions to challenges such as fuel poverty and the lack of affordable housing. A key challenge to overcome in relation to local energy production, however, is the lack of grid capacity in some areas.
- **Thinking locally and globally:** At the same time as focusing on local activities and decision-making, we need to think globally and recognise the interactions between Scotland and elsewhere, for example, in relation to global population change, climate change and its impact on species distribution across Europe, etc. Scotland's land and people cannot be thought of in isolation.
- **A multifunctional landscape, created by partnership working:** We need a multifunctional, integrated landscape which does not have sectoral silos but has people

working together to harness the benefits that rural Scotland has to offer. More integrated government policies would support this.

- **A dynamic rural sector by 2035:** By 2035 we want a dynamic rural sector that is based on our strengths, such as food and drink, which can be insulated from economic instability and shocks to provide a viable economic baseline on which rural communities can build. High quality digital and hard infrastructure and connectivity are essential for achieving this goal.
- **What does society want from Scotland's land:** We need to know what society wants from the land; this might be more food production in some areas and more focus on nature protection and biodiversity in others. We need to get the balance right in different areas. There may be a middle zone of multifunctionality where we need to combine efficient and economic production with other activities to produce a range of benefits. Individuals, working together, may need support to deliver this range of benefits as 'stewards' or 'custodians' of the land.
- **Land for food production or other benefits? :** While it is vital to recognise the need for integration, valuing multiple benefits, etc. we also need to remember and value the important role played by Scotland's land in terms of food production. We need to make farming profitable and attractive to the younger generations so that they take the industry forward and produce enough food which can be shared equally. A role for small-scale producers, including crofters, needs to be maintained.
- **Re-think urban-rural relations:** We need to think in more sophisticated ways about rural-urban relationships and stop 'talking rural areas down'. The traditional, outdated view is that rural areas are dependent on urban handouts, however, focusing on the extensive and varied natural capital that rural areas have and the benefits they produce (including renewable energy, providing carbon sinks, growing high quality food, etc.) will lead to a re-thinking of the relationship and transfer of assets between rural and urban areas.
- **Holistic thinking:** is critical so that we can tackle long-standing challenges – including rural poverty, broadband, housing, youth out-migration, etc. – which all have implications for our land and how it is used by the people that live and work in rural Scotland. The planning system is currently a barrier to tackling these challenges as it is urban-centric and restrictive and leads to uncertainty. The Land Use Strategy and its pilot projects are a step in the right direction towards achieving everyone's need and aspirations, but they do not have enough clout. We may need to consider integrated regional level planning for housing, land for biodiversity, infrastructure, etc.
- **A rural development agency for the whole of Scotland:** We need to look at the work that has been possible in the Highlands and Islands as a result of the economic and social remit of Highlands and Islands Enterprise and consider whether a Scotland-wide rural development agency is needed with a broad cross-sectoral remit.
- **What happens next?:** All participants were challenged to act on the basis on tonight's discussion so that we are not having the same discussion, focusing on the same challenges, in 2035.

The discussion concluded with each 'pitcher' asked to give their final thought:

- **Jonny Hughes:** use regional land use planning, charrettes and visioning are excellent tools; re-think the economic situation of farming but put the money available through the CAP to better use; foster a culture of innovation and use this to make landscapes healthier for an economically, socially and ecologically better Scotland.
- **Giles Ruck:** Foundation Scotland will continue to support communities to build their capacity so that they can be at the heart of decision-making.
- **Jenny Gascoigne:** We need to keep fighting for energy generation projects which are in the pipeline and for the economic support that they require. We need to tackle the question of why it has become more acceptable to import food.
- **Barry McCulloch:** We need to tackle the key challenge of connectivity (including broadband and mobile phone coverage); without doing this we cannot be innovative.
- **Derek Logie:** We need to encourage more community-led housing developments and consider rural home ownership grants for young people and for eco-houses.
- **Leon Thompson:** Tourism will still be an important part of the rural mix in future.
- **Andrew Heald:** We need to put an end to silo thinking as foresters or farmers to create a broader vision of how we use land in Scotland.
- **Allan Bowie:** By 2035 we will still need farmers. Society will want to trust the food that it eats. But it is recognised that the farming industry needs to do better and be cleverer, including in terms of working with forestry, biodiversity, etc. We need to value everyone's role, including that of the next generation.
- **Sarah Skerratt:** Integration is key. This is a central argument in SRUC's Rural Scotland in Focus 2014 report and will also be critical to our 2016 report. We need to keep amassing evidence for where integration is or is not happening and sharing good practice. This might require us to 'go back to the drawing board' and re-think current processes and policies.

Alex Fergusson MSP closed the meeting by thanking all speakers and participants for their contributions to a stimulating discussion. The final two agenda items – **AOB and Plan for 2015-16 sessions** - were not discussed due to time restrictions.