

RURAL AFFAIRS COMMITTEE

Tuesday 20 June 2000
(*Afternoon*)

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RURAL AFFAIRS COMMITTEE **20th Meeting 2000, Session 1**

CONVENER

*Alex Johnstone (North-East Scotland) (Con)

DEPUTY CONVENER

*Alasdair Morgan (Galloway and Upper Nithsdale) (SNP)

COMMITTEE MEMBERS

*Alex Fergusson (South of Scotland) (Con)
*Rhoda Grant (Highlands and Islands) (Lab)
*Richard Lochhead (North-East Scotland) (SNP)
*Irene McGugan (North-East Scotland) (SNP)
*Des McNulty (Clydebank and Milngavie) (Lab)
*Mr John Munro (Ross, Skye and Inverness West) (LD)
*Dr Elaine Murray (Dumfries) (Lab)
*Cathy Peattie (Falkirk East) (Lab)
*Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD)

*attended

WITNESSES

Jackie Baillie (Deputy Minister for Communities)
Ross Finnie (Minister for Rural Affairs)
Mr Alasdair Morrison (Deputy Minister for Highlands and Islands and Gaelic)

CLERK TEAM LEADER

Richard Davies

SENIOR ASSISTANT CLERK

Richard Walsh

ASSISTANT CLERK

Tracey Hawe

LOCATION

Committee Room 1

Scottish Parliament

Rural Affairs Committee

Tuesday 20 June 2000

(Afternoon)

[THE CONVENER *opened the meeting at 14:04*]

The Convener (Alex Johnstone): Ladies and gentlemen, it is my pleasure to welcome you all here today. Members of the Rural Affairs Committee have been seeing quite a lot of one another lately but, with a bit of luck, our routine is now back to normal.

The first item on the agenda is to consider whether we should take item 3 in private. Item 3 is a discussion on the draft report on our investigation into changing employment patterns in rural Scotland. It has usually been our practice to receive and consider such reports in private. Do members agree to consider item 3 in private?

Members *indicated agreement.*

Rural Employment

The Convener: Item 2 is the main business of today's meeting. The purpose of this item is to hear further evidence on the committee's continuing investigation into changing employment patterns in rural Scotland. I am delighted to have such a concentration of ministers present today. We shall hear from Ross Finnie, the Minister for Rural Affairs and chair of the Scottish Executive rural development ministerial committee, and from Alasdair Morrison, the deputy minister for environment and lifelong learning, who has particular responsibilities for the Highlands and Islands, enterprise, the University of the Highlands and Islands, tourism and Gaelic. That is quite a collection of titles and caused us a bit of confusion before the meeting, but that is all sorted out now. Unfortunately, there was not enough room on your nameplate to fit in all those responsibilities.

The Deputy Minister for Highlands and Islands and Gaelic (Mr Alasdair Morrison): Allow me to correct a confusion, convener. You have given me an additional responsibility; I do not have responsibility for the environment.

The Convener: Thank you for pointing that out. We shall also hear from Jackie Baillie, the Deputy Minister for Communities with particular responsibility for social inclusion and co-ordination of Executive policy on equality and the voluntary sector. George Reid is one of the officials accompanying the ministers; others may arrive as

the meeting progresses.

The timing of this meeting is fortunate, as it comes after the publication yesterday of the Scottish Executive study "Social Exclusion in Rural Areas: A Literature Review and Conceptual Framework" and before the Minister for Rural Affairs is scheduled to launch the strategy for Scottish agriculture at Murrayfield tomorrow. Members have noted with interest the recent Scottish Executive rural affairs department publication "Rural Scotland: A New Approach".

I propose to allow ministers to make a short opening statement of about two minutes before members begin to ask questions. Members should note that Jackie Baillie has to leave us at 2.45, so questions for her should be posed early in the discussion. I invite ministers to address us and then we shall begin our questioning and cross-questioning, to which all ministers should feel welcome to respond. Who would like to start?

The Minister for Rural Affairs (Ross Finnie): I thank the committee for this opportunity to contribute to the inquiry. Since becoming Minister for Rural Affairs, I have given the whole rural agenda a new focus. Within that, the rural economy has been one of my prime concerns. In that context, I particularly welcome your inquiry into the impact of changing employment patterns in rural Scotland. There is no doubt that there have been profound changes, but if the committee and the Executive are to fashion policies to address them, we must all understand better what those changes are and what their impact on rural Scotland has been.

It is not surprising that many of the issues that have been raised during the committee's inquiry are issues that the Executive has also been wrestling with. I was interested to see that you spent some time in the early days defining rural. SERAD has also been wrestling with the definition and has put in train a substantial body of work that it hopes will help to narrow the range of definitions to make them more applicable to developing policy instruments.

Rural poverty was mentioned during your evidence sessions. Jackie Baillie might wish to expand on that. As you said, convener, only yesterday we published "Social Exclusion in Rural Areas: A Literature Review and Conceptual Framework". I do not know whether that requires a declaration by Mark Shucksmith as to which side of the fence he is on in this inquiry, but I will leave that for him to decide at a later date. Members will know that when I launched "Rural Scotland: A New Approach" we promised to carry out further work on rural poverty because we recognise that although it exists, we are not managing to pick it up in several of the indices that we use for policy development.

I noted with interest that you too alighted with interest on the fact that social objectives are part of the remit of Highlands and Islands Enterprise but not of Scottish Enterprise. That has been brought to my attention. It may be that Alasdair Morrison will want to address that issue.

Not only has the committee been considering issues similar to those that we have been considering, you have been using the same people—which shows what a small, rather narrow country Scotland is. I notice that among your witnesses were people with whom I arranged meetings in the very early days of my ministry. I refer to people such as Iain Robertson from HIE, Jim McFarlane from Scottish Enterprise Borders, Alan Watt of the Convention of Scottish Local Authorities, and David McFadyen from Locate in Scotland rural team. We have also met many rural local authorities and community groups to discuss these issues. Given that we have been advised by almost the same people, it will be interesting to see whether we reach different conclusions.

Although our island and remote areas exhibit above average levels of unemployment, unemployment in rural areas does not at first sight appear to be the big issue compared with the level of gross domestic product per head in rural Scotland, which is way below average. We need to consider how best to tackle unemployment, part-time and seasonal employment and underemployment—which is much of the subject of the report—in a way that also allows us to address the underperformance on GDP. I hope that as a result of being better informed by the inquiry about those features of employment, we will be able to fashion policy instruments that better meet the objectives and vision that we set out in “Rural Scotland: A New Approach”.

I welcome the committee's inquiry as a positive contribution to the development of rural issues. It acknowledges, as many people have failed to do, the changes in employment patterns. We hope that it will provide a better understanding of the changes in part-time employment, seasonality and underemployment in rural areas, on which, in collaboration with the committee, we can mould the required policy instruments.

I hope that your inquiry will shed some light on those big issues and will help us to understand them. We need to know better how to refine skills requirements and training programmes. We need to know what kind of employment we should provide. Should we instinctively say that it must be full-time jobs or, given the changing employment pattern, should we give more weight to part-time and temporary employment? Is such employment always bad? We need to examine the business support packages that are required. Also, we have to be sure that the understanding of rural

employment patterns leads to policy objectives that recognise both the social and economic dimensions of growth in rural areas.

Mr Morrison: On behalf of the ministerial team with responsibility for enterprise and lifelong learning, I reinforce what Ross Finnie has said about the Executive's commitment to supporting and strengthening rural economies throughout Scotland. One relevant and perhaps overdue step that was taken by the Executive at an early stage was to ask both Highlands and Islands Enterprise and Scottish Enterprise to heighten the priority that was attached to the task of supporting rural communities, particularly in especially remote and economically fragile areas that had tended to be overlooked by the main public support agencies.

As the development agency for an almost exclusively rural area, HIE has a very strong armoury of measures at its disposal, which it can apply to the task of safeguarding and strengthening rural communities and economies. It is worthy of note that the agency's powers go well beyond straightforward economic development support and allow it to support the social heart of rural communities through its programme of community action grants.

As the Minister for the Highlands and Islands and Gaelic, I am especially proud of the increasing success of *iomairt aig an oir*—initiative at the edge—which is delivering targeted support to remote areas that have had a tough time. The initiative is channelling the resources of the main support agencies into areas that have been considered a low priority previously. As a result, communities have put together many development ideas that are being translated into tangible projects. That is evidence of our general commitment being translated into specific, meaningful development activities.

14:15

I cannot let this occasion pass without noting another remarkable success in the Highlands. Last week, 725 jobs were created in Forres. That is a staggering level of inward investment and the largest to date in the Highlands and Islands. That investment is welcomed throughout the Highlands.

Since July, we have responded to the charge that past Governments have been too focused on urban areas. That is the basis of our commitment to rural areas in Scotland—a commitment that we are injecting not only into the Executive's activities, but into those of some of the well funded development agencies. There is some distance to go, but we have made an excellent start and look forward to a constructive engagement with this committee.

The Deputy Minister for Communities (Jackie Baillie): I apologise, but I shall have to dash off early. I have a great excuse, though: I am off to launch the Social Enterprise Institute in Galashiels, which is part of the Heriot-Watt University campus. It will provide training for social entrepreneurs and business planning and is concerned with developing social economy organisations throughout Scotland, but especially in rural areas. I mention that as it might be of interest to the committee.

I shall be brief in saying a few words about the social inclusion strategy, social inclusion partnerships and the voluntary sector. Committee members will know that the Executive launched its strategy, "Social Justice ...a Scotland where everyone matters", in November. There are three headline aims of the strategy. The first is to end child poverty within a generation. The second is to work towards full employment. The third is to provide dignity and security in old age. The strategy reflects a move away from a focus predominantly on places—and predominantly urban places—towards a focus on people and their needs.

The Executive recognises that there is a need to understand far more about poverty in rural areas, which is not caused only by the triggers that apply in urban areas. In rural areas, there are the added difficulties of low pay in employment and self employment, inadequate access to services, a lack of suitable housing and the seasonal nature of work patterns. The Minister for Rural Affairs is trying to address those issues along with the Minister for Communities.

One of our main delivery mechanisms is social inclusion partnerships, of which there are 47 throughout Scotland. Some are traditionally area-based, while others are thematic and concentrate on client groups. Many of them are in rural areas of Scotland, including the Highland Wellbeing Alliance. Underpinning those SIPs is a partnership approach. We realise that to maximise the benefits that accrue from all the different agencies working in the field, we must bring them together so that there is no overlap or duplication and so that their focus is the same. The resources that we are allocating are clearly designed predominantly to bend mainstream spending to disadvantaged areas and disadvantaged people.

I pay tribute to the level of voluntary sector and community activity that is undertaken in rural areas. There are strong local traditions of mutual aid and self help, and faith groups are widely active in rural areas, which factors have resulted in strong rural communities. We have a strategy for and commitment to strengthening both the voluntary sector and the volunteering infrastructure.

The strategy is founded on four main areas. First, there is a commitment to complete and strengthen the network of councils for voluntary service in Scotland. I appreciate that they play a critical role in rural areas.

Secondly, there is the completion of the local volunteering development agency network. We are two or three agencies away from completing the network. It will mean that anyone in Scotland can get access to support and quality volunteering opportunities.

Thirdly, over the summer we will be engaged in a discussion about community empowerment, capacity building and how we increase social capital. Many commentators have told us that communities that have strong social capital bases have a consequential increase in economic vibrancy. That is another way to ensure that rural communities are vibrant economically.

Last, to create the conditions—the framework, if you like—that will enable us to develop the voluntary sector and the social economy in future, there is our review of charity law, the compact, assistance to social entrepreneurs and the establishment of a £10 million social investment fund. In future, we can consider a diversity of funding, issues such as asset transfer and how we maximise the take-up of a number of funding streams—including the lottery—by community and voluntary sector organisations. While all those approaches are applied Scotland-wide, there are key areas that will benefit rural Scotland.

I am happy to take any questions.

The Convener: Thank you. I welcome Neil Ritchie and Jane Macbeth and move quickly to questions. I propose that each minister comment when they feel it is appropriate—they should not feel that they have to comment on every question.

Richard Lochhead (North-East Scotland) (SNP): As the ministers will be aware, as part of our inquiry we have been going round the country taking evidence at public meetings, where we have found that a few key issues always come to the fore. You have been in office for a year. In your experience, what issue is always raised by rural communities?

Ross Finnie: It is either security of employment or incomes. Although—regrettably—the agriculture and primary industries play a diminishing role in rural areas, it is still a key role. Richard Lochhead will be aware that falling incomes there are a matter of real concern. That goes back to the heart of the committee's inquiry. What concerns me is that traditional responses—creating new employment opportunities and providing infrastructural support to those who need to change their skill base—are often based on a premise that we should try to create alternative full-time jobs.

One of the key issues is the nature of the changes in employment. To give a simple example, consider the statistics for our hill farms. If one-and-a-half people look after 2,000 yows on a hill, one does not have to be a rocket scientist to recognise that what should be provided is an alternative form of employment, especially for that half person. Our policy instruments are not necessarily refined enough to do that.

I will be interested in working with the committee on the changing nature of employment so that we target that problem and provide employment—rather than create under-employment for people who would not register as unemployed as they have a means of employment. That would also enhance their income.

Mr Morrison: When I travel round the Highlands and Islands, I find an overriding sense of confidence in some communities. That is certainly true of areas such as Skye, for which the depopulation projections in the 1960s were very depressing. I am sure the local MSP will bear me out when I say that parts of Skye are doing very well because of the overriding sense of confidence to which I referred.

Employment statistics in the inner and outer Hebrides appear quite encouraging at first reading, but one important factor must always be worked into any examination of employment statistics for island communities: the exporting of unemployment. When people who live on an island become unemployed, they move. We rarely take account of that when we examine employment statistics.

If I may respond to Mr Lochhead's specific question, one issue that is constantly raised in parts of the Highlands is depopulation—the area losing its brightest and best. That has always happened, but other sociological factors are now having an impact, with smaller families and fewer children being born. We are trying to have a rolling programme of job-creation initiatives on both a small and a large scale, so that people are attracted back to the area. That policy has been particularly successful in the Highlands on the mainland, where in the past years or so some 3,000 jobs have been created in the new technologies, which is fantastic. The Highlands is able not only to compete with other parts of the United Kingdom and the central belt but, for a host of positive reasons, to attract a great deal of inward investment.

The Convener: I am keen to move on to issues that fall within Jackie Baillie's area of responsibility, before she has to leave.

Cathy Peattie (Falkirk East) (Lab): We received some evidence from the Convention of Scottish Local Authorities on community planning,

which is vital. The creation of partnerships is an important part of that. I was not convinced that the mechanisms are in place or that there is sufficient understanding of the need to involve local people in community planning. Minister, will you comment on how you think that can be done? Do you agree that if community planning is to work, the community must engage actively in the planning process?

Jackie Baillie: Cathy Peattie is absolutely right. The community must be central to the process of community planning. That implies that we must move from a representative form of democracy to a participative form. We have set out that agenda both in the task force that Frank McAveety announced in April this year, which will seek to turn the principle into practical reality in local authorities, and in the statutory underpinning that Wendy Alexander announced on 8 June. It is one thing to say that we want to involve the community; it is another entirely to ensure that the capacity to do it exists.

It would not be appropriate for us to set down the detailed arrangements that should be in place at a local level. This is about providing local authorities and other partners—Highlands and Islands Enterprise, health boards and so on—with the channels of communication into the community to enable them to develop the best possible structure locally. In some areas, the community has had a direct role at the table.

We must ensure that there is support elsewhere, so that communities can participate as equal partners. As members will know, there are existing partnership structures that involve the community, including social inclusion partnerships. It might be worth looking to them to share more widely the good experience and best practice that exists.

Cathy Peattie: The minister is right—there is some good practice around—but a fair amount of lip service is also being paid. If we do this, it should be done properly.

Minister, you mentioned the role of the councils for voluntary service, which I think are very important in rural development—although I am probably biased. We have heard from many agencies about the importance of a bottom-up approach to community development. That is a good term to use, but many projects have experienced what can be achieved if people are actively involved in pursuing what they think are good ideas and things that they perceive to be important. Is there a need for additional community development work? Can the councils for voluntary service and other agencies play a role in that?

14:30

Jackie Baillie: Councils for voluntary service, particularly in rural areas, are key in their communities and play an important role, not just through the social glue that they often provide to communities but in the level of innovation that they provide and by attracting a number of different projects and funding streams to make things happen.

I endorse entirely a bottom-up approach, largely because we know that unless communities feel ownership of the inputs, the outcomes will not be sustained in the long term. It is critical to build that approach in. We can debate whether that is called community development or community empowerment, but during the summer—culminating in a seminar at the end of August—we are keen, as part of taking forward the next stage of the social justice plan, to engage in a discussion about how best we empower communities, whether urban or rural. We need to work out how we can give a true voice to communities, beyond the lip service that is sometimes paid to the subject—although I am sure that you do not mean by me—so that communities' voices are heard and heeded.

Cathy Peattie: You talked about capital. There are European and other sources of funding for local initiatives. One of the areas that people have been keen to discuss with us is the frustration that local people who have a really successful project—which people acknowledge is good and works—feel when they know that the project will finish at the end of the year or the month because the funding will run out. Are there ways to sustain such projects? The important thing with a bottom-up approach and good community development is sustainability. There is real frustration at the good work that is done being lost, not because the work is not important or is not done well, but because the money runs out.

Jackie Baillie: That problem has an impact across the board. There is always a balance to be struck between short-term funding for innovation and to enable organisations to pilot new initiatives and try out different things, and sustained or, in essence, core funding. We always recommend—and the compact commits us to—more stable funding regimes for three-year periods. Some of the funding regimes are time limited. We always encourage voluntary sector organisations and community groups to have an exit strategy before they enter into commitments and to have other partners who can pick up the funding once they are convinced of the merits of the project.

We need to think through what an area needs in its totality and how that can be sustained in the long term, because there is nothing worse than getting a taste of something and then not being

able to sustain it in the long term. For that reason we are putting in place two particular initiatives, which we hope will help. Diversity of funding is key. No voluntary sector organisation should rely on a single funder. Members would agree with that.

We are developing the social investment fund, which is aimed at the social economy and voluntary sector organisations with income streams that can sustain loans to develop their organisation. Secondly, there is the lottery kick-start fund. In many areas of Scotland, including rural areas, there is a lack of capacity to maximise the take from the lottery. We are keen to work with agencies such as Scottish Business in the Community to ensure that a level of expertise gets out into communities to ensure that new and developing funding streams are available.

Cathy Peattie: The rural council for voluntary service is also very good at that.

Jackie Baillie: Absolutely. That goes without saying.

The Convener: Does anyone else want to comment before we move on? I am keen to get in questions on Jackie Baillie's areas of responsibility before she has to leave.

Irene McGugan (North-East Scotland) (SNP): I would like to talk about poverty and social exclusion. All the ministers acknowledged that, because of the hidden and dispersed nature of rural poverty, it is more difficult to address. There is no shortage of information and reports; a new one from Professor Shucksmith appeared yesterday. How will that information influence the Executive's policy on tackling rural poverty? How will it fit in with what has already been announced in "Rural Scotland: A New Approach"? What about the new group that the minister announced that would consider ways in which to address rural poverty, equating the distribution of funding and so on? It would be useful for the committee to have answers to those questions before we put together the final parts of our report, because there will be some overlap.

Ross Finnie: Yesterday's report was very helpful. Irene McGugan touched on an interesting point. In the past, when we applied traditional indices to rural poverty, a large number of rural local authorities were highlighted. There are two difficulties: the age-old problem of defining what is rural and what is urban and that of defining which settlements should be included in those definitions. Depending on the weighting that is given, the system can be biased in favour of a particular urban conglomeration.

Members are right to say that we now have a great deal more information on both the nature and incidence of rural poverty. As I announced at

the launch of the paper, the new group will work in harness with people from the social inclusion team. They will work up indices that will enable us to identify the nature of rural poverty and give the kind of weighting that is required to address it through policy instruments: when funding issues arise we will know the incidence of poverty, its nature and the policy instruments that are required to address it.

In the past, we assumed that taking information, feeding it into a matrix and coming up with indices would do the job. We have all managed to fudge things by making that assumption, but it is self-evident that that process produces only the kind of indices that suggest very concentrated areas of poverty in urban areas. I am sorry if that sounds a bit vague, but we are doing exactly what we said we would do.

We are progressing matters. We have the new report and statistics and it is now a question of pulling them together, which we hope to do as quickly as possible. It is important that we do not continue to issue policy instruments without being informed about the incidence of poverty in rural areas. Such poverty clearly exists, but it is not highlighted when decisions are made.

Jackie Baillie: That was a helpful explanation, to which I will add only brief comments.

The social justice strategy document, which we launched in November, is the Executive's overall policy for tackling poverty and social exclusion throughout Scotland. The principles that I outlined apply throughout Scotland, whether they relate to child poverty, unemployment or whatever. There is growing recognition in rural communities that work presents one of the best ways out of poverty in any area. It also provides dignity and security in old age.

Ross Finnie is absolutely right: the working group will focus on the almost hidden dimension to rural poverty. Additional factors that are not present to the same degree in urban areas cause poverty in rural areas. Rather than take a blanket approach, we felt that it was appropriate to dig down to some depth and to refine the issues in relation to rural areas. The working group gives us an opportunity to take that approach. The Executive's social justice agenda will evolve as we have successes and as we focus on other areas. It is appropriate that we consider rural areas in Scotland from the start.

Rhoda Grant (Highlands and Islands) (Lab): A lot of the poverty in rural areas is down to the high level of part-time work, seasonal work and self-employment in such areas. Many unemployed people will move to find work, but because of ignorance, people do not apply for all the benefits to which they are entitled. In cities and towns,

there are citizens advice bureaux and specialist agencies that can advise people. Could the voluntary sector help in advising people in rural communities of the benefits that they might be able to claim, especially if they are self-employed? Self-employed people often assume that they are not entitled to any benefits.

Jackie Baillie: Absolutely, but it is not only the voluntary sector that could get involved. The public sector has run successful benefit take-up campaigns in some areas.

We are in discussion with Money Advice Scotland about a money advice debt-line that could cover Scotland. Location would not be key to that—a person would need only a telephone to get advice on entitlement.

Citizens advice bureaux and a variety of other advice centres provide a valuable service, but we can do more to join up some of the relevant agencies outside the voluntary sector and we can use local government to engage in benefit take-up campaigns. I am sure that getting that sort of information out to people would help to maximise incomes.

Mr Morrison: The point about the seasonal nature of employment in rural Scotland is particularly true in relation to the tourism industry, which is the biggest and most important industry in rural Scotland. Our strategy outlines ways of tackling the twin challenges of seasonality and regionality in tourism employment. It is vital that we extend the tourism season and that we ensure that visitors are dispersed from Edinburgh and Glasgow into the remoter parts of Scotland. I am sure that we will make progress on those matters.

Rhoda Grant: In urban areas, people go into shops and Government buildings and see posters with helpline numbers and so on. That way of getting information across does not work so well in rural areas, but it is important to tell people that they are able to access such advice.

Jackie Baillie: Various ways of getting the information across have been used. Glasgow City Council distributes information with council tax notices. That technique could be applied throughout Scotland—everyone in Scotland receives a council tax bill irrespective of whether it is welcome. It is a useful vehicle for informing the public directly. We are also considering ways of using information technology to get messages across. Local authority workers—and others—should, perhaps, be responsible for providing basic information. We are thinking of ways of getting people away from their strict professional remit and we have considered a number pathfinder projects for working in communities. In Stranraer—I think—we are considering a pilot scheme that would involve peripatetic community

agents who would travel around providing advice and information to ensure that communities got information.

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Can I change the direction of the questioning?

The Convener: Is the question for Jackie Baillie?

Mr Rumbles: I am just very keen to get in.

The Convener: You will get in, Mike. Jackie Baillie will have to leave soon. If there are no further questions for the minister, I thank her for attending the committee.

Jackie Baillie: Thank you, convener. I am sorry only that Mike Rumbles did not want to speak to me.

14:45

Mr Rumbles: I thought that Richard Lochhead's question was very interesting, as was the minister's answer. Richard talked about the key issues that emerged during our investigation into employment change and asked the ministers to identify the main rural affairs issue that they had come across.

In all the public meetings that we have held and in the huge amounts of correspondence that we have received, the overriding issue has been lack of transport, which is key to employment opportunities. In particular, there is great resentment in rural areas about high fuel costs. People rely on the private car because of the lack of public transport. I am surprised that that was not mentioned in the minister's opening statement. Perhaps the ministers might like to comment on that overarching issue.

Mr Morrison: I recognise that the high prices of petrol and diesel cause concern throughout the Highlands and Islands. However, there have been welcome developments in the past year, such as the relaxation of the fuel duty escalator. There has been additional expenditure on transport, such as the £16 million that Sarah Boyack announced 10 days ago. A significant amount of that money will be spent in the Highlands and Islands. In the past year, there has been fantastic development in extending bus networks in the area. Transport is a fundamental issue in places such as the Highlands.

In the islands, the integrity of Caledonian MacBrayne is an issue that exercises many people. We are pleased that the level of subsidy has continued to rise and last year saw the largest ever increase in the subsidy to Caledonian MacBrayne. Mr Rumbles is right; transport exercises many of my constituents.

Ross Finnie: It is public knowledge that, before the budget, we made representations to the chancellor on the levels of fuel duty. We have no way of knowing, but we can hope that the changes that were made were in response to those representations. Fuel costs affect the internal movement of goods and services and I am conscious that that may be deleterious to the food industry. One might be tempted to move goods at an early stage in the production of foodstuffs and process them elsewhere. That would militate against the Executive's clear desire that, to benefit the primary sector, much more processing should take place in Scotland.

Internal transport arrangements are extremely important. That is why—in a minor way—we have increased the rural transport fund through which we attempt to fund rural transport initiatives. Those initiatives are aimed at improving local situations that are outwith mainline services. They relate to lateral movements within communities and they assist people in accessing alternative work.

There is no question but that a transport infrastructure is crucial to employment opportunities. I am not sure whether some of the changes in employment patterns might touch on aspects of policy development. We might, however, have to consider questions such as how we fund the rural transport fund if issues are raised about people who move in and out of seasonal and part-time employment and about the underemployment that I strongly suspect exists in rural areas.

There are two separate issues to address. Although fuel prices are a reserved matter, we have an internal commitment to rural areas through the rural transport fund, which has greatly assisted internal community transport. We need more such measures. Furthermore, we need to transfer best practice. Although I have seen two extremely well run transport initiatives that are recognised as providing a service to the community, I have been disappointed to find that other schemes have approached the issue from an entirely different direction. Part of our work at the rural affairs department on matters such as community development and planning is to find better ways of transferring best practice—every community must not be trying to reinvent the wheel. That issue is relevant to rural areas and causes me concern.

Mr Rumbles: Initiatives such as the rural transport fund that the Executive has either launched or continued from previous Administrations are very welcome. I also welcome the fact that a lot of money is being invested in an initiative in Deeside. However, in the half dozen public meetings that the committee has organised—and I can speak from my experience

of the Laurencekirk public meeting that three committee members attended—we have focused on transport as one of the three key issues that affect rural areas. Although I accept that the price of fuel is a reserved matter and that the Executive is focusing on aspects over which it has some power, such as the rural transport fund, it seems that the high cost of fuel is the key issue for the general public. We have the highest fuel costs in Europe, if not the world, and that is impacting on job opportunities.

Ross Finnie: I can only repeat that the Executive is very well aware of the matter. For example, we have produced some important work that illustrates not only the level of fuel prices, but the variety and variability of those prices in rural Scotland and the resultant impact on remote rural areas. That work was part of the advice that we tendered to the Government at Westminster. I hope that the way in which we presented that information made it clear that the price of fuel was a problem and that it informed discussions at the time of the budget.

However, there is a limit to what we can do beyond making it clear how seriously we take the problem, because the matter is reserved. I can only assure the committee that we have not simply said that we think that fuel prices are higher; we have produced some worked-up examples and evidence to reinforce both that point and—especially—the serious difficulties that face remote rural areas.

Richard Lochhead: Mike Rumbles quite rightly pointed out that, as we went round the public meetings—Ross Finnie said that the committee and the Executive have been speaking to the same people—we found that people's No 1 concern was the cost of fuel and related transport issues. The committee must be aware of the extent to which the Executive can influence that issue, despite fuel costs being a reserved matter. Will Ross Finnie tell us what response he got from the chancellor and how he was able to raise the matter? We should know where fuel costs stand in the Executive's list of priorities.

Ross Finnie: Fuel costs remain a Government priority. The chancellor's response is fairly public—it is contained in the red book, in his budget statement and in the changes. Richard Lochhead may say that that is not enough, but I cannot possibly speak for the chancellor, far less pretend to be in his mind, which is much more dangerous and not something that I would wish to indulge in. However, I can assure members that the cost of fuel remains a serious priority for the Executive.

We have examined the issue and drawn up detailed examples that will have to be revised to take account of changing circumstances, but fuel

costs remain a priority. Unless the chancellor decides, for macroeconomic reasons, to have a budget more frequently than once a year, I suspect that we will have the same difficulty of making that point to him forcefully while anticipating that there might be no further changes in the duty levels for another year. All that we can do is to make representations. We can lead a horse to water, but we cannot make it drink—to use an agricultural analogy.

Mr Morrison: It should come as no surprise to Richard Lochhead that despite the fact that across the portfolios, ministers are in constant dialogue with colleagues at Whitehall and at the Scotland Office, the subject matter of those discussions is not for public consumption or for press releases. However, as Ross Finnie said, the Executive will continue to put Scotland's interests firmly on the Whitehall agenda, through direct contact with the Treasury and with the Scotland Office.

The Convener: Is Alasdair Morgan's question on the same subject?

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): No, it is on a different subject.

The Convener: There is a queue for questions. Elaine Murray is first.

Dr Elaine Murray (Dumfries) (Lab): I apologise for my earlier absence from the meeting. I had a visit from a party from a rural primary school. They were interested to hear that the Rural Affairs Committee is discussing employment issues. The matter is obviously important for the future of those children.

I would like to change the subject to an issue for which the Executive has direct responsibility—current policies for creating employment in rural areas. We took evidence from Scottish Enterprise and Highlands and Islands Enterprise, and it appeared that those two bodies took a rather different approach to employment creation. It also appeared that Highlands and Islands Enterprise's approach was more successful. Do the ministers think that Scottish Enterprise would benefit from having a broader remit—as Highlands and Islands Enterprise does—that includes economic and social development?

What do ministers think of the cluster strategy, which Scottish Enterprise is enthusiastic about and which seems to work extremely well in urban areas? It has been argued that such a strategy could act against the interests of rural areas, because there is not the same density of manufacturers or the same research and development capacity. What comments do the ministers want to make about new technologies, particularly the cost of bringing the appropriate infrastructure, such as computer technology, to rural areas? It appears to be more expensive for

telecommunications companies to put such infrastructure into rural areas. Although information and communications technologies provide great advantages to rural areas, we could further disadvantage rural communities in Scotland if we do not get that right.

Mr Morrison: As Elaine Murray said, the committee has taken evidence from SE and HIE, and there are differences between the two organisations. Those differences are historical—they go back to the glory days of the Highlands and Islands Development Board and the Scottish Development Agency, which had different remits.

15:00

Scottish Enterprise has set up a rural group to examine the success of rural interventions and how to disseminate best practice throughout the Scottish Enterprise network. Locate in Scotland also has a dedicated unit that is charged with winning inward investment businesses for the Scottish rural economy.

That takes us back to what Ross Finnie said about the definition of rural. There is a distinct difference between rural HIE and rural SE areas, because HIE's area of responsibility is more remote. There are also the challenges of decline and depopulation, which do not really exist in the Scottish Enterprise area.

Dr Murray: I am not so sure about that.

Ross Finnie: I might have a small dispute with my colleague about that—certainly before Alasdair Morgan butts in.

Mr Morrison: I should probably not have said that so pronouncedly. I hope that that satisfies my colleague.

It is worth pointing out that the devolved nature of the SE network means that much rural expertise lies in the relevant local enterprise companies. That cannot be compared with the HIE network, where there is not the same balance between rural and urban areas.

Dr Murray mentioned attracting new technology. There have been some notable successes in rural Scotland. I have outlined the success that there has been throughout the Highlands and Islands. My constituency has the most westerly call centre in the United Kingdom, in Stornoway. About 3,000 jobs have been created in the Highlands and Islands in that sector.

Ross Finnie: I would like to augment that, although I do not disagree fundamentally with anything that Alasdair Morrison has said. There is no question but that the adoption of a rural co-ordinating role by Scottish Enterprise and the introduction of a rural element to LIS are

comparatively recent developments. Scottish Enterprise would be the first to admit—Jim McFarlane did so in his evidence to the committee—that it was rather slow to recognise that when Alasdair Morgan claimed that he came from a rural area, he meant it. With due respect to my colleague Alasdair Morrison, there has been a tendency for people to equate “rural” with the Highlands and Islands. I fully acknowledge the need to address the special problems that exist in remote and island communities, but there has been a tendency to ignore other rural areas, such as those in the south-west, the Borders, parts of Lothian, southern Perthshire and so on. There is a cluster of rural areas that have problems, and greater equality of treatment is required. That takes me back to best practice. We are keen that the Scottish Enterprise rural team does not try to reinvent the wheel in our discussions with it. It should, rather, pick up on what has been done in HIE over many years.

We cannot be dogmatic about clusters. One could argue that where Scottish Enterprise has used the cluster network to ensure closer concentrations of particular industries, it might be detrimental. However, I have seen no evidence that embracing the cluster approach in the food industry would cause problems—quite the reverse is true. A greater concentration of clusters—particularly at the processing end—might lead to an increase in the amount of processing that takes place in Scotland. We might, as I said, derive benefit from that because of the value that is added. That could greatly benefit primary producers in Scotland. I take the point that the concept cannot be applied across the board, but using the cluster approach in the food industry is of particular interest to rural Scotland. I have not come across any evidence that that is other than helpful.

The Convener: It must be restated that the piece of evidence to which Elaine Murray was alluding came from the visit to this committee of Highlands and Islands Enterprise. It contrasted the concept of clustering with the situation in which communities are widely dispersed, and suggested that any attempt to cluster may automatically disadvantage those widely dispersed communities.

Ross Finnie: Well, yes. However, that is taking the dogmatic view that clustering can take place only among people who are geographically close. If three or four people seek to compete for a specific element—say, in the food industry—it is better that they collaborate in doing that by offering a front for a sales or marketing effort as a cluster. That does not mean that they have to live cheek by jowl; it means that, within a reasonably small geographic area, they co-operate and collaborate as a cluster in a segment of an

industry. I am therefore not wholly persuaded by the argument that clustering requires people to be three feet away from one another.

Dr Murray: To cluster in that way, people must have the appropriate communications technology.

Ross Finnie: Yes. That is right.

Dr Murray: The issue is therefore the cost of such a strategy.

Ross Finnie: Absolutely. I accept that.

Rhoda Grant: I have a supplementary question about the enterprise network. When we took evidence, the committee noticed that it was the chief executive of Highlands and Islands Enterprise who attended, rather than the chief executive of Scottish Enterprise. That gave us an idea of the way in which Scottish Enterprise views rural issues. In other inquiries that we are carrying out in rural areas, other things have been noticeable, such as the fact that Highlands and Islands Enterprise has a land unit whereas Scottish Enterprise has nothing with that kind of expertise at a central level that other rural enterprise companies can feed off. People regard that as an omission. They recognise that Highlands and Islands Enterprise has a great deal of expertise, and that it can provide support that is not forthcoming from Scottish Enterprise.

Ross Finnie: That is a little unkind. I do not usually defend any of those agencies, but I do so now. This committee is considering rural affairs specifically, and HIE would admit that it is a 98 to 100 per cent rural agency, from the chief executive right through the organisation. As I understand it, you took your principal evidence from Jim MacFarlane, who now has the specific responsibility for setting up the new rural team. In giving evidence to a committee, I would not have thought it unreasonable for HIE to field the person who has been given that job. As we all know, that is a recent development for the organisation, so it would not be right to imply that it was an insult for HIE to send its key person on rural affairs to the Rural Affairs Committee.

Rhoda Grant: That was not the point that I was making. It was not an insult to the committee. It indicated to the committee where the priority for rural affairs lay—with the local enterprise companies. There appeared to be no central locus of expertise that would allow other local enterprise companies to feed in. Highlands and Islands Enterprise contains other local enterprise companies, but they look to central units such as the land unit to get expertise that they can share.

Ross Finnie: But HIE's whole agenda is rural.

Rhoda Grant: Not necessarily.

Mr Morrison: Scottish Enterprise has a land

unit, but it is not on the same scale as the HIE one. The Scottish land fund is an important development, which is bringing in nearly £11 million of lottery cash to support development and environmental projects.

There is no real evidence that Scottish Enterprise's lack of a specific social remit has caused difficulties, or that the introduction of one would bring activity beyond that which is carried out at present. Here is a quote from the Enterprise and New Towns (Scotland) Act 1990, with which committee members will be familiar. Section 8(1) says:

"Subject to section 2(1) of this Act, Scottish Enterprise and Highlands and Islands Enterprise may do anything, whether in Scotland or elsewhere, which is calculated to facilitate or is incidental or conducive to the discharge of their respective general functions".

That statement is as all-embracing and comprehensive as any to be found in any legislation. It is worth highlighting the point that we are reviewing the enterprise network throughout Scotland, and that that review will include an examination of the future function and constitution of local enterprise companies.

Mr Rumbles: I would like to take the minister up on that very point and develop that theme. You said that the remit of Scottish Enterprise was all-encompassing, but that is not how it is viewed in some areas. Local enterprise companies are the gatekeepers of the project funding that many local development companies access. I would like to take the focus away from the LECs and look underneath, at the work of local development companies.

I have already approached Ross Finnie to discuss the Royal Deeside Partnership and Mid Deeside Ltd, which cannot access core funding. They can get grants for individual projects through the gatekeepers at the local enterprise company, but they have real difficulties getting core funding. That happens time and again, because local enterprise companies do not have a social remit to help maintain the expertise of local development companies. If it is happening in Deeside, it must also be happening elsewhere in rural Scotland. It is not good enough to turn round and say that local enterprise companies have a general remit, because they have not been exercising it up to now.

Mr Morrison: You have divorced core funding from the social remit. Highlands and Islands Enterprise's social remit is to do with community action grants, which do not come out of core funding. As I said to Rhoda Grant, an extensive review is currently being undertaken by the Enterprise and Lifelong Learning Committee, and it is invaluable to have another committee showing an interest in the matter. It is important that the

Rural Affairs Committee feeds its views into that review.

Ross Finnie: The rural dimension to the Scottish Enterprise Network is comparatively new. As part of the review, the Executive is examining how services are delivered and have been delivered over many years by Highlands and Islands Enterprise. By studying best practice, we will be able to see whether Scottish Enterprise and Highlands and Islands Enterprise are acting in a slightly dysfunctional way. We are keen to ensure that there is uniformity of delivery of services by our agencies across rural Scotland, so that must be part and parcel of any review that we conduct.

Mr Morrison: It is recognised that what is applicable to the Scottish Enterprise area sometimes does not translate well north or into rural Scotland. Similarly, what is applicable to the Highlands and Islands Enterprise area cannot be easily applied in the Scottish Enterprise area.

Des McNulty (Clydebank and Milngavie) (Lab): Sustainability is mentioned in paragraph 65 of the Scottish Executive briefing paper, but not often in the preceding 64 paragraphs, although it is mentioned in relation to tourism and, briefly, in relation to housing. How does the Executive deal with medium and longer-term sustainability issues? We seem always to respond to immediate and short-term considerations such as the plight of hill farmers or transport and fuel prices. However, fuel prices have been increasing as a proportion of everyone's expenditure over the past 30 years, not just in rural areas but in urban areas, and costs have risen for manufacturers too.

Aside from immediate Government policy issues, there are longer-term sustainability issues that must be addressed in guiding policy. How far is sustainability taken on board? I am concerned that lip service is paid to sustainability, as it is mentioned at the very end of the briefing paper. But how far do policy developments take sustainability on board and allow us to build for sustainability? Is there a danger that the balance between reactive policies and strategic policies may not be the correct one?

15:15

Ross Finnie: Yes, but that might not be enough.

There are three aspects of this. If we consider some initiatives through which we are trying to promote and stimulate activity, we get back to broader questions. Cathy Peattie raised issues in relation to social and community programmes. We could expand the philosophy that Jackie Baillie addressed in relation to that into one or two economic initiatives that come through programmes that are applicable to rural areas, specifically the now expiring LEADER

programmes.

That raises issues in relation to initiatives, as to how at the outset you reach a partnership agreement in which there is a clear understanding of what the aim is in conjunction with the community. You should not mislead the community into believing that you are trying to achieve something that is not achievable: talk about a target and the nature of the funding that is being provided and have in place, if it is needed, an exit strategy that takes account of the longer term.

Jackie Baillie said that that is the way in which we want to address those matters. We must extend that to specific initiatives. There is, and perhaps historically has been, a lack of a clear understanding in relation to community development that there is a bottom-up strategy and funding is available for a specific project, but it has a three or five-year lifespan. You allow that project to go on and, unfortunately, you get to within six months of the end of the project.

Second, and more important, is our general policy instruments. Is there a serious sustainability? We, as an Executive, are concerned about sustainability, both in the ordinary use of that word and in terms of its impact across Government policies on an environmentally sustainable basis. That is why Sarah Boyack is heading a committee, which is not exclusively examining environmental issues, but is considering sustainability to push us forward and to take that longer-term view.

The difficulty is that we have crises and there are instances when the Government must respond. Des McNulty quoted one or two examples, such as hill farmers or fuel, which may require immediate responses. I assure you that the Executive's philosophy is clear: policy initiatives must take a long-term view. We must bridge that gap.

Des McNulty: I will focus on two specific matters. First, can we identify any success factors that might give us comfort that sustainability is being advanced in relation to a specific policy? Secondly, how does Agenda 21 work in relation to the way in which the Executive produces its policy framework and responses?

Ross Finnie: On the latter point, we have clearly taken Agenda 21 on board; it is part and parcel of the Executive's philosophy. I might be hard-pressed to think of specific examples, but we can take a note and consider some examples of initiatives where we have been able to build in that long-term view. I would be the first to admit that, if we look back over a lot of the funding that was for two, three or five years, it started with a good intention, but no one engaged positively with the

group that was carrying out the project in relation to the exit strategy to ensure that it continued.

Des McNulty: Or the benefits of it.

Ross Finnie: Yes, or the benefits of it.

The Convener: Does Cathy Peattie have a supplementary?

Cathy Peattie: No.

The Convener: Alasdair Morgan should not worry about getting to ask a question. We have a list.

Mr John Munro (Ross, Skye and Inverness West) (LD): I think that you have a blinkered left eye, convener.

The Convener: I have a blinkered right eye as well.

Mr Munro: You said that Des McNulty was waiting to get in. I was trying to get in before he came into the room.

Alasdair Morgan: That will teach you to come early.

The Convener: My apologies. Please carry on.

Mr Munro: The topic that I was going to raise has been well covered, but in a different context. I must accept and welcome the initiatives on community transport, rural transport and the excellent work that those are achieving in rural Scotland. That addresses the transportation of people and is welcome.

However, I will raise the issue of the transportation of goods, products and commodities throughout rural Scotland, where there is an added cost disadvantage because of the distances travelled and the high cost of fuel. In the months ahead there must be some sort of initiative to address that problem. Currently a rebate on the fuel that they use on stage routes is available to bus and coach operators. I see no reason that there should not be a similar concession to hauliers in remote parts of the country.

Another issue is the high cost of ferry fares to the remote islands. I accept that the Executive provides a subsidy to some of the ferry operators, but in spite of that, some of the main hauliers to the western isles tell me that they are each currently paying Caledonian MacBrayne in excess of £1 million per annum. That cost is falling on the community that the hauliers serve. Do the ministers have any views on that issue, which disadvantages rural Scotland on a daily basis?

Mr Morrison: John Farquhar Munro has raised a number of issues that are no doubt raised regularly with him in his constituency. They are certainly raised with me in my constituency.

It is important that we ensure that there is adequate provision for developing infrastructure, so that value can be added to goods that are manufactured and produced in island communities, such as salmon and shellfish. This week Western Isles Enterprise was delighted to announce the creation of nine processing jobs on the island of Harris. Before those jobs were created, the shellfish came out of the Minches, were thrown into the back of the lorry and were taken across the Minch for export to mainland Europe. Now value will be added to that produce. It will also cost much less to transport the vacuum-packed produce to its destination, wherever that is. It is essential that the enterprise agencies do everything that they can to ensure that communities are able to embrace the challenge of adding value to products.

Caledonian MacBrayne does not fall within my area of responsibility, but I know that my colleague Sarah Boyack has instigated a review of its fare structure. From memory, I think that the review is due to be concluded by this July. I would be more than happy to ensure that Sarah Boyack's officials furnish this committee with the relevant information.

Ross Finnie: As John Munro is aware, the Executive provides substantial subsidies for the transport of livestock, particularly from the remote and northern isles. The member is saying that that is not enough, but the amounts that have been made available are quite substantial. We must ensure that, particularly in the northern isles, where there are competitive tenders, the conditions that are attached to those are met and the appropriate levels of service are provided. I know that there are sometimes complaints that the level of service falls below that stipulated in the service agreement. That must be policed and enforced.

Mr Munro: I accept that there is a substantial subsidy to the ferry operators. However, in spite of that, the fares paid by the traffic add up to the figure that I have mentioned—£1 million for each of the two hauliers. Another issue that will exercise the minds of the Executive and members is the suggestion last week from Europe that VAT should be imposed on the bridge tolls. That would further disadvantage the rural parts of the country.

Ross Finnie: We should not anticipate that. If it happens, we will have to take a view on it. However, if I were to anticipate all the possible measures that Europe might think up, we would be here for much longer. I will not go down that route.

Mr Munro: It is an issue that we should address.

Ross Finnie: We are giving consideration to it. However, it is not wise to anticipate a ruling with which one disagrees. We believe that that is an

incorrect interpretation of the regulation. If a ruling is made against us, we will have to comply with that. However, I do not want to give succour to the view that we accept that what has been suggested is a proper interpretation of the regulation. I am glad that those who wish to avail themselves of the livestock subsidy have for some time given up the practice of carrying sheep in the back of their cars.

Alasdair Morgan: When the minister talked about the chancellor going to a horse trough for water, I was tempted to say that it was not water that the chancellor drank when he made his budget statement.

I want to move the committee on to a completely new area. In its submission to us on the need to deliver policy in an integrated way, the Convention of Scottish Local Authorities said:

"it is unlikely that the current fragmented approach to rural employment issues will be capable of providing a sustainable future for many of Scotland's rural communities."

I do not know whether the minister has seen that evidence, but now that he has heard it, can he say whether he surprised by it? Does he think that it is true or justified to any extent? If so, what does he intend to do about it?

Ross Finnie: That is a question from which there is no escape.

Alasdair Morgan: I hope not.

Ross Finnie: Let us start with the bottom-up approach. One good thing about many of the initiatives that have been spawned is that they were spawned with a view to embracing the community as a whole and partnerships were developed. That is interesting in relation to the point that Cathy Peattie made earlier.

However, the progress that has been made is very uneven. In some areas, it is quite clear that no more than lip service is being paid to serious community involvement. In other areas—I did not intervene when Cathy Peattie's point was being responded to, as Jackie Baillie was dealing with it perfectly well—local government, COSLA and other organisations would say that there are so many partnerships that they cannot move for them. Some people are members of every one of those partnerships because they are experts in a particular field.

Community planning has the potential to provide a more cohesive approach at grass-roots level and to allow us to consider the requirements of local areas more holistically. In those areas where there has been a proliferation of partnerships, there may be scope for reducing the number of those involved, whether it be in rural partnerships, local action groups or economic forums.

To return to the point that I made earlier, instead of reinventing wheels, we should examine best practice and whether we can draw together enterprise agencies, local enterprise companies, European funders and European providers, as the structure is becoming somewhat incoherent. I would like Government to develop agencies that are more closely matched with community planning, so that we end up with two or three agencies working together from the bottom up, in co-operation with the Executive and other agencies.

There is a need to reduce the confusion that exists between different bodies and policy instruments, and we must work hard to do that. Alasdair Morrison is consulting on LEADER+. We must ensure that when that programme is introduced, if it sits alongside another initiative, the public understands what it is designed to achieve. People should not think that there is one silo of money from Europe, another from the local enterprise company and another from the local authority. If that happens, effort will be dissipated and we will not get the maximum added value from the investment of public money.

Alasdair Morgan: I agree with what the minister says about duplication and the need to do something about it. Is there a mechanism in place that will allow us to take that action? The minister has expressed a wish to tackle the problem: what mechanism in Government will implement that wish?

Ross Finnie: I do not want to hang everything on the review of the enterprise network, but we are reviewing mechanisms and many of the rural programmes are coming up for renewal. We have had internal discussions that have made clear to us that the problem of a range of instruments being directed by different people needs to be addressed. Although we are not a huge or monolithic department, we can attempt to co-ordinate what is happening. It is an issue that we discussed at the rural affairs development committee. Since a range of ministers are in that committee, it is a good forum in which to examine such an issue. If we are to get better value and added value for the investment, that has to be achieved in a more structured way.

15:30

Alasdair Morgan: The minister has mentioned the rural affairs development committee. Could he give us more of a flavour of the form that the meetings take and of the agenda structure? Is it all to do with long-term planning, or is it a mixture of crisis management and long-term work?

Ross Finnie: It is a mixture. This returns to the point that Des McNulty made. Sometimes we are

addressing issues in reaction to a particular crisis, but meetings have tended to focus more on the longer term. On most occasions, every ministry has been represented. We therefore have the opportunity of addressing—in the short, medium or longer term—items on the Executive's business. We have the opportunity to ask ourselves if we are satisfied, individually and collectively, that the way in which the Executive is proceeding with an issue or policy development has properly addressed the rural dimension. That is one of our key functions.

We have addressed—and I can give an undertaking that we will take this further—the question of a fragmented approach. It has been on the agenda, and we examined further whose responsibility it is to ensure that policy becomes co-ordinated. Having all the various ministers represented on that ministerial committee provides the ideal opportunity to cut right across the traditional silo approach which tends to say “It's mine,” or sometimes, “It's not mine.” It is not possible to do that when all the ministers are in the same room, however.

The Convener: We have now come to the end of the time allotted to this item, but I can see that Cathy Peattie wishes to introduce a short point.

Cathy Peattie: This is an important point. We mentioned community planning, and I am interested in exploring briefly the whole issue of building communities. In the other committee of which I am a member, the Education, Culture and Sport Committee, I am engaged in an inquiry into the closure of rural schools. It seems that there is a lack of a strategic approach. Schools are simply viewed as somewhere children go between the ages of five and 16. I am not sure that there is a real focus on lifelong learning, or that there is the real possibility of a school being an educational focus for a whole community. Do ministers have a view on a strategic approach to building communities, and to ensure that schools have a wider role than simply providing education to a particular age group?

Ross Finnie: The only school closures that are automatically examined by ministers are closures of rural schools. Other closures are dealt with at a much earlier stage. The whole reason why rural schools are treated differently is the recognition of the importance that a rural school has, not just in its educational provision but in its place in the community.

To start with educational rather than community matters, professionals have indicated that primary pupils in particular benefit from a degree of co-operative, collaborative and team education. That has posed a dilemma for ministers and education authorities. It might have been argued that cost should not have been the factor, but it becomes more difficult when arguments are not being made

on cost grounds but on the educational requirements of and benefits for individual pupils.

The issue has become more complex. Previously, we always believed that composite classes could provide individual attention to the pupil. Now, educationists suggest that there is a need for greater team practices and opportunities and alternative ways of delivering education.

We have to balance that complexity with Cathy Peattie's point about whether the existence of the building and the institution of a school is the place in which we can promote lifelong learning. We have to consider whether the school is the only facility, which is the case in many rural communities. The issue is more complex than it was even two years ago. It is important to remember that the closure of a rural school must be referred to ministers for review because the importance of rural schools is recognised.

The Convener: If there are no further questions, I am sure that the whole committee will join me in offering our thanks to the ministers for coming along to answer our questions. It has been a privilege to have three ministers on the stand, as it were, at the same time. Your help has been greatly appreciated.

Ross Finnie: Thank you, convener, for your and the committee's courtesy. We look forward to being informed by your report on the changing patterns of rural employment. I am sure that we will work collaboratively on receipt of the committee's report.

The Convener: Thank you, minister. I will now adjourn the meeting for two minutes, then we will go into private session to deal with agenda item 3.

15:36

Meeting continued in private until 16:50.

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