

RURAL DEVELOPMENT COMMITTEE

Tuesday 19 March 2002
(Morning)

Session 1

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2002.

Applications for reproduction should be made in writing to the Copyright Unit,
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by The
Stationery Office Ltd.

Her Majesty's Stationery Office is independent of and separate from the company now
trading as The Stationery Office Ltd, which is responsible for printing and publishing
Scottish Parliamentary Corporate Body publications.

CONTENTS

Tuesday 19 March 2002

Col.

INTEGRATED RURAL DEVELOPMENT	2941
------------------------------------	------

RURAL DEVELOPMENT COMMITTEE

8th Meeting 2002, Session 1

CONVENER

*Alex Fergusson (South of Scotland) (Con)

DEPUTY CONVENER

*Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP)

COMMITTEE MEMBERS

*Rhoda Grant (Highlands and Islands) (Lab)

*Richard Lochhead (North-East Scotland) (SNP)

Mr Jamie McGrigor (Highlands and Islands) (Con)

Mr Alasdair Morrison (Western Isles) (Lab)

*John Farquhar Munro (Ross, Skye and Inverness West) (LD)

Irene Oldfather (Cunninghame South) (Lab)

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD)

Elaine Smith (Coatbridge and Chryston) (Lab)

*Stewart Stevenson (Banff and Buchan) (SNP)

*attended

THE FOLLOWING ALSO ATTENDED:

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP)

David Mundell (South of Scotland) (Con)

WITNESSES

George Clark (Premier Livestock Handling)

Paul Ducker (Consultant)

Tony Fitzpatrick (Dumfries and Galloway Council)

Tom Hydes (Scottish Enterprise Dumfries and Galloway)

Denis Johnstone (John Johnstone (Dalbeattie) Ltd)

Norma Hart (Dumfries and Galloway Tourist Board)

Glen Murray (Dalry Community Council)

Godfrey Smith (The Clog and Shoe Workshop)

Colin Williamson (Scottish Enterprise Dumfries and Galloway)

CLERK TO THE COMMITTEE

Richard Davies

SENIOR ASSISTANT CLERK

Mark Brough

ASSISTANT CLERK

Jake Thomas

LOCATION

Town Hall, St John's Town of Dalry

Scottish Parliament

Rural Development Committee

Tuesday 19 March 2002

(Morning)

[THE CONVENER *opened the meeting at 09:30*]

Integrated Rural Development

The Convener (Alex Fergusson): Good morning, ladies and gentlemen, and welcome to this meeting of the Rural Development Committee. We have received apologies from Alasdair Morrison, Mike Rumbles, Elaine Smith, Irene Oldfather and Jamie McGrigor, but I am pleased to welcome two visiting members to the committee: David Mundell and Alasdair Morgan, who is the constituency MSP. In particular, I welcome members of the public to the meeting.

As always, I remind everybody to switch off their mobile phones—it is usually mine that is left on, but we are okay today.

We are delighted to be in St John's Town of Dalry today, in particular because the sun is shining. We look forward to an interesting and, I hope, productive meeting.

Agenda item 1 is the first step of the Rural Development Committee's inquiry into integrated rural development. During the inquiry we will try to find out what makes for successful rural development and what are some of the barriers to such development. This is the first of a number of meetings that we will hold around the country. Yesterday, we visited several local businesses and heard about their different experiences. We visited Howie Forest Products Ltd at Dalbeattie, Forrest Estate, and the local garage here in Dalry to hear about the problems and successes that those businesses have experienced.

We will hold our formal meeting in two parts. First, we will hear from some of the agencies that are responsible locally for promoting rural development. We will then hear from individuals who run local businesses and who have other relevance to the debate.

Between the two formal parts of the meeting we will have a bit of an experiment. During a break from the formal meeting we will ask members of the audience for their comments and contributions. Because of the standing orders of the Parliament, we are unable to take comments from the floor during a formal meeting. That is rather unfortunate, and at a recent meeting there was considerable frustration that that was the case. We

will perform that experiment today in the hope that, although we might look terribly formal, we can be informal for a while and hear from the audience about their experiences and the points that they wish to make. [*Interruption.*] I said that somebody always leaves their phone switched on, did I not? That was right on cue, Fergus Ewing.

I hope that audience members will feel free to speak up during the informal session, as we are keen to hear about their experiences. I think that everyone has been given a sheet of paper that explains the idea behind the experiment.

I welcome our first panel of witnesses: Tony Fitzpatrick from Dumfries and Galloway Council; Tom Hydes and Colin Williamson from Scottish Enterprise Dumfries and Galloway; and Norma Hart from Dumfries and Galloway Tourist Board. I know that you all have a big day later, so I thank you all for taking the time out to come here today. I invite you all briefly to explain whom you represent and to state your interest in integrated rural development. We will then open the discussion to the floor.

Tony Fitzpatrick (Dumfries and Galloway Council): Good morning. First, I have apologies and appreciation to express from Councillor Andrew Campbell, the convener of Dumfries and Galloway Council. He cannot be here today, but he expresses his appreciation on two counts: first, for the invitation to the council to participate in this important hearing, as the council believes that the promotion of integrated rural development policy should be seen as central to the future of rural Scotland; and secondly for choosing to visit Dalry, which is a wise choice. We have laid on some special weather for the committee's meeting this morning.

I am here to represent the council. I am based in the chief executive's office, where I head policy on European and rural affairs, which are two policy areas that are closely linked by the common agricultural policy and by regional policy. Both are important funding streams for rural areas such as Dumfries and Galloway.

Let me inform the committee's inquiry about three other capacities in which the council supports the promotion of integrated rural development. First, Andrew Campbell has recently been appointed as the rural affairs spokesperson for the Convention of Scottish Local Authorities. He is chair of COSLA's rural affairs executive group, which was delighted to receive the Minister for Environment and Rural Development, Ross Finnie, and the convener of this committee at the group's inaugural meeting in January. Through Andrew Campbell's involvement with that important group, we hope to progress the integrated rural development agenda at a strategic Scottish level.

Secondly, I operate the secretariat for the European rural exchange, which is a transnational informal network for sharing experience across rural UK and other parts of rural Europe. That puts us in a strong position to consider the issues surrounding rural development.

Thirdly, the council acts as co-ordinator to the recently formed south of Scotland alliance, which brings together the councils, enterprise companies, and local economic forums of Dumfries and Galloway and the Scottish Borders. As the mid-term reforms and the 2006 reforms of regional policy and CAP are on the European agenda, the alliance has confirmed—at its most recent meeting in Moffat last week—that it will develop positions on the reform of those policies as well as on rural development.

I am aware that the committee is concerned about the experiences of local players in integrated rural development, so I will close by quickly highlighting three examples of local IRD in which the council has been involved. First, the council takes its role as lead authority in the community planning process very seriously. We see many parallels between the community planning process and the process of effective integrated rural development. In our written evidence, which was submitted through COSLA, the community planning model is placed at the heart of local government's approach to IRD. Put simply, IRD is about local people and agencies coming together to plan and deliver effective services and projects that are aimed at sustaining our rural communities and our economy. Integrated rural development is—if you like—joined-up rural development.

Secondly, as the convener attended the launch of our Scottish Agricultural College update study on agriculture and the rural economy earlier this month, he will know that the council set up the first Scottish inter-agency agriculture and rural economy group some five years ago. That idea has been replicated across other areas in rural Scotland. Almost before the term was invented, the group was an example of community planning in action, as it brings together council and enterprise company officials alongside farming, forestry, small business and environmental interests. Local land-based training providers and other rural interests are also involved. It is curious that, until the group was established, there was no such forum to bring together such a diverse yet connected set of actors from the rural stage.

I will close by providing an example of one current project that has emanated from the work that was started within the Cairndale group. We are looking at the possibility of setting up an inter-agency food group to deal with the interests of the primary producers, the processors and the educational and health interests that are

connected with the food chain. That is just one example of the work that is emanating from our policy level work.

I hope that my introductory comments have not been too long. I have tried to provide a brief flavour of some of the council's views on IRD.

The Convener: Thank you. I am sure that we will return to that later. Does Colin Williamson from Scottish Enterprise want to say a few words?

Colin Williamson (Scottish Enterprise Dumfries and Galloway): I am the chief executive of Scottish Enterprise Dumfries and Galloway. To my right is Tom Hydes, who is the general manager of our business and learning team. Scottish Enterprise Dumfries and Galloway is one of 12 local enterprise companies throughout lowland Scotland that are subsidiaries of Scottish Enterprise. Often in partnership with the tourist board, the council and other public and private sector organisations throughout the region, we are responsible for the delivery of economic and business development projects, programmes and services in support not only of the national Scottish Enterprise priority targets, which were established in the Scottish Executive's strategy document, "A Smart, Successful Scotland: Ambitions for the Enterprise Networks", but of the local strategic priorities and targets that are set annually by our local board.

In addition to giving oral evidence this morning, I confirm that Scottish Enterprise provided a written submission last week towards which Scottish Enterprise Dumfries and Galloway contributed.

Norma Hart (Dumfries and Galloway Tourist Board): I am the chief executive of Dumfries and Galloway Tourist Board which, in common with all the area tourist boards in Scotland, is the lead agency for marketing the region and for providing visitor services once the visitors arrive. Along with the enterprise company, we support tourism businesses in the area.

As a group of local agencies and business associations, we have recently worked closely together on the foot-and-mouth recovery plan. As foot-and-mouth was such a big feature of our lives last year, it is impossible to talk about tourism in this area without mentioning it. The tourism part of the recovery plan comprised a three-year programme totalling £6.2 million, of which we have managed to secure just less than £5 million. As a result, we feel that we are well on the way to making progress with the recovery.

We must not forget that, although foot-and-mouth was the main issue last year, it was only the latest in a series of problems that have beset the rural tourism industry in Scotland. However, early indications give us some reason to be optimistic about the recovery. For example, the

figures for visitors to Dumfries and Galloway towards the end of last year were significantly higher than the previous year's figures.

However, although we are cautiously optimistic and are receiving a good response to our spring campaigns, I will finish with a word of caution. The loans that tourism businesses in the area have taken out over the past year with Government subsidies are now being called in, and the jury is still out on how extensive the impact of foot-and-mouth has been.

The Convener: I thank the witnesses for those introductory remarks and throw open the meeting to members' questions.

Stewart Stevenson (Banff and Buchan) (SNP): Yesterday evening, we met a number of people who cannot be here today, and I think that it would be appropriate to mention a few points that they raised. For example, I was told that, although there is considerable support for farming enterprises that wish to diversify into areas such as tourism, other enterprises that might be considering similar business areas seem unable to receive the same support. Have organisations, particularly the enterprise company, generally recognised that that situation inhibits the development of tourist-based industries in the area?

Colin Williamson: I do not think that that should be a problem. Over the past few years, we have tried to assist farmers to diversify. It is difficult to support farm businesses directly because of various European state aid rules, but we have found that we have been able to get involved in that particular area.

That said, we offer a range of support to companies in other sectors. For example, in recent years, we have focused on tourism, forestry, food and the service sector. As a result, we have assisted businesses in a range of ways. The mainstay of our business is our support of indigenous businesses.

09:45

Stewart Stevenson: That picture seems encouraging. Are you saying that everything is perfect and that there is nothing that the Scottish Parliament or other political bodies should do to improve matters?

Colin Williamson: I would never say that the situation is perfect. I suggest that, whenever it can, the enterprise company seeks to support businesses in all sectors in Dumfries and Galloway that wish to grow and develop. There are issues to do with the fact that our funding is allocated each year through Scottish Enterprise from the Scottish Executive. Each year, I like to suggest that Dumfries and Galloway may need

additional funding to help more businesses. We could examine the amount of funding for some matters that comes through Scottish Enterprise to Scottish Enterprise Dumfries and Galloway, to help us to assist more local businesses and to maximise on European funding, which we can use our allocation to match fund.

We are running a number of programmes. Obviously, Scottish Enterprise has provided additional assistance in the past two or three years to deal with the down-turn in manufacturing and, in the past year, because of foot-and-mouth. That has been welcome. It was also helpful that part of the Executive's funding last year was support for us to give businesses advice at the beginning of the foot-and-mouth outbreak. Additional funding would be a major benefit.

Alasdair Morgan (Galloway and Upper Nithsdale) (SNP): One thing that has always struck me—it was reinforced last night at our reception for various local businesses—is the wide variety of enterprises in rural areas, some of which do not fit any conventional description of a rural business and are well away from the normal tourism, agriculture, food-processing and land-based activities, for example.

Last night, one case was brought to our attention. I will not go into the details, but an individual suggested that he was having problems in obtaining assistance from the enterprise network because his business was described as a service activity. Committee members felt that it was clear that his business was not that. What problems in providing funding arise from definitions of businesses that may have been made elsewhere and from your being unable to put the wide diversity of businesses in rural areas into the pigeonholes that were created by bureaucrats elsewhere?

Colin Williamson: I would like to know the details of the project to which Alasdair Morgan refers, because that might help me to answer the question. If any business has plans or proposals in which it wants to invest and which would safeguard or create jobs and benefit the rural economy, we are interested in talking to that business to see how we can support it. Invariably, businesses look primarily for some form of grant aid. We can help or support businesses in other ways, sometimes through practical or advisory support. If any business feels that it is not receiving the appropriate level of support from an enterprise company, I would like to hear about it and I would be happy to talk to that business.

I reassure the committee that we focus on some key sectors, but not to the exclusion of other sectors. We help microbusinesses throughout the region in many ways. We must take account of arguments about displacement. A proposed

project may or may not be viable. There is a raft of reasons why an enterprise company may or may not become involved. What is fundamental is that if a business wants to grow and develop in the region, we want to talk to it.

Norma Hart: I will return to Mr Stevenson's point about agriculture and tourism. It is unfortunate that there is antipathy between those sectors in an area such as Dumfries and Galloway, because they depend very much on each other. Farming is increasingly under pressure to diversify. Non-farming tourism businesses need farming to allow access to land and amenities through the agricultural sector. It is difficult to separate the two sectors. The whole area is dominated by farming, but it is attractive to visitors because of its scenic beauty.

Public sector agencies, such as Dumfries and Galloway Tourist Board, have to bring together those two groups of businesses, which can be disparate. Approximately 25 per cent of the businesses that are members of our area tourist board either are on a farm or are dependent on a farm for their livelihood. That leads to a huge amount of overlap.

The point that was made earlier about funding regimes was interesting. I am involved, directly and indirectly, with a number of funding regimes that are aimed at the farming industry. The area tourist boards have no control over that funding. To a large extent, schemes are given to us to be administered locally. That can place us in an invidious position, as the rules of the administration of the scheme may require us to give lukewarm support to certain projects that we might otherwise not have wanted to support. If the committee would like more details, I can provide them.

The Convener: Are you suggesting that, rather than being given local flexibility, you are given one-size-fits-all funding streams?

Norma Hart: There is a lot of interest in funding regimes that encourage farmers to diversify into tourism. Frequently, those funding regimes lead to farmers diversifying into the provision of accommodation. The lack of sophistication in the appraisal process gives us no reason not to provide support for such projects. We are therefore almost obliged to support them. From research that was undertaken as part of the tourism strategy, I know that there is an under-occupancy of self-catering accommodation in the area. We have two problems to address.

Tony Fitzpatrick: I agree with Norma Hart about the lack of control. Agricultural policy is largely a top-down policy, which emanates from Brussels and is delivered through various ministries. In Scotland, we have a distinct

Executive department that looks after agriculture. That can generate a sectoral approach to policy development—anomalies arise because agricultural policy regimes are treated separately from other mainstream business development sectors. Public agencies are presented with the sort of problems that were implied in both of the previous questions.

The aim of the programmes is to assist farming to diversify and become part of the wider rural economy. The policy driver aims to move farming away from its dependence on subsidised food production. The attraction of an integrated rural development approach is that we can have more of a bottom-up, inter-agency, cross-sectoral approach to planning our interventions. It is interesting that that tension has become apparent early in the inquiry.

Stewart Stevenson: It was put to me last night that one of the key things that the tourism sector lacks is a major gateway attraction. I would like to bounce off you the suggestion that was made to me, which is that a Robert the Bruce centre should be opened on the M74. [*Laughter.*] I am not surprised to hear laughter from my Tory colleague David Mundell, but that suggestion was made to me in light of the area's cultural inheritance and its connection with Robert the Bruce. The success of the Eden Project in Cornwall was pointed out to me, as it has become a major draw. This area has many small attractions, some of which attract quite high visitor numbers, but a project such as a Robert the Bruce centre would draw people off the major transport artery. If the money could be found, such a centre would be of real value to the community.

Norma Hart: I suspect that Colin Williamson, like me, occasionally hears that view. We have no objection to a private sector investor coming along and investing millions in a major new attraction in the region.

The Convener: I would be surprised if you did.

Norma Hart: I would be happy for a private investor to do that. However, that begs the question why we do not have such a major attraction. I will stick my neck out and say that that is because an assessment has been made by—

The Convener: Do we know whether an assessment has been made?

Norma Hart: I have no knowledge of an assessment of that particular project. However, the subject has come up of a major attraction for Dumfries and Galloway, such as a visitor attraction or a development similar to an Oasis holiday village. We must consider many factors around that, but an obvious question must be posed: why has such a development not taken place?

Colin Williamson: Creating a major attraction in Dumfries and Galloway has long been a challenge for Scottish Enterprise Dumfries and Galloway. We have sought to address the matter in two or three ways. First, I stress that although Dumfries and Galloway might not have a major tourist icon or attraction, we think that the Galloway forest has huge potential. We are in detailed discussions with Forest Enterprise about how we can use that forest as the major tourist attraction for the region.

In addition, as part of a range of activities we are undertaking in a range of communities throughout Dumfries and Galloway, we must develop a string of pearls—I use that phrase a lot—by building on the Kirkcudbright art town, the Wigtown book town, the Castle Douglas food town, and the Moffat wool or spa town. We must create that string of pearls, which will be one of the ways in which we can compete in the tourism market.

We are also working with business associations in Gretna. We are keen to realise Gretna's potential as a gateway. We are talking to the Bruce trust locally about its website. The trust has major plans for a Bruce heritage centre. It is early days on that, but we are supporting the trust's development of its website.

Rhoda Grant (Highlands and Islands) (Lab): I want to ask about co-ordination among tourism businesses. Last night, I spoke to two people whose businesses had tourism interests. I was struck by the fact that, when they started discussing their businesses with each other, they discovered how much they could support each other. I was surprised that it took an occasion such as last night's gathering for that to happen. I wonder whether work is going on to ensure that local businesses are speaking to and supporting each other.

Norma Hart: Absolutely. That is a key role for Dumfries and Galloway Tourist Board and Scottish Enterprise Dumfries and Galloway. The tourism strategy identifies gaps in tourism business networks. We are charged with facilitating such networks and making them happen. To do that, we have started several activities. We run sector groups, in which our board members run meetings for similar types of businesses, such as bed and breakfasts, hotels and caravan parks.

In addition, we want to develop more outward-looking networks. We have started bringing together businesses more on a geographical basis. It is early days, but we will develop that. We recognise that the impetus must come from the industry, which must have a commitment to making the networks work. We are surveying businesses to find out how they want to do that. We are also asking tourist boards from other areas how they make things happen in their areas.

Last year, with additional money that was made available because of the foot-and-mouth outbreak, we ran a marketing initiatives fund. We encouraged businesses to work collectively to propose marketing projects for funding. We found that there was a slight resistance to things such as sharing customer databases. Businesses also had a problem considering their neighbouring business as a collaborator rather than a competitor in certain circumstances. Those attitudes are changing; we hope that we will create something that is more effective than what exists at present.

10:00

Rhoda Grant: The two businesses to which I spoke were not the same kind of business. They thought that, because they provide different services, helping each other would work well. With that kind of collaboration, businesses would complement rather than compete with one another.

Norma Hart: We want businesses to produce not only joint marketing projects, but short-break packages that involve transport, accommodation, visitor attractions, amenities and restaurants. That would involve perhaps half a dozen businesses in putting together, marketing and promoting a package.

Alasdair Morgan: I want to pin down some remarks that Norma Hart and Colin Williamson made. Are they saying that we have an excess of accommodation and that some of the money for agricultural diversification increases that excess? To what extent does more accommodation make a place more attractive? Does it simply cut the throats of those who are already in the business? Is there an implication that the quality of some developments that might be funded is lower than the standards that we require to market Scotland as a quality destination?

Norma Hart: That is a complex and sensitive issue. I will try to answer the questions as well as I can. During the year, the occupancy rate for self-catering accommodation is around 30 per cent. However, that figure is unrevealing because it does not reflect the fact that many businesses are closed from October to February. Although the overall figure is low, the occupancy rates might be high for the months that the accommodation is available. We require more accurate information on occupancy rates. We have chunky figures such as the one that I mentioned, but they do not tell us a great deal about where the accommodation is and what the occupancy rates are for when the businesses are open.

There is a long way to go from a year-round occupancy figure of 30 per cent to one of 70 per cent or 80 per cent, which would be more

comfortable. We must add in the thrust of the area tourism strategy, which aims to extend the tourism season for Dumfries and Galloway. If the accommodation is full during the main season, but closed in autumn and early spring, that does not increase the opportunities for visitors to come at those times. I hope that I am making sense.

We must take account of the huge number of two-star and three-star properties. Like most marketing bodies in Scotland, we target more affluent visitors. If we bring visitors here with the promise that they will have a good holiday experience with good-quality accommodation, food and shopping, we must be able to deliver on that promise. To do that, we require more four-star and five-star self-catering accommodation, of which we have very little.

Alasdair Morgan: Are you saying that some of the current schemes do not allow you to direct projects in that direction?

Norma Hart: To say that would be unfair. Perhaps we could be more sophisticated in our appraisal of projects and put more emphasis on projects that aim at the top end of the market. The vast majority of projects are aimed at the middle of the market, for which, I suspect, there is an abundance of accommodation.

Richard Lochhead (North-East Scotland) (SNP): As the representative of Dumfries and Galloway Tourist Board has just finished speaking, I should say that this is my first visit to this corner of the world. It is absolutely stunning and I will certainly be back.

My question is about community planning and the belief, which some people hold, that the funding is too prescriptive. Community planning is worth supporting because the regeneration of rural communities should happen from the bottom up. However, many people from the local community and elsewhere in Scotland to whom we spoke last night are of the opinion that Government funding is allocated in far too prescriptive a way. The ability of local farmers to access funds in order to diversify is a big factor in that regard. Other businesses in the area also want to diversify the local economy but cannot get the money.

Do communities need access to flexible funding if they are to regenerate themselves? You seemed to accept that funding might be too prescriptive, but said that no alternative is offered. Should the funding that is given to local communities offer complete local flexibility? Should communities be able to get funding for the implementation of good ideas that they have come up with through community planning? Would that be better than the funding coming directly from central Government in a prescriptive way?

Tony Fitzpatrick: I will pick up on that from the

council's perspective. Community planning is one of those terms that have come up on agendas over the past couple of years. To be blunt, community planning is a policy, or an idea, without resources. I will explain what I am getting at. The Scottish Executive has asked us—as it has asked all local councils—to consider the best arrangements at the local level, and that is particularly poignant for rural areas. We have been asked to consider how the deckchairs are arranged, as it were, with regard to community planning. No extra money has come down from central Government to enable the community planning process, but we have arranged those deckchairs in a very neat circle. I think that we have done that effectively in Dumfries and Galloway. People are coming to the table as equal partners.

The council co-ordinates the community planning effort. Ensuring that the council is seen not to be leading in the Big Brother sense, but acting as the enabler for bringing together the public agencies and representatives of civic society on an equal basis is a sensitive matter. The players in the process have started to engage not only in how we arrange the circle of deckchairs, but in the funding regimes that we each bring to that circle. I am getting deeper and deeper into the metaphor; I hope the point is not getting lost.

David Mundell (South of Scotland) (Con): As long as you do not mention the Titanic.

Tony Fitzpatrick: I will be interested to hear from colleagues. So far, judging from our experience, I would say boldly that we are on the right track with community planning. We are beginning to get down to issues of resources. We are about to start considering how the public buildings of the various agencies are used to best effect and how we organise our existing resources.

Funding regimes are occasionally parachuted in from external sources, and we often do not have control over them. A couple of those regimes have been mentioned this morning, and there are others. For example, the use of challenge funding across communities can be a slightly distorting factor.

The question that I will leave hanging is whether it might be appropriate to consider some form of national funding support to enable the community planning process to develop.

Colin Williamson: The local enterprise company is a strong supporter of community planning in Dumfries and Galloway, and has been a close partner from the very beginning. We can see that substantial benefits will flow from it over time.

On the way to today's meeting, I was thinking about the difference between integrated rural development and joint rural development. We are involved in a range of joint rural development initiatives. Whether those initiatives are integrated is the moot point; community planning helps us make a step change in that regard.

The enterprise company has always felt strongly that, if we are to make any real progress in the future, we have to work with communities more. We have to build the capacity to develop, think about, plan, prepare and implement projects that will benefit those communities. Our funding must relate more to the process than to the capital investment; it must concern the revenue costs rather than the capital costs; and it must help people find match funding elsewhere.

There are a number of instances in which we have started to take that line. One of the benefits of the foot-and-mouth disease outbreak has been much stronger enterprise company involvement in local communities, particularly with business associations. We have sought, without being too prescriptive, to give the individual, association or group the capacity to develop projects. That approach is evolving, but it is starting now and it is important that we take that direction.

Richard Lochhead: You say that community planning is about making implementation of existing regimes more efficient or more appropriate for local communities. Are not those communities still constrained by the prescribed nature of central funding? Community planning might throw up many exciting ideas for local communities, but they must still match the stringent criteria for the funding initiatives.

Colin Williamson: Yes, I agree.

Richard Lochhead: How do we get round that?

Colin Williamson: We must consider more of the discretionary assistance that might be available to individual projects. In the enterprise company, the amount of discretionary assistance is sometimes not as large as I would like. If we can find new ideas and new ways of doing things, we will look for and find the new ways of funding them.

David Mundell: I have a question for Norma Hart. People sign up to community planning as a sort of utopian way forward. How does it work on the ground? How does it ensure that, for example, the public toilets are open at times that suit visitors, not at times that suit the council's budget, or that the planning department is positive towards development? The MSPs who are visiting the area heard the view that the council's approach to planning and development is not positive. Those of us who represent the area hear that view all the time, for example on issues such as signage, in

which you have been involved. Community planning is good to talk about, but how can it be made to work so that it makes a difference?

Norma Hart: None of us on the panel would pretend that we have community planning sewn up. The issues on which you touch are not new to me. If you saw the correspondence that I have with various council departments on the subject, you would not be surprised.

It is more positive to say that community planning offers us not only a framework, but a fundamental shift in the attitude of the officers and members of all the agencies that are involved in making it work. Perhaps the public take the view that community planning is another name for what we should have been doing anyway—working together to ensure that there is no duplication or overlap and that we are more efficient.

The process that we are in at the moment offers us an opportunity to make things happen more effectively. I will be more specific. I have mentioned the area tourism strategy several times; as you can tell, it is uppermost in my mind when I talk about such matters. That strategy was put together within the community planning framework by a series of agencies over a six-month period. It involved a great deal of consultation and discussion and we are all now signed up to it. However, there are still moments when I wonder whether the council's environmental health department, for example, is aware that it has a contribution to make to the area tourism strategy.

To make progress, I have started a dialogue with the chief executive and senior council officials on how we can use the community planning framework to ensure that each department that has a responsibility that impacts on visitors knows what it should be doing in relation to the area tourism strategy. That includes roads, public conveniences, parks, museums, art galleries and environmental health—even trading standards. It includes all departments, not just those to which I talk most frequently. The council is very willing to have a dialogue. That sounds easy to sort out, but it is not—it will take time. However, the dialogue has started and there is a great deal of commitment in the council to making the strategy work.

10:15

I will end on a more positive note. Recently we set up something called a nature-based sustainable tourism project. It used to be called the eco-tourism project, but we were advised that there is a more politically correct term for it—which is also considerably longer. The project involves our using additional funding that we received at the end of last year from the Scottish Executive environment and rural affairs department for post-

foot-and-mouth recovery to bring together agriculture and tourism. It is connected with the issue that we discussed earlier.

As a group of agencies, we were asked to devise a project on which to spend the money. Over the winter we did that, not only in Dumfries and Galloway but also in Scottish Borders. The councils, enterprise companies and tourist boards for the two areas, along with Scottish Natural Heritage, the National Farmers Union of Scotland and others, have collaborated on developing a project that we are about to agree with VisitScotland, which is the agency that holds the purse-strings. We hope that we will be able to launch the project in the near future. That is a very good example of how community planning can assist with a process.

David Mundell: In the context of wider business development, where do you see the balance lying between planning and conservation? Clearly, we need development in rural Scotland.

Colin Williamson: I would like to reinforce a couple of points that Norma Hart made. I do not want to suggest that community planning is a panacea. Clearly, we are in an evolving situation. We realise that there are still many hurdles to overcome, but the building blocks are in place.

Recently Scottish Enterprise Dumfries and Galloway has been involved in two or three significant projects under the community planning banner. I would like to highlight those that are linked to a major initiative that we have launched in north-west Dumfries. I will treat the whole of Dumfries and Galloway as rural because, although Dumfries is the largest town in the area, it is still in a rural location. We have been closely involved with a range of partners in developing a property in north-west Dumfries that will provide a wide range of services, including business development services, in an area that has not traditionally been famed for business start-ups. That will enable us to train people in an area that has high unemployment. The initiative is part of a much wider project that will involve Dumfries and Galloway Council, Dumfries and Galloway NHS Board, Dumfries and Galloway College and other partners.

As we move forward within the community planning framework, various initiatives will crop up in which Scottish Enterprise Dumfries and Galloway will be able to play a part. It may be the first time that that has happened in a community, because previously there was never the critical mass of investment, people or projects to permit it. We are trying to lead on some community planning work, particularly in upper Nithsdale, where there are difficulties with high unemployment levels. We have also considered leading on the development of a one-stop shop for

a range of services in Sanquhar. We see community planning as an important framework and we would like to lead on projects that have a strong business development or lifelong learning dimension. We also want to get involved in projects in which we would not otherwise have got involved.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): Our primary aim in holding this inquiry is to identify barriers to integrated rural development. In a minute, I will ask you to indicate what you consider to be the greatest single barrier to such development. Before I put that question directly, I should say that the phrase integrated rural development—or IRD—causes the eyes to glaze over somewhat. We are really talking about creating or sustaining jobs, businesses and opportunities, and about sustaining people in this area and in very small communities.

Therefore, the range of issues is wide. It encompasses housing, threats to local schools, planning, difficulties in obtaining skills, access to information or funding, and the inflexibility of the rule book, which witnesses mentioned. Each of you will defend local government or Government agencies; you are more gamekeepers than poachers, so perhaps my question is slightly unfair. However, what is the single greatest barrier to creating jobs, opportunities and businesses in this area? Ladies first.

Norma Hart: I was thinking that Tony Fitzpatrick had been quiet for a while. This will sound predictable, but I am afraid that one of the fundamental problems that we face is a lack of investment. There is a lack of investment in a wide range of sectors and in the tourism industry in particular. Even with the extra funding in the past few months, we have noticed a significant difference in the number of visitors and in our ability to attract not only additional visitors but the visitors that we need. That money has simply put us on a level playing field with other, similar areas. Previously, the organisation that I run was severely underfunded. I have concerns about three years into the future, when the funding ends.

Fergus Ewing: If you had more money—£1 million, for example—how would you use it?

Norma Hart: Most of it would be spent on marketing. There is no short cut or easy alternative to marketing. We would try to market effectively through collaboration with other areas and agencies in Dumfries and Galloway.

On the tourism strategy, there is a significant gap in service provision for visitors at the border. It is not for me to say whether that gap is at Gretna or near Gretna, but there is a gap.

Colin Williamson: Fergus Ewing challenged us to name a primary barrier rather than several

barriers. If I were to choose one barrier, it would be the lack of policy coherence in respect of support for the primary sectors and rural development. If we are to move forward in a more joined-up way, it is important to consider the support frameworks for agriculture, fisheries and forestry, for example, at the European level as well as at the Scottish level and to assess whether there could be greater coherence in respect of the economic, business and rural development agendas.

I have heard that the common agricultural policy provides between £40 million and £60 million in grant support to agriculture in Dumfries and Galloway. The enterprise company has a baseline budget of £6 million. If there were greater coherence in policy in respect of the provision of support to agriculture, fishing or forestry and if that were linked more closely to enterprise company, tourist board and council funding, there might be wider and incremental benefits.

Tony Fitzpatrick: One of the biggest barriers to effective integrated rural development is the lack of a clear definition of integrated rural development policy. It is certainly a buzz phrase in Scotland, the UK and Europe, and has been adopted by European Commission directorates and various ministries in the European Union.

The definition of rural development depends on whom one speaks to. It is interesting that the definition will probably be tinged by an interest group's spin. If one speaks to the environmental sector, there will be an environmental spin on the definition, whereas the economic development sector will give another spin. A clear definition is needed. I am about to produce a paper on behalf of a network on integrated rural development, which will be part of our written submission. That will be a practical rather than a theoretical piece, on the framework by which the policy coherence to which Colin Williamson referred might be arranged.

One of the biggest challenges in the model is the fact that it is about integration of national policy instruments that are reflected in Government department structures. The kind of integration that Colin Williamson picked out as a priority—the integration of agriculture and other business development—faces a structural barrier in a policy sense, as there is one department dealing with wider economic development and another department dealing with the agriculture and the green bits. That is not a criticism, but an observation. That is an example of a structural barrier to integrated policy thinking and integrated funding streams. That brings us back to an earlier question. The big challenge in relation to the delivery and support of effective rural development lies largely with Government departments rather

than with the local players.

The agencies in Dumfries and Galloway will spend the money according to whatever funding streams it comes down, but community planning allows us to see that the funding streams—in a policy and in a thinking sense—do not necessarily join up. Throw into that the other bits of funding that come down—increasingly, through challenge-funding type streams—and the thing gets a bit messy. Jumping through hoops for European funding, lottery funding or social inclusion funding starts to distort local priorities.

Community planning is about reorganising the tension between what local people want and what central Governments and politicians want. It is not about revolution—turning the situation around overnight—but about negotiating a better-balanced position for local people and listening to their needs so that they can be reflected in the funding and policy streams.

Fergus Ewing: I thank the witnesses for their answers. I am not overly concerned about trying to define integrated rural development—just as I would not be too concerned about trying to define an elephant—on the basis that it is easily identifiable and everybody knows what we are struggling to achieve.

I want to ask Colin Williamson about help for local small and medium-sized businesses or for people who want to set up a small business in the area. In Scotland as a whole, there has been not enough focus on that aim and perhaps too much focus on attracting inward investment or on assisting large businesses that are well capitalised and able to develop themselves. We do not seem to have made much progress towards helping small and medium-sized businesses. I do not blame the local agencies for that, as there is a feeling that that should take place at Government level. Do you agree with the diagnosis that we need to do more for small businesses, especially locally? If so, how would you like to go about that and would you need more powers to be able to do that? Are you constrained by the rule book that you currently have?

Colin Williamson: That is a big question. A substantial proportion of Scottish Enterprise Dumfries and Galloway's allocation is put towards assisting people in setting up their own businesses and towards helping indigenous businesses. We have been successful in attracting inward investment over the past few years. That has been a recent development, however, and the vast majority of our human and financial resources go into new start-up businesses and local businesses, whether they are small, medium or large.

Under the legislation that governs the activities

of the enterprise companies, there are no real limitations on the way in which we can support companies. The exception is support for retail businesses; if we were to support certain retail businesses financially, there would be big questions about the displacement of other retail businesses.

10:30

The real challenge for us in rural areas is to get the high-quality projects that we can support. The region has not been successful—this is something that we want to address—in getting high-growth start-ups, which Scottish Enterprise defines as start-ups that employ 15 people and that have a turnover in excess of £750,000 in the first three years. In the past few years, we had only one or two such start-ups. We face a challenge in stimulating and supporting high-growth start-ups. Scottish Enterprise Dumfries and Galloway wants to prioritise that in the next year.

We have to be careful that we are not seen to be all things to all people. As I said in response to Alasdair Morgan, if someone comes along with a specific project that will help to grow the business, develop new markets, be innovative and perhaps safeguard and create jobs, we can support them. It is down to the individual to convince us why we should support their project, rather than put our money elsewhere.

The enterprise company has been fortunate to have additional funding over the past few years from Scottish Enterprise. I will continue to try to persuade Scottish Enterprise that, because of the challenges—many of which we have discussed today—that Scottish Enterprise Dumfries and Galloway and other rural local enterprise companies face, those companies should have a higher proportion of funding in each year's allocation.

John Farquhar Munro (Ross, Skye and Inverness West) (LD): During our visit, we have met many people and heard about the difficulties that they encounter daily. Last night, we met people who had various suggestions on how the situation might improve and how the difficulties that they encounter in trying to survive in this part of the country might be addressed.

As politicians, we hear constantly about initiatives and promotions to support communities, such as those in Dumfries and Galloway. The plea has always been for more funding—we are told that there is insufficient funding for the various initiatives that one would like to promote and support. How much additional funding has each agency received to support initiatives that were put in place as a result of foot-and-mouth and the restrictions that were imposed last year?

Norma Hart: As I said, the tourism part of the Dumfries and Galloway foot-and-mouth recovery plan was based on 13 different activities over three years and will cost £6.2 million. Of that £6.2 million, we have secured £4.9 million. Almost all that money is entirely additional and comes from the Scottish Executive—through VisitScotland—or from the European objective 2 programme. We also secured additional funding from Scottish Enterprise Dumfries and Galloway, which it had received as additional funding from Scottish Enterprise. The bulk of the funding was additional.

John Farquhar Munro: Was the money specifically extra to your previous budget?

Norma Hart: Yes.

Colin Williamson: This year, in support of our foot-and-mouth recovery plan, we received £5.5 million in addition to our usual allocation. Recent indications are that that might be increased by a further £1 million this year, making a total of £6.5 million. We have already had our initial allocation for next year—against the second phase of our foot-and-mouth recovery plan—of an additional £2.6 million.

David Mundell: In the context of additional money, why do you think it appropriate to ask people to pay back the loans with which they were provided?

Colin Williamson: Close to the outbreak of foot-and-mouth, loan funding was provided as a short-term measure to assist businesses in their recovery. Since then, we have provided substantial grant support to a variety of businesses in Dumfries and Galloway that have been affected by foot-and-mouth. We have also prepared a case to put to Scottish Enterprise and the Scottish Executive, asking to retain receipts from the loan fund in the region. Normally, any loan funding provided by Scottish Enterprise is returned to the centre when the moneys are repaid. However, we now have—from the Scottish Executive and from Scottish Enterprise—exceptional approval to retain those receipts in the region and to create a rotating loan fund in perpetuity. We have also been given the opportunity to attract European funding to match the loan funding.

With the additional foot-and-mouth funding from Scottish Enterprise, we may be able to provide, over the next three to five years, a loan fund of between £3 million and £4 million in Dumfries and Galloway. We would continue to recycle that money back into the economy to help businesses of all sizes. We have provided loans and, if they are repaid, we will recycle the money. In parallel to that, I stress that, in the past 12 months, we have provided grant support at perhaps two or three times the level of the loans that we have provided.

John Farquhar Munro: May we have a figure from the council on the additional funding this year?

Tony Fitzpatrick: The council has not been a major beneficiary of additional funds. Its main role was to bankroll much of the technical fight that was developed from the bunker to handle the outbreak. That money has been repaid.

Two especially innovative schemes came out of partnership arrangements. One was the community fund, which was set up after discussions in the council. The idea was that, rather than thinking of direct business or tourism support, we should acknowledge the impact that foot-and-mouth had had on individual communities and attempt to provide funding to build confidence. The scheme has been popular. The second scheme was an environmental tourism-related project. It took place mainly on farms and was designed to maintain farm labour and to make environmental improvements. The scheme proved effective and popular. We will lobby to make progress with that type of scheme. However, there was no direct support for business or other sectors.

The Convener: Rhoda, you had a brief question.

Rhoda Grant: In fact, my question is quite big, but I will keep it brief because we are running out of time.

The Convener: Thank you—we are getting to that stage.

Rhoda Grant: The question relates to planning. We have heard about delays in getting planning permission and, indeed, about problems with getting any planning permission at all. That seemed to be because of infrastructure. For example, roads were deemed unable to cope with increased tourism and there were problems with creating low-cost housing because of the water and sewerage provision and the cost of getting electricity to the properties. Has any work been done by the various agencies to improve service provision so that it is not a barrier to rural development?

Tony Fitzpatrick: The council is very aware of the problem. One part of the foot-and-mouth recovery plan flagged up some of the infrastructure blockages that we had been experiencing even before foot-and-mouth but that seemed all the more germane given the recovery package that we wanted to put together. The council is pursuing roads and communications issues assertively, particularly those to do with the trunk roads and the pressure on the A75, which is a main route for businesses and tourism.

I am glad that you mentioned service infrastructure constraints, which are largely in

relation to West of Scotland Water. Those constraints considerably affect development in certain rural communities. The council convener has raised that issue, both through COSLA and directly with the Scottish Parliament. There is concern that the lack of water and sewerage infrastructure is acting as a constraint on rural and domestic development.

Colin Williamson: Tony Fitzpatrick mentioned roads and water and sewerage issues. Scottish Enterprise Dumfries and Galloway is keen also to improve the region's information and communications technology infrastructure. Two primary projects are under way. One is the south of Scotland broadband pathfinder project, which Dumfries and Galloway Council is leading and which will, I hope, help to develop the broadband infrastructure in the south of Scotland. Scottish Enterprise is involved with a project called Project Atlas, which also relates mainly to broadband. We are finalising details of how to bring that project and more broadband facilities into the region.

The Convener: I must now draw this evidence-taking session to a close. I am grateful to our witnesses for answering our questions as best they could and for the time that they have given to us this morning. I know that they have to go on to another function, but they are welcome to stay with us for as long as they can.

10:41

Meeting suspended.

11:25

On resuming—

The Convener: Although one or two members have still to return to their seats, we will start. I am well aware that at least one witness must leave at 12 o'clock and that the meeting is scheduled to end at 12 o'clock, although we can overrun a little if we have to. At the beginning of the meeting, I should have given an apology from George Prentice, who is a local councillor. He had hoped to attend, but I believe that he is chairing a council finance committee meeting.

For the second formal part of the meeting, I am very pleased to welcome five witnesses: George Clark, who is from Premier Livestock Handling in Dalbeattie; Glen Murray, who is the secretary—our papers say that he is the chair—of Dalry community council; Paul Ducker, who is a wonderful species of person that is called a consultant—we will find out more about that; Denis Johnstone, who will be with us in a minute; and Godfrey Smith, who is from the Clog and Shoe Workshop in Balmaclellan. This is a formal continuation of the informal discussion that we have just had, which worked extremely well. Given

the brevity of time, I ask witnesses to give a short introduction and to say how they are relevant to the meeting. After that, I will open the meeting to questions from the committee.

George Clark (Premier Livestock Handling): I own a manufacturing business in Dalbeattie. I manufacture cattle-handling equipment, which I design, so it is unique. I started the business in 1992. We have won numerous design awards at agricultural shows for our equipment. We are well known throughout the UK and have established a good reputation. The business started as a one-man business. We have had to deal with many problems, including BSE and foot-and-mouth last year, but we are hanging in there. I have six employees now.

What is mainly holding my business back is lack of funding and the inability to find the right type of funding for a growth plan. The right type of funding is important to a small business. Funding must be offered in a manner that ties in with business cash flow.

The next problem is that once we have obtained funding for a growth plan, we are always short of time to get the best out of that plan. I have to be a Jack-of-all-trades. I am so busy when I am tied up with running the business that we do not get the momentum of that investment into the business, so the business does not get the punch that it needs to go forward.

When we are at the next stage and ready to take on employees, the type of help that is available for employers to take on employees is not geared in a manner that is really useful. That needs to be examined.

I stress that I am very grateful for all the help that we have had from Scottish Enterprise Dumfries and Galloway. In the 10 years that my business has existed, it has helped me a lot. To create growth in the local community, we need to see each other as partners. We must be partners to obtain growth.

11:30

I was pleased to hear Colin Williamson mention a local loan fund that businesses can tap into. I would like to see that. It is no use going to banks—I have no security to offer banks. Furthermore, banks impose many restrictions and pull one back. I am in favour of a growth fund that businesses can tap into. Perhaps that could be offered on an interest-free basis. I do not agree with grants. Although it is nice to receive grants, I would far prefer to have an interest-free loan. That would better suit my business.

Glen Murray (Dalry Community Council): I will correct the record. I am the secretary of the Dalry

community council, not its chairperson.

The invitation to attend the meeting today did not arrive in time to allow me to consult the whole community council on the remit that witnesses were asked to address, so I cannot say that I speak for all members of the community council. However, I will try to provide a local community perspective on issues that seem to be central to the remit that the committee outlined. My points will not be new to members of the committee or to the area—they have been with us for a long time. There are four or five such issues, which are locked in a cycle that is difficult to break. Sometimes the situation does not seem to be getting any worse; often it does not seem to be getting any better. Although the situation fluctuates, it is always problematic.

Several people at this meeting have mentioned that the population is declining. We have acute economic problems in certain sectors. There are social issues around areas such as education. Perhaps we are simply going through a bad phase. The continuing problems have recently received much attention from local organisations. The order in which one talks about the problems does not matter, because they are interrelated in the cycle that I described.

I might as well start with employment, which has been discussed at some length. The Dalry area is fortunate in that a substantial amount of bottom-up action to create employment is taking place with the assistance of the appropriate agencies. The creation of diverse kinds of employment is attracting people into the area. However, some areas of employment are being neglected. Andy Kaye, who is in the audience, addressed poignantly one such issue in the question-and-answer session—the serious problem of attracting and retaining young people. I am sure that we share that problem with other areas. I refer not only to young people who have left education early, but to young people who have gone away to secure a good education and have chosen to return to live in their native rural area. They cannot find employment and—damnation—they cannot even find transport to employment in adjacent areas. I support the kind of economic development that encourages young people to come back to rural areas or to stay there. That is critical.

People who come into the Dalry area to take up the employment that is being created face several problems. Recently, we surveyed housing in Dalry. I suspect that the results that we obtained from the survey, which was carried out by Shelter Scotland, are indicative of a situation that is not that different from the situation in villages in rural communities in general. There is a very low turnover of houses and there is very little new building. That is related partly to issues that were addressed earlier, such

as planning, and partly to raw economic issues that surround the lack of a significant amount of new housing development. The average cost of a house in Dalry is £75,000. That is not the cost of a starter home by any stretch of the imagination. Often, housing is too expensive for young families who come in and want to stay.

Transport is another of the four or five principal issues. Andy Kaye fell foul of that too. One really needs a car to live here, which is not an ideal situation. Without a car, it is difficult to access a range of fundamental services. Doing a big shop, for example, becomes problematic. Not having a car makes access to recreational facilities difficult and can seriously restrict the alleged choice in education that we are all supposed to enjoy. It obviously excludes a significant sector of the population who do not have a car or access to a car because they cannot afford to run one. As John Taylor pointed out, a lot of cars can be environmentally unsound.

It is difficult to make public transport viable in an area such as this—no one is under any illusion about that—but it is a vicious circle within a vicious circle. A good public transport system that runs services at the right times, that is reasonably comfortable and frequent and that is priced correctly will attract people to use it. It will not sustain itself in the first instance, and action to break the vicious circle that prevents it from being there has to come from on high—it will not happen by itself. Somebody needs to put money into the system, not just on a capital basis but on a revenue basis, to allow it to exist for long enough to attract the users who might make it financially viable by itself.

Several people have spoken about education. Education has been a serious issue in the area, with the threat of closure hanging over two primary schools in the Glenkens. The secondary school was also under threat of closure and will probably lose its head teacher. Good education is vital to rural development, both social and economic. It is vital to attracting and retaining families, young people and economically active people.

It is a fact of life that relatively remote rural schools have smaller rolls and a higher ratio of teachers to pupils, thereby incurring a higher cost per pupil. Nonetheless, those should not be grounds for closing rural schools; they should be recognised as facts of rural life. Those schools must be supported in those circumstances—no other policy would contribute positively to rural regeneration. Central and local government need to be innovative and persistent in supporting and developing rural education, bearing in mind those circumstances and not trying to change them.

The education issue leads on to my final point, which concerns the way in which some of those

services are funded. We have heard a great deal recently in Dumfries and Galloway about the private finance initiative and the desire to introduce it in education. We are told that it is being supported because the local authority has a cap on the amount of funding that it gets from central Government for education. The amount and nature of the funding that comes from central Government to local government for services such as education need to be assessed carefully, because lack of funding could pose a significant barrier to rural development.

Several people have talked about funding as though it is the only thing that contributes to rural regeneration, but that is not true. Rural regeneration can be helped by the creation of a climate in which these sectors can develop and thrive by themselves. It does not just require money being thrown at it.

Paul Ducker (Consultant): I am an independent consultant whose speciality is small business development and the structures for that. Most of my recent work has been done in South America and south-east Asia. I live in Corsock, a village that is about halfway between here and Castle Douglas. My grandfather's family were economic migrants from the area. My grandfather was an engineer who had to leave Galloway because there were no jobs there for young engineers. I have come back.

My fiancée and I ran the village shop, petrol station and post office in Corsock. The petrol station closed last January, the shop closed this January and tomorrow the post office moves into the pub. The reasons are fairly straightforward—there has been a change in demographics and there is no competition in the supply chain. There is only one cash-and-carry in south-west Scotland and a high degree of competition from supermarkets. Foot-and-mouth put the final nail in the coffin.

I want to say a little more about Corsock. In talking about it, I will give my definition of the rural economy. Corsock is a curious place. It has only about 20 houses and one school, which did not survive the round of reviews and will close at the end of the next academic year. As in Laurieston, the people of Corsock are concerned about that. I suppose that Corsock covers about 25 square miles—it is about 8 miles from one end to the other—and it has 160 people on the electoral roll. It is an insignificant little village that does not matter very much. Nobody seems to care about it at all.

However, that insignificant little village supports more than 30 serious microbusinesses. The people involved are sometimes called self-employed, but I prefer the term microbusiness. Each one of them has the potential to grow up. Of

the 30 microbusinesses, only 10 of them are farms. Two of them are related in some way to tourism, a couple are related indirectly to forestry and the rest are as diverse as one could imagine. For example, the United Kingdom's expert in iron age warfare, who is self-employed, works from the village and there are a couple of professional writers, an antiques dealer and an international consultant.

That variety of microbusinesses started in the community, or moved into it, because of the community. My main point is that rural economic development cannot be separated from rural community development because they are one and the same thing. Somehow, those two aspects become separated and measured differently. Because community issues cannot be quantified properly, they are never measured and attention is not paid to them.

Let us consider the village in a couple of years: the shop, the petrol station and the school will have gone and the village will have no information heart. If someone is poorly or in hospital, who will find out? When a newcomer moves in and wants to build an extension, how will people find out about that? We must replace the information heart. It is inevitable that village shops close. Our shop had been there for 150 years. Last year, running the shop cost £7,000. I cannot afford to subsidise the community to that extent. What happens when the heart goes out of the community? It must be replaced.

My only suggestion, for which members have the paperwork, is that we must recreate the community on the internet. All the small, insignificant communities in Dumfries and Galloway need representation on the internet. To make them a noticeable size, they must co-operate and link up with one another and with other initiatives. That is my proposal.

I have two points on which to finish. The first is how angry I am about the gradual decline of community and economic life. I started with a high level of anger, but the longer the morning has gone on, the more angry I have become. My second point is that although community should not be separated from economy, that often happens.

11:45

Denis Johnstone (John Johnstone (Dalbeattie) Ltd): I am the director of a small building and development company, which was incorporated in 1947 and now employs 12 people. I thank you for the opportunity to participate in today's proceedings.

When they come to this area, our potential customers are looking for good-quality housing

and schools and good medical and recreational facilities. It may be that the tourist industry has brought them here in the first place and they have decided that they want to stay. Our company can provide the housing, but our future is dependent on integrated development. Recent problems with lack of sewerage provision have shown that where things are not integrated, there can be serious problems.

I would like to comment on the main points of the committee's remit for today's discussion, beginning with funding. I have been quite surprised by how many funding-related points have cropped up already. Our company does not specifically seek funding. We think that a project should stand or fall on its commercial merit. However, we find that funding for others can have a detrimental effect on us. An earlier witness said that farmers getting into self-catering can make it difficult for others who were already in that business. We have developed offices only to find our tenants lured away by low-rent or no-rent offices provided by local authorities or other agencies. We think that it would be much better to leave that to the private sector. If assistance is to be provided to businesses, it should be by helping them to pay their rent rather than by providing facilities that compete with existing providers.

If there is to be funding, it should be to attract new ventures that are not already in the area or to promote ventures that are grossly underprovided in the area, rather than duplicating what is already here. Hairdressing businesses spring to mind. Encouraging young girls to start up a hairdressing business on their own is not very helpful if the same number of heads still have to be cut. Encouraging more businesses to cut the same number of heads will not create any more employment.

Rather than funding businesses, money would be better spent on improving infrastructure—the drains, the roads and particularly the schools. Without those services, everything else is just window dressing. We will not get people to come to the area if they cannot build a house because there are no sewers. People will not come into the villages if there are no schools. Let us get first things first; we can get on to the icing on the cake later.

The next area that the committee has been asked to consider concerns factors for effective community involvement. I commend the area committee movement that has been established and I would like to encourage it to go even further to bring decision making as close as possible to local communities. Perhaps we could revert to something like our old town councils or county councils, although they might have a different name. People in Dalry might even be given a

budget to spend themselves. They could run a community bus if they were given the money to do it, but people cannot get involved if you do not give them the wherewithal to do things. The local authority must face up to that fact and devolve a lot of its spending power.

The next area of the remit is barriers to businesses. There are many barriers to our firm. We were asked not to give a list of gripes, but I am afraid that I have to do so. The black economy is a big problem for us. Who is going to pay £20 an hour for a plumber, when Jimmy up the street can do it for £10 on a Saturday morning? That is not an easy problem to tackle. The worst people for using the black economy are usually the people from the professional classes who have the most money, although I am glad to say that we have one MSP on our customer list, so MSPs are excluded.

The local authority seems to think that it is living in a world of its own and that it can keep on bumping up the rates every year, percentage point by percentage point. The rest of us have to cut our cloth to suit the inflation rate, but the local authority seems to think that it can just go on and on increasing the burden on us. I look to the Scottish Parliament to curb the local authority and make it live within certain means, as the rest of us have to.

Bureaucracy is another problem. We are treated as tax collectors. For long enough we have had to deal with pay-as-you-earn and national insurance. Now we have aggregate tax, landfill tax and so on. In the 1950s, it took three staff members to operate our company, which had in the region of 60 employees. Now we have 10 operatives, but it takes two staff members to run the company. We have moved from a ratio of 1:20 to a ratio of 1:6. That change is not entirely the result of increased bureaucracy, but bureaucracy is a big part of it.

Another issue is restrictive legislation, plenty of which exists. We are particularly bothered by restrictions on sporadic development in the countryside. I will say more about those later. We also have a problem with rigid rules—roads departments not wanting to encourage development, but putting up barriers to it. We are told either that development is impossible or that it will cost us a fortune, making projects non-viable.

Negative policies, such as school closures, are also barriers to development. A good deal has already been said about school closures. Ten or 15 years ago there were plans to close the school in Colvend, but two years later the same school was being doubled in size. A few years after that, there were again plans to close the school. We need continuity of commitment to schools in communities. I know that even people living in towns are prepared to take their children out to the

country so that they can get small-school education. In towns, education is based on the premise that big is beautiful.

Easing the rules governing development in the countryside could bring about a particularly big improvement. That could have enormous benefits, at little cost. It could lift the pressure on house prices. At the moment, because houses cannot be built in the countryside where people would like them, people are forced into the villages. That pushes up prices, making it impossible for local first-time buyers to get into the housing market. Easing the rules governing development would bring more brainpower into the region. Instead of exporting our brains, we might be able to bring many information technology people who can work from home into our area. If farmers were able to release some of their non-productive land for housing, that would ease some of the financial constraints on them and provide them with capital if they wanted or needed it. If the planners exercise their skills properly, there is no reason why we cannot do the same as Switzerland, which has remained beautiful despite the fact that houses are dotted all over the country. Most important, easing the rules governing development would make work for builders, and we would get some extra work.

I have no comment to make on the EU review, as I do not know what that is about.

The final part of the committee's inquiry concerns community involvement. As has already been said, the important thing is to create a forum—like the meetings last night and today. We need to bring people together to discuss issues, to thrash them out and to consider ideas. I urge the committee to recommend to the Parliament the cheap and easy option—to forget about handouts, to remove barriers and to bring decision making to the lowest level that is practically possible.

The Convener: Thank you very much. I know that Glen Murray has to leave at 12 o'clock.

Glen Murray: Or soon after that.

The Convener: I ask Godfrey Smith to make his presentation. We will then put questions to Glen Murray.

Godfrey Smith (The Clog and Shoe Workshop): I run the Clog and Shoe Workshop in Balmaclennan. I am also the Balmaclennan secretary and a trustee of a native woodland organisation and the father of three boys. As Paul Ducker said, the community cannot be separated from the economy. After talking to a few people about this meeting, I came to the conclusion that I did not really want to speak about my business, because my business rests on the community in which it is located.

If we want a future in rural areas, we must provide a future for the young. Many people have said that, but it needs to be said over and over again. Many young couples who want to come to live in Dumfries and Galloway would like to live in the countryside. That is in complete opposition to the present planning policy, which tries to attract people into centres of population. I reiterate the point that Denis Johnstone made; we must open up the planning laws to allow more building in the countryside.

Carsphairn has a smallholding policy, which has partly worked; its population has not decreased considerably in the past few years. Many younger people who have gone there have stayed because they got land to live on. However, the smallholding policy has not been completely successful, because of the issue of access to land. We must make land available somehow and I am sure that that can be done. I do not say that because I want everyone to be a basket maker. I talked the other day to a friend who is a basket maker and he said that all he needs to make a reasonable living is an acre of willow outside his door. That is not asking a lot.

Planning law restricts the type of building that we can build. We should welcome the construction of lower-impact buildings that are built using local sustainable materials. In Dumfries and Galloway, we have an excess supply of one of the most useful sustainable materials, which is timber. The pulp industry is reducing considerably. Many people will know that the Shotton Paper Company no longer uses pulp, but only recycled paper. I presume that that trend will continue. I think that Forest Enterprise's policy will continue to be to grow timber to maturity. We should use local timber. Another small point is that we also have wool in quantity in this region; wool is used as an insulating material in New Zealand.

The south-west of Scotland has hardly started to develop its environmental potential. We have done one of the best biodiversity surveys that has been done and some people have made moves to increase that biodiversity. We have plenty of natural power in the region, such as wind, water and tides. We have five biodynamic farms of more than 500 acres and 130 organic farms.

The leisure industry's potential in the region is enormous. There are activity holidays that involve walking and biking, and there are sailing courses and other courses in an enormous range of activities.

Our ancient and more recent histories have hardly been tapped for their international interest and the tourist industry should be working harder at that. Dumfries and Galloway is on the Celtic fringe and the region's Celtic history is being revealed as the years go by. In addition, no use

has ever been made of the area's covenanting history.

Most important is the host of talented people in the region. I am in the arts and crafts industry, which is probably the region's only growing industry, but we have phenomenally talented people, not only in arts and crafts, but in all fields.

Our assets are all around us. It is members' job, as politicians, to provide the framework that will allow us to enhance those assets, which will create a positive climate of enthusiasm for the future in which people want to live and work. That future can be seen in recent developments in the Glenkens. There is an arts group in New Galloway, which many members will have heard of. Even the closing of the schools was an interesting event, because it brought the Glenkens together in a way that I have never seen before. That area is strong as a unit and I pray that it will continue to grow organically, as it has been.

The Convener: I thank the witnesses for those five varied, interesting and relevant submissions. I am keen for members to put questions to Glen Murray first, because there is even more time pressure on him than there is on us.

Stewart Stevenson: I want to pick up on a couple of things that were said and relate them to something that was said to me last night by a person who cannot be here today. That person has a business that relies on a carrier for getting to international markets. He said that TNT (UK) had stopped picking up parcels in the area, so I want to ask about the general issue of delivery and collection services. Paul Ducker said that the post office in his village had to close and we know that the Post Office is going through a period of considerable change and that competition has been introduced. How important are the right kind of postal and parcel services, not only in delivering goods but in taking them from enterprises to the market? What difficulties are experienced, if any?

12:00

Paul Ducker: The post office in Corsock has not closed—it is moving to Pringles pub. I will probably get a meal for mentioning the pub.

I do business around the world, much of it in South America. I am not particularly concerned about the quality and timeliness of the postal services—they seem to work reasonably well—but if you asked me about the quality of other utility services, I would have a different answer. The electricity supply in the area would be considered fine if one lived in the middle of South America, but it is not so good for a European country in the 21st century. Much the same is true of the telephone system. One farmer in Corsock has not had a telephone for six weeks because British

Telecom has not bothered to repair it, simply because the market is not big enough for the investment. The quality of utilities in Dumfries and Galloway's villages is appalling. If they are not dealt with, there will be no growth, only further decline.

Glen Murray: The post office issue is less to do with parcels and letters coming in and going out than it is to do with the other services that post offices deliver in the community. There is a range of services—which I will not list—and the possible decline of the Post Office impacts not only on businesses, but on almost everyone in the community. That is one of the greatest concerns.

Godfrey Smith: A post office is an essential requirement for my business. Some 75 per cent of my goods go out of the door of the post office in Balmaclellan.

Denis Johnstone: Our goods all come into the area. As a matter of fact, we recently received a flyer from TNT asking us to use its business, so I do not know why it is not picking up parcels in the area.

I echo Paul Ducker's concern about utilities. The centralisation of utilities is having a drastic effect on us and our business. We must have a two-hour runaround all over the area—north, south, east and west—before somebody will eventually let us speak to a local engineer. Anything that the Scottish Parliament can do to discourage gathering everything together in the central belt, and to send as much work for our engineers as possible back to our area should be wholeheartedly encouraged.

Glen Murray: I meant to mention telephones, but slipped over the issue. Reference was made to the broadband pilot project—the pathfinder project—in the South of Scotland. The point that I wish to make is relevant to many rural communities. It is a terrible irony that such communities are most in need of communications technology, but receive it last. It looks as if Dumfries will receive such technology before the rural areas of Dumfries and Galloway, and that Ayr will receive it before the rural areas of Ayrshire.

The microbusinesses to which Paul Ducker referred and bigger businesses could do much more with the proper communications technology. Issues are related: the problem is not simply about goods going in and out; the ability to communicate in other ways is important. Information technology-based businesses are thriving in rural areas such as the Glenkens, but struggle because they do not have access—and will not have access—in the short term to technologies such as broadband.

Richard Lochhead: I presume that such technologies are put into urban communities before rural communities because we live in a

capitalist society and people respond to the market. Where there is market failure, Governments try to overcome it by intervening. Governments have a dilemma in respect of rural communities. Where should they intervene? I would like Glen Murray and George Clark to comment on that.

Government can intervene by giving direct assistance to companies in the hope that those companies create economic activity and jobs. That might help young people to remain in, and attract other people to, communities. Alternatively, Government can intervene at infrastructure level and allow things to grow naturally. For example, providing great roads and telecommunications might make the economy grow naturally and could also benefit local businesses. Government faces a great dilemma about where it should intervene and what it should put emphasis on. The Government and, I suspect, the committee struggle with that issue all the time. Should Government intervene by creating a fantastic infrastructure and forgetting everything else because things will happen naturally? Alternatively should Government intervene at the other end of the scale by helping businesses and creating jobs?

Glen Murray: In so far as I understand it, the phrase “integrated rural development” suggests that as many perspectives as possible need to be used simultaneously. That might be merely to repeat what has already been said, but there is no easy answer. The community will not be able to provide a straightforward answer to that very complex question, but the community has, nonetheless, a perspective to which I alluded when I mentioned the transport situation.

Contemporary economic circumstances are such that rural areas seem to have much greater economic problems than urban areas. That might not always have been the case, but it is the case today. Matters such as transport require fairly substantial investment—from the public purse or from enterprise—and take a long time before becoming self-sustaining, if ever they reach that stage.

One way to cut that Gordian knot would be to have a policy of creating infrastructure—including schools, communications and, if you could get a handle on it, housing—and supporting initiatives that contribute to the enhancement of existing infrastructure. That would allow businesses and communities to develop and thrive. I appreciate that that might be somewhat trite, but I am stumbling towards something. The bottom line is that only bodies such as the Executive have the clout to do such things. Local initiatives are struggling to break the vicious circles that exist. Somebody must say, “Okay, we will take a big overview of the situation that will try to cover the whole business at once.”

I am not sure whether I have given a terribly good answer to the question, but our perspective is that we are too wee to do what is required. We need to look to you guys. We do not necessarily look to you for the answers, but we need you to provide the machinery, the finance and the policies that will create the environment in which local folk can do the business.

Richard Lochhead: What is the business point of view on the question?

George Clark: I am afraid that my opinion is totally different to Glen Murray's. You can build all the fancy roads that you like in the area, but that will not create jobs; people who have ideas that are different and that can break into new markets create jobs. Money needs to be spent on creating new ideas. Jobs will bring revenue into the area and the demand for infrastructure will come after that. If TNT will not come to pick up my goods, I shall get somebody else to do it—that could be an opportunity for a local business.

Denis Johnstone: I would go for a halfway house. Rather than a fantastic infrastructure, I would prefer an adequate infrastructure and targeted spending. I am sorry to disagree with George Clark, but if there are no schools or roads or drains—

Glen Murray: Folk will not come to the area.

Denis Johnstone: If there are no drains, people will not be able to go to the toilet when they are at work. Without infrastructure, people are just not able to get things done. The basics need to be got right, then a bit extra can be done. We need basic, not fantastic, infrastructure.

The Convener: I thought that Godfrey Smith wanted to respond to that point but, as he does not, does George Clark want to respond? We do not want too much of a row among you all.

George Clark: I feel simply that employment is the place to start. People do not come into an area if they have no reason to do so. We need to create the reason for people to come, then build the houses around that. There must first be a reason for people to come to the area—you can build all the houses you like but, if there is no reason for people to come to the area, the houses will sit empty.

Glen Murray: The discussion has highlighted the issue to which I was trying earlier to draw attention. There is a cycle; all the issues are locked together. They go round and round and it does not make much difference whether we cut into the circle at employment, housing, transport, education, infrastructure or at any other point. That model might not be very helpful, but it is useful to think of the situation in that way. Everything that has been said this morning clearly illustrates that

people who have financial and political clout must cut into that vicious circle and change things.

Rhoda Grant: I have a question for Glen Murray. Your excellent presentation touched on many aspects of the matter, such as the economy, services and social issues. However, I wonder whether you agree with a question that was asked last night. Should the local enterprise companies have a social remit as well as an economic remit? For example, I know that Highlands and Islands Enterprise has a social remit and has established units that are concerned with strengthening communities. As a result, HIE has much wider scope to use its money. Would you encourage Scottish Enterprise Borders to have such a remit?

Glen Murray: You mean Scottish Enterprise Dumfries and Galloway. I would certainly encourage the local enterprise company to do that. I should point out that I work in the voluntary sector. Relatively recently, I became the communications officer for the south of Scotland network of councils for voluntary service. It has come to my attention that the local enterprise company has a fairly low level of recognition of what is called the social economy, although that situation is improving. We need to acknowledge not only the voluntary sector, but a whole—often unrecognised—sector that contributes substantially to the economy and to the quality of life in other non-economic ways. In short, the enterprise company could take more cognisance of the fact that that sector is an economic force.

Fergus Ewing: I wonder whether we can break the circle that Glen Murray mentioned by relaxing the planning laws, as Denis Johnstone and Godfrey Smith suggested. Such a suggestion is very relevant to places such as Lochaber in my constituency. If we make more land available for building and, as has been suggested, for workshops—indeed, we heard about an example of that in Dalry yesterday—we would release capital, create jobs, give people the chance to come to or return to the area and therefore generate a virtuous circle. That is not really a question; I am just perplexed by the maze of bureaucracy and rules that seems to be the master, not the servant.

However, to play the devil's advocate and come to a question—

The Convener: That would be helpful.

Fergus Ewing: It could be argued that someone building a house next door to another might cause problems, because people might not always want another house spoiling their view. Furthermore, we must take into account the lack of services in such areas. Do any of you feel that there are arguments against a much more relaxed, forward-looking and pro-development planning system in that respect?

Godfrey Smith: No.

The Convener: A long question, and a one-word answer.

Denis Johnstone: Sometimes the services cannot even be found in town, never mind in the country. At least out in the country, individuals pay for services themselves, which takes a burden off the local authority. The local authority still receives the rates revenue without having to provide infrastructure or sewerage.

Fergus Ewing: It has been suggested that farmers might—perhaps understandably—be unwilling to part with some of their land.

Godfrey Smith: That has definitely been a problem with the smallholding policy in Carsphairn, but there are other opportunities. For example, plenty of forestry land exists and individual plots are available. I believe that relaxation of planning law is the only practical way in which to draw more people into the area.

The Convener: Although farmers are quite willing to let go of land, the problem is often that any house that is built on the land must have an agricultural attachment and be part of a farming unit. It cannot be just a residential home. That is quite a barrier to a farmer who is happy to release land for building.

Godfrey Smith: Other things work against farmers selling the land. It is not in farmers' interests to sell land because grants are given on the amount of land they have, so they will not let land go.

12:15

Glen Murray: There is a potential pitfall in loosening planning regulations too far. I am sure that some folk here are familiar with parts of the Republic of Ireland where planning regulations were loosened significantly. There is now an unsightly rash of certain kinds of development in some parts of the country.

A number of people have mentioned the great value and quality of the asset that is our countryside and environment. That consideration must remain in our thoughts on planning regulations, although it need not, perhaps, remain uppermost. However, there is plenty of scope for development.

Convener, I apologise, but I must leave. Thank you very much for the opportunity to speak.

The Convener: Thank you for your contribution.

Denis Johnstone: The wonderful environment that we are trying to preserve came about in a time when there were no planners. Nobody here wants haciendas or anything like that. If planners use their professional expertise, there is no reason

why we should have haciendas, as there are in southern Ireland. It is an abrogation of planners' professional responsibility that they are not prepared to bite this bullet. It might be that in places such as Glentworth there should be a total ban on building, but there are gaps between churches and the planners will not even let people fill in a couple of plots to link things up within villages, never mind let people do things in isolated places in the countryside.

Stewart Stevenson: This might be a hypothetical question, but could such a change be made with no money?

Denis Johnstone: Yes.

Alasdair Morgan: A time might come when we feel that we have relaxed planning regulations too much, but at that time we could reimpose them. In the meantime, many people in the Stewartry are dying to have the economic growth rate of the Republic of Ireland. It would be a very good thing indeed if, by relaxing planning regulations, we could go some way down that line.

What Denis Johnstone said about adequate infrastructure is probably right. We need an adequate infrastructure and we clearly do not have that at the moment. However, we do not need to gold-plate the infrastructure. It is interesting to note that the three places in the South of Scotland that have the highest unemployment are Kirkcubbin, Sanquhar and Stranraer. The other thing that those three places have in common is that they are the only places in the constituency that have railway stations. The provision of a certain kind of infrastructure is no guarantee of economic success. However, there is certainly a minimum requirement for infrastructure.

John Farquhar Munro: The story that we have heard today could be replicated throughout the country. Anywhere we go in rural Scotland, we hear stories about the lack of transport, lack of communications, lack of housing, lack of investment and lack of development. Down here, the story is no different.

People in communities such as this have a part to play. The talking among this group is all very well, but there is a job to be done outside in presenting and promoting the arguments in order to drive them forward. I am sure that there will be great opportunities to do that.

Denis Johnstone spoke about the lack of local housing and the tremendous cost of housing in rural areas such as this. However, on the other side of the coin, the community has much to do with that. If a person is disposing of a property, how can he be encouraged to dispose of it in the community at a reasonable price, when he has the opportunity to enhance the value of his property by encouraging somebody to come from wherever

with a substantially larger cheque? That side of the equation must be addressed.

Denis Johnstone: You would be asking such an individual to accept less than the market value.

John Farquhar Munro: The market is decided locally. You will never turn the wheel backwards and get the local economy to accept that a house can go on the market at a price that is affordable only within the community.

Denis Johnstone: Yes—unless the person who is selling is moving within the community. The situation gets difficult when outside factors come into play.

John Farquhar Munro: Precisely. You highlighted your company's induction of staff and the administration costs of keeping those staff employed. You complained about the plumber up the road doing a homer on a Saturday morning. How many full-time apprentices do you employ?

Denis Johnstone: We employ no full-time apprentices—we have stopped. Many years ago, training of apprentices was taken out of our hands and they were sent to technical college. They disappeared for 28 weeks in the year and we were given very little by way of a refund, although we had to give the apprentices full pay. Customers who are asked to pay almost a tradesman's rate to a fourth-year apprentice say, "Don't send an apprentice—we want a tradesman." We do not employ apprentices.

John Farquhar Munro: That is quite common in rural areas.

Denis Johnstone: We pay a contribution to the Construction Industry Training Board. The emphasis has moved to large companies—which can provide proper training facilities—training apprentices. The opposite used to be the case: small, country builders trained apprentices and then the big boys gobbled them up and took them away. Now, the big companies are able to provide training.

Rhoda Grant: What is the age range of your employees? I foresee a problem. If you do not take on apprentices, as your employees age, no new people will come in.

Denis Johnstone: We are confronting that problem. Three or four of our employees have 30 to 40 years' service and another is about to retire. We are getting down to rock bottom. We got some of our former apprentices back, but they were lured away by higher wages and have left. We have a problem. However, training an apprentice does not ensure that he will stay with the company.

John Farquhar Munro: I have a final question to satisfy a query that was raised at our informal

meeting last night, as we have with us an expert on making clogs.

The Convener: I think that this is called finishing on a lighter note.

John Farquhar Munro: It was suggested to us that the miracle of walking on water was not unusual, because somebody has invented a clog wellington that allows people to be buoyant in the water. One gentleman convinced us that he actually wore a pair of clog wellingtons. Do you make clog wellingtons?

Godfrey Smith: Strangely enough, I did, but they had leather uppers and wooden soles—they were not solid wood. They were worn commonly at one time, especially in the farming industry. They were a high-cut boot.

John Farquhar Munro: There is a new initiative for you—clog wellingtons.

Godfrey Smith: I have stopped making clog wellingtons because they are too expensive for people to buy.

Fergus Ewing: I have a different point to raise, although I do not want to clog up the agenda.

The Convener: It is definitely time to stop.

Fergus Ewing: Today we heard 11 contributions from people in the open forum session, none of which will be recorded in the *Official Report*. That means that no record of what was said will be available to local people. That is unfortunate, because some excellent suggestions were made. I shall not name the 11 people—we know who they are—but they made excellent suggestions that are highly germane to the task that is before us. I hope that some means will be found at future meetings to record such evidence, so that it is not lost forever. The evidence that we heard from local people today is just as valuable as the evidence that we heard from the official witnesses. I hope that that is not a controversial point and that members feel that we could try to resolve the issue before we attend the next such meeting in Fort William.

The Convener: I agree entirely. We have broken new ground today—although that might seem odd—in terms of public participation. I like to think that we will be able to build on that until meetings outside Edinburgh become a genuine two-way dialogue, which is what most members of the committee would like them to be. We will take account of that suggestion and, when we head for Lochaber, Fergus Ewing will, no doubt, be at the forefront of more innovative techniques.

That concludes today's meeting. The whole day has been enjoyable and informative. Many topical and interesting points have been made—more than I imagined would be made—and we have

made a good first step in the committee's inquiry into integrated rural development. I thank everybody who has made it possible for the committee to meet here, especially Mr Matthew Newton from the shop opposite, who looks after the hall and has helped to set it up for us today.

I also thank the people who showed us round their businesses yesterday and who came along today to share their thoughts and experiences with us. Without their participation, this would have been a meaningless exercise.

Meeting closed at 12:25.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, 375 High Street, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

Wednesday 27 March 2002

Members who want reprints of their speeches (within one month of the date of publication) may obtain request forms and further details from the Central Distribution Office, the Document Supply Centre or the Official Report.

PRICES AND SUBSCRIPTION RATES

DAILY EDITIONS

Single copies: £5

Meetings of the Parliament annual subscriptions: £350.00

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WHAT'S HAPPENING IN THE SCOTTISH PARLIAMENT, compiled by the Scottish Parliament Information Centre, contains details of past and forthcoming business and of the work of committees and gives general information on legislation and other parliamentary activity.

Single copies: £3.75

Special issue price: £5

Annual subscriptions: £150.00

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

Single copies: £3.75

Annual subscriptions: £150.00

Standing orders will be accepted at the Document Supply Centre.

Published in Edinburgh by The Stationery Office Limited and available from:

The Stationery Office Bookshop
71 Lothian Road
Edinburgh EH3 9AZ
0131 228 4181 Fax 0131 622 7017

The Stationery Office Bookshops at:
123 Kingsway, London WC2B 6PQ
Tel 020 7242 6393 Fax 020 7242 6394
68-69 Bull Street, Birmingham B4 6AD
Tel 0121 236 9696 Fax 0121 236 9699
33 Wine Street, Bristol BS1 2BQ
Tel 01179 264306 Fax 01179 294515
9-21 Princess Street, Manchester M60 8AS
Tel 0161 834 7201 Fax 0161 833 0634
16 Arthur Street, Belfast BT1 4GD
Tel 028 9023 8451 Fax 028 9023 5401
The Stationery Office Oriel Bookshop,
18-19 High Street, Cardiff CF1 2BZ
Tel 029 2039 5548 Fax 029 2038 4347

The Stationery Office Scottish Parliament Documentation
Helpline may be able to assist with additional information
on publications of or about the Scottish Parliament,
their availability and cost:

Telephone orders and inquiries
0870 606 5566

Fax orders
0870 606 5588

The Scottish Parliament Shop
George IV Bridge
EH99 1SP
Telephone orders 0131 348 5412

sp.info@scottish.parliament.uk

www.scottish.parliament.uk

Accredited Agents
(see Yellow Pages)

and through good booksellers