

RURAL DEVELOPMENT COMMITTEE

Tuesday 23 April 2002
(Morning)

Session 1

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RURAL DEVELOPMENT COMMITTEE

11th 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

WITNESSES

Hugh Allen (Mallaig and North West Fishermen's Association)

David Corrigan (Marine Harvest)

Hughie Donaldson (Initiative at the Edge)

Maggie Fyffe (Isle of Eigg Heritage Trust)

John Hutchison (Highland Council)

Alan Kirk (McTavish's Kitchens)

Aidan McEoin

Jamie McIntyre (Sunart Oakwoods Project)

Mairi Maclean

Stewart Maclean (DSM Management)

Kirsty McLeod (Glen Gloy Estate)

Peter Metcalfe

Andrew Simpson (Lochaber Local Economic Forum)

Jackie Wright (Lochaber Enterprise)

CLERK TO THE COMMITTEE

Richard Davies

SENIOR ASSISTANT CLERK

Mark Brough

ASSISTANT CLERK

Jake Thomas

LOCATION

Lochaber House, Fort William

Scottish Parliament

Rural Development Committee

Tuesday 23 April 2002

(Morning)

[THE CONVENER *opened the meeting at 10:00*]

The Convener (Alex Fergusson): Good morning, ladies and gentlemen. Welcome to this meeting of the Rural Development Committee. We are pleased to be in this part of the world, despite the weather. Yesterday, we were outdoors and the weather was not pleasant. Today, we are indoors, so the weather does not matter. It is nice to be here and I am grateful for the welcome to the Lochaber area that the committee has received.

I give my usual warning to everybody that mobile phones should be turned off. One will go off shortly—one always does.

Sea Cage Fish Farming

The Convener: Agenda item 1 is a report on sea cage fish farming. Members of the committee have received a paper that outlines the Transport and the Environment Committee's progress in its inquiry on that subject. I note from the paper that that committee has published its report on phase 1 of its inquiry. The conclusions are set out in full in the paper. The Transport and the Environment Committee is taking evidence for phase 2 and continues to progress research issues. John Farquhar Munro is our reporter on the issue. Some time ago, we charged him with keeping us up to date on progress. I invite him to speak and highlight any issues in the paper.

John Farquhar Munro (Ross, Skye and Inverness West) (LD): Good morning, everybody. The paper simply details the Transport and the Environment Committee's current position. As a member of the Rural Development Committee, I have been appointed to report on the process and what stage the Transport and the Environment Committee has reached.

The Transport and the Environment Committee has taken evidence from groups that have an interest in the promotion of fish farming and the sustainability of the fish farming industry. As the committee travels around the countryside, we constantly hear about the importance of the fish farming industry to rural parts of Scotland, and to the west Highlands in particular. We also hear about that importance from people who make representations to us and we receive representations about pollution and environmental damage. There has been a wide-ranging debate and evidence has been taken from a wide section of the community to ensure that, at the end of the day, there is a balanced report.

A key issue that has been highlighted by evidence concerns the involvement of the Scottish Environment Protection Agency. Currently, SEPA licenses the application of chemicals and medicines for use in the fish farming industry. It has been suggested that SEPA should be given a wider remit and have more control of the whole production process in the fish farming industry. The Transport and the Environment Committee is anxious to see progress in that respect.

A reasonable suggestion has been made by various councils and by Highland Council in particular. It has suggested for many years that the control of fish farming should be subject to the democratic process in that particular locality and that the approval for the establishment of any fish farm or applications for an extension of fish farming should transfer from the Crown Estate to the local authorities.

Another suggestion, which may be more controversial, concerns the control of sea lice. We receive a lot of comments and evidence about sea lice causing a significant problem to the wild salmon and sea trout. Anyone who has an interest in the wild salmon and sea trout fisheries up and down the west coast will know that there has been a serious decline in that activity and that it is difficult to establish evidence for the real cause. The fish farming industry produces statistics to show that the decline in the wild fishery, which has been going on for a number of years, started long before fish farming was established. That debate is continuing.

There is a controversial suggestion that the treatment of sea lice not only take place in and around the sea farm cages, but should extend into the whole sea loch system. I am not sure how that could be undertaken. The Transport and the Environment Committee has received that suggestion and will take further evidence on it.

The paper that I have presented to the Rural Development Committee is fairly broad and contains extensive suggestions. The Transport and the Environment Committee has sub-contracted the marine laboratory in Oban to produce a report on the fish farming industry, which is due to come out at the end of the month. We will await the outcome of that report before deciding what the next stage of the inquiry should be. The continuing inquiry should be completed by autumn, when we will have a better indication of the situation.

The Executive, the Transport and the Environment Committee and the Rural Development Committee are strongly supportive of the aquaculture industry in all its forms. They are particularly supportive of the fish farming industry, because of the economy and the jobs that it creates, and that support has been reflected in most of the evidence that the Transport and the Environment Committee has taken. We seek a sustainable fish farming industry that is in harmony with the environment.

The Convener: Thank you. Do members have any questions?

Mr Mike Rumbles (West Aberdeenshire and Kincardine) (LD): The committee's visit to a fish farm yesterday was useful and informative. It was my first visit to a fish farm and I got a lot out of it. I ask John Farquhar Munro to ensure that when the Transport and the Environment Committee takes forward its inquiry to phase 2, it considers specifically allowing movement of fish cages within the loch. At the moment, permission is granted on the basis that the fish cages remain static. As a result, environmental damage occurs directly underneath the cages. Yesterday, it was suggested that if the permissions were relaxed so

that the cages could be moved occasionally, that would allow the bed of the loch to recover. I would like John Farquhar Munro to pursue that issue with the Transport and the Environment Committee.

John Farquhar Munro: When that question has been posed, members of the fish farming industry have suggested that they would like to leave fallow some of their existing sites and to move to new locations within the boundaries of their existing leases. I understand that the acreage that is allocated under the existing leases would allow some movement of the fish cages to new locations. SEPA—the relevant regulatory and licensing body—is rather reluctant to allow that movement to take place. Some of the evidence that we have received has indicated that such movement would be desirable, as it would allow the existing sites of sea cages to be left fallow, which would let the seabed recover quickly.

I see no reason why there should not be a relaxation of the current restrictions, which prohibit movement to a fresh site within the boundaries of the lease. There is a lot of support for that measure. At the outset, I believed that the movement of the cages would perhaps be an additional expense on fish farmers. However, the fish farming people tell me that, on a four-year cycle, they change the whole net and cage systems because they anticipate that four years is the effective life of the net system. They have, therefore, quite a bit of additional expense during the four-year cycle. They would be happy to move to new locations as they do not consider that that would cause much additional expense. There is support for that, so it is likely to happen.

It was also suggested that it was inappropriate for fish cages to be in inland lochs, which do not have a quick exchange of water. It was felt that it might be better to move those cages to locations that were more exposed. The fish farming industry is happy to be involved in such an exercise but is reluctant to move too far from the coast, to where there is more turbulent and more adverse weather.

Fergus Ewing (Inverness East, Nairn and Lochaber) (SNP): I am grateful to John Farquhar Munro for his summary, which set out the issues clearly in principle. Will the Transport and the Environment Committee, in phase 2 of the inquiry, consider the Norwegian model that we heard about yesterday during our visit to a fish farm in Locheil? Fish farmers in Scotland must deal with a multiplicity of agencies—up to eight, I believe—but fish farmers in Norway deal with only one directorate, which takes applications through all the necessary bodies.

I understand that the rules that govern the footprint of each fish farm stem from a 25m rule—for which there is no basis in fact—that is called the acceptable zone of effect. If there is no basis

for the current SEPA rules, it seems to me that there is no basis for applying them. That is a technical matter, but the Transport and the Environment Committee could consider it.

Will the Transport and the Environment Committee also consider the dubious value of the Crown Estates Commission to fish farming in Scotland? I believe that around £3 million is paid in rent for the seabed. No other fish farming nation in the world pays such a rental, for which fish farming receives nothing in return.

John Farquhar Munro: The Crown Estates Commission is a controversial issue. Over the years the commission has taken substantial sums of money in lease rental from fish farming and other aquaculture industries. There is little evidence that any percentage of that revenue goes back into the fish farming industry. That matter would be addressed if the planning regime were transferred to the local authority, as is proposed.

I understand that the 25m rule is also controversial. As Fergus Ewing said, that rule was established in the early days of the fish farming industry. The rule was perhaps appropriate at that time, when fish farming was much smaller. However, it is difficult, if not impossible, to contain activity within a 25m zone, because sea currents change—they do not always drift in the same direction. The fish farming industry has suggested that if it were allowed to follow its sites, even a 25m area would quickly recover. That is a valid argument.

Richard Lochhead (North-East Scotland) (SNP): Fergus Ewing stole most of the points that I intended to make. I welcome the paper from John Farquhar Munro. It is important that we keep a close eye on aquaculture developments. I think that I am right to say that the next big event on the agenda is the Executive's publication of its aquaculture strategy. I suggest that we get the minister before the committee after that strategy is published.

I am seriously concerned about the minister's attitude towards the industry. He let the industry down again at last week's fisheries exhibition in Glasgow. He was to deliver, at the conference, a presentation to the industry and the media, but he pulled out at the last moment.

The Convener: With due respect, Richard, will you stick to questions on the report?

Richard Lochhead: I was about to suggest that we get the minister before the committee to find out his policy and whether he is committed to the industry.

I must reiterate the point about the Crown Estate. It is ridiculous that a Scottish industry

should be accountable to Whitehall. The surplus from the Crown Estate, which comes to £2.5 million to £3 million a year, goes to Whitehall. Instead, that money should come to the Scottish Parliament so that some of it can be reinvested in Scotland's own industries, including fish farming. I ask John Farquhar Munro to reiterate that point.

John Farquhar Munro: That argument has been well made and indeed has been taken on board by the Transport and the Environment Committee. We just have to convince the Executive, through that committee, that the view has been forcibly expressed.

10:15

Mr Jamie McGrigor (Highlands and Islands) (Con): The report says:

"In the long term the Committee wishes to see full implementation of Integrated Coastal Zone Management."

I take that recommendation to mean that we should have a broader-based aquaculture involving more species that are perhaps dependent on each other, instead of having a monoculture. Is that the case?

John Farquhar Munro: Yes. The many coastal zone management areas that have already been designated—I know of one such extensive area in Lochaber—try to encompass all types of aquaculture. Although we are talking in particular about sea cage fish farming, members know that other interests—for example, prawn and shellfish fisheries—are all trying to operate and maintain a viable industry in neighbouring areas. The coastal zone management associations are a step in the right direction to bring harmony into the fishery.

However, we have to take into account other commercial interests that involve trawling and dredging activities. A continuing battle seems to be taking place between sea cage fish farming and, in particular, shellfish fisheries. Steps are being taken to create more harmony between those activities. I understand that up and down the west coast—and especially in and around the Mallaig area—there is now close co-operation. Working practices have been amended to ensure that there is much more harmony than in the past.

The Convener: As no other members have indicated that they have any questions, I thank John Farquhar Munro for his report. As for Richard Lochhead's earlier suggestion, members will recall that we have already asked the minister to come before us when the draft strategy is published. That point has been taken on board.

The committee has also agreed that, until the strategy is published, we should keep a watching brief on the situation. Are members content for John Farquhar Munro to remain as reporter on this issue?

Members *indicated agreement.*

The Convener: I should also thank John for the very thorough way in which he fielded members' queries.

Integrated Rural Development

The Convener: We move to agenda item 2, which is our principal reason for today's visit to Lochaber. The committee is continuing its inquiry into integrated rural development. We are determined to find out what makes for successful rural development and to uncover any barriers to that policy.

This is the second of a series of meetings that we are holding around the country. Yesterday, we visited a number of local businesses and listened to people's experiences. There will be two parts to today's meeting: first, we will hear from some individuals who run local businesses or who have other experiences that are relevant to the debate; secondly, we will hear from two of the main agencies that have local responsibility for promoting rural development.

In between those two sessions, we will have a break from the formal meeting to ask members of the public from the audience for their comments and contributions. I hope that they will feel free to say exactly what they wish. We are very keen to hear their comments. I understand that the members of the audience were given a note when they came in to explain how this will work, but I will explain further when we reach that part of the meeting.

For the first part of the meeting, we have 12 witnesses, whom we will take in three panels of four. We have roughly half an hour for each session, so I ask the witnesses on the panel to give an introductory comment of two to three minutes, following which members will ask questions. I ask the witnesses to try to keep to that short time scale because, to a degree, much more comes out of us asking you questions than out of you telling us what you want us to hear.

I welcome our first panel of witnesses. They are Stewart Maclean from DSM Management, Alan Kirk from McTavish's Kitchens, Hugh Allen from Mallaig and North West Fishermen's Association and Andrew Simpson of Lochaber enterprise forum.

Andrew Simpson (Lochaber Local Economic Forum): Convener, may I make one point? I am from Lochaber local economic forum.

The Convener: That point is duly noted. I thank you for that correction.

I ask Stewart Maclean to kick off.

Stewart Maclean (DSM Management): I have been involved at the coalface of the tourism industry for 25 years. I was also the founding chairman of the local enterprise company, a position that I held for eight years. I thank you for the opportunity to give evidence today, particularly

as we do not have to travel 200 miles to do so. That is very much appreciated.

My evidence to you is based on the assumption that the town of Fort William comes within your committee's definition of the word rural. We certainly consider that it does in many ways. I will highlight three specific points that have affected rural development in the area. One is a result of strategic decisions, one is legislative and one is physical.

I will start with the strategic decisions. Since 1965, a number of decisions have impacted negatively on the economy of Lochaber. The first decision was to transfer the responsibility for tourism marketing of the Highlands from Highlands and Islands Enterprise to the Scottish Tourist Board, along with an annual budget of £2 million. I will leave my colleague Alan Kirk to expand on the effects of that. Next, we lost our district council at the time of local government reorganisation. The loss of our local tourist board followed, with the creation of the Highlands of Scotland Tourist Board. That move was strongly opposed by the industry in Lochaber. Finally, last year, believe it or not, we lost responsibility for appointing our own board of directors to the local enterprise company.

I am not calling for the reversal of those decisions, but I believe that the impact on the economy and on local democracy, as well as the loss of identity of the people of Lochaber, must be acknowledged when national strategic decisions are taken. Compensating actions are required to negate the negative impacts. For example, the transfer of Government or agency jobs to Fort William would be much appreciated.

On the legislative point, small business is not the backbone of the rural economy; it is the rural economy. Legislation and bureaucracy that have been introduced over the past five to 10 years are demotivating and demoralising small businesses. They distract them from the main objects of their business and are time consuming. Bureaucrats who draft legislation do not, in many instances, consider the size of the business. Medium-sized and large organisations have departments to deal with new legislation, but in most small businesses one person deals with matters such as health and safety, assured safe catering, employment law, tax collection and payroll, while still trying to motivate staff and meet customer demands.

On the physical point, I am sure that any of you who travelled to Fort William from Glasgow will have been slightly delayed by the traffic lights that reduce the main trunk road to one lane on the side of Loch Lomond. You can be sure that your slight inconvenience has been multiplied many hundreds, if not thousands, of times for those of us who live and work in the area and in the Oban area. Those lights have existed for 25 years. Is

there another main road artery in the country that can lay claim to that unacceptable situation?

I thank you for your time and I hope that my points may have thrown some light on the barriers to rural development.

Alan Kirk (McTavish's Kitchens): I am a director of McTavish's Kitchens. We operate three restaurants and a regular Scottish show in Fort William with over 100 employees during the summer season. Our business is 90 per cent dependent on tourism. I have been involved in local rural tourism here for many years. Tourism in Lochaber accounts for 35 to 40 per cent of our gross domestic product. The picture is similar across the Highlands.

Tourism is sustainable. International tourism is expected to grow steadily over the next five years. Rural communities and tourism are interdependent: the local shop depends on visitors to make its business viable; the crofter gains income from caravans and camping; and the farmer supplements his income by providing bed and breakfast. Those are just a few examples. Indirectly, we have many service industries, such as banking and insurance, and many tradesmen who depend on a vibrant tourism industry for their livelihood.

A decline in tourism is a major barrier to integrated rural development. A major decline in tourism would result in such things as the local shop ceasing to be viable, income for crofters and farmers returning to subsistence levels and employment in supporting service industries suffering dramatically. Tourism in the Highlands has been in decline for five years. I have presented evidence on the situation in Lochaber to sustain that argument, but it is echoed throughout the Highlands. It is no coincidence, as Stewart Maclean mentioned, that HIE lost its £2.2 million tourism promotion budget for the Scottish Highlands and Islands five years ago, in addition to the loss of eight individual tourist boards which marketed their own areas in the Highlands. Those area tourist boards were amalgamated into HOST.

For tourism to play its major role in integrated rural development, the downward trend must be reversed. The main element of the recovery should be to increase the promotion of the Scottish Highlands and Islands brand. That would have a direct result on increased visitor numbers. VisitScotland has the remit to sell Scotland. Its new marketing team has a vibrant plan to sell the Scottish brand. However, it singularly excludes the internationally known Scottish Highlands and Islands brand. I ask the committee to encourage VisitScotland to include the Scottish Highlands and Islands brand in its portfolio, and to market the Highlands with the necessary promotional resources. That would reverse the downturn in

Highland tourism, and thus address one of the major barriers to integrated rural development. The situation with VisitScotland has recently been exacerbated by the cancellation of a major annual campaign in the UK which, although dated, was particularly successful in the promotion of the Scottish Highlands, as it highlighted the Scottish Highlands and Islands brand name.

HOST is the area tourist board with the remit to promote the Scottish Highlands, and it is one of the area tourist boards that is under the umbrella of VisitScotland. Compared with other area tourist boards with a similar tourism product, it is poorly resourced by our local authority. I have presented evidence to substantiate that point with the other information that is before members today. HOST's budget for marketing is £300,000, compared with HIE's £2.2 million, which has been lost. The local authority's and VisitScotland's contributions to HOST have remained static for the past five years.

The current ATB review should examine ATB funding, and thus address the promotion of rural tourism, which has a major impact on integrated rural development. Rural communities have set up their own marketing groups. They have appeared primarily because of the failure of the area tourist board and VisitScotland to promote those rural areas effectively. A funding programme under the auspices of HOST to assist those area marketing groups to promote tourism in their rural areas would be a positive contribution to integrated rural development. The recent five-year decline in tourism led to the conclusion that it is a serious barrier to integrated rural development. Active promotion of the Scottish Highlands and Islands brand is required to address that barrier to development.

The Convener: Thank you. We move straight to Hugh Allen.

10:30

Hugh Allen (Mallaig and North West Fishermen's Association): Good morning. We are delighted to see the Rural Development Committee in Lochaber. I am the secretary of Mallaig and North West Fishermen's Association. I am a director of the Scottish Fishermen's Federation, chairman of the West of Four Fisheries management group, and chairman of the Fish Industry Training Association.

If you do not mind, convener, in the light of your earlier deliberations, I would like to deviate briefly from the script. The relaxation of planning rules on sites for fish farming is commendable, as is following to reduce the incidence of sea lice, but I ask the committee to bear in mind other users of lochs and sounds in encouraging any such relaxation. As John Farquhar Munro suggested,

local consultation with other users is extremely important and leads to better working relationships. A matter of a small distance can mean quite a lot to an individual fisherman, whether he is a trawlerman or a creel man.

I want to raise three topics with the committee. First, proposed scallop conservation measures have been under discussion—they were devised some three years ago and have lain on the desk at the Department for Environment, Food and Rural Affairs ever since. Now, all of a sudden, conservation measures have become a matter of urgency. However, in the intervening three years, the scallop industry has undergone some traumatic changes, as the committee will know, as a result of amnesic shellfish poisoning and other toxins. We request that all interested parties be allowed to review and revisit any proposed legislation concerning scallop conservation before it is enacted to ensure that it is appropriate. That is not to say that we are not in favour of further conservation measures in the scallop industry. Indeed, we were party to devising the initial proposals. However, we want to ensure that such measures are appropriate before they find their way on to the statute book.

Secondly, we are concerned about the inshore fishing sector and the under-10m sector in particular. The current situation in the under-10m sector no longer bears much relation to what was devised in European Union legislation, which was intended to give relatively free fishing to low-impact, artisanal creel fisheries. Some of the vessels that have moved into the under-10m sector are anything but low impact. I suggest that we should no longer define by length or horsepower the equipment that can be used in certain areas. It is more relevant to measure the size of the gear and the amount of creels or number of dredges that are worked.

A boarding now takes about four hours because the rules and regulations are so fantastically complicated. In the winter, four hours might be half a day's work—and that might be half the only fishing day that week because of the weather. That costs about £500 and yet one might be clear of any offences at the end of it. It would be simpler to relate mesh sizes and the area that one works to the size of one's fishing line or the number of dredges that one has.

Thirdly, as we are talking about integrated rural development, I want to touch on the issue that Stewart Maclean raised in relation to transport. Last year, we had one of our best years in terms of gross income from the boats, but finding crews is still a tremendous problem, because the margins are being squeezed. The gross income bears little relation to what people earn. Insurance and fuel are obvious factors in that.

I will give the committee the example of a vessel with an annual turnover of £600,000. As a result of increases in fuel prices, that vessel's overheads rose by £76,500. To break that down, the cost of maintaining the gear has risen by 21 per cent, the cost of fuelling the vessel has risen by 53 per cent and the cost of running the crew bus has risen by 40 per cent. However, most significant, higher haulage fees—taking fish from the Highlands to other areas where it is processed—mean that income has dropped by 15 per cent, which is a loss of £52,500.

The problems can be addressed in various ways. I am referring to a scallop vessel. The owner's catches came on to the west coast, but were processed in Macduff. Much of what was being transported—the shells, the guts and the mantle—would be discarded when it arrived at Macduff. That applies to other fish as well. If it were possible to carry out more primary processing in the areas where boats come in, that would not only increase local added value and reduce the cost of transport, but retain in those areas much of the profit from the product. Given that fishing opportunities are constantly diminishing, we must capitalise on those opportunities as much as possible.

Factories in places such as Mallaig have been used for primary processing of scallops and nephrops. Those factories were owned by big companies and closed down because a work force was lacking. It is easy to import people to work in an area, but they must have somewhere to live. A work force is lacking in places such as Mallaig because there are not enough houses in the area. Although there is almost full employment in the Mallaig area, it is full employment for a small work force. The problem that I have identified requires an holistic solution, but it needs to be addressed if there is to be any meaningful integrated rural development.

The Convener: Thank you. Last but not least, we will hear from Andrew Simpson.

Andrew Simpson: Thank you, convener and members of the committee. I am the chairman of the Lochaber local economic forum. We welcome the opportunity to attend this meeting and to express the forum's views on some of the subjects that you have highlighted.

Many of the issues have already been covered. There are some truisms. By definition, the maintenance and continual development of rural communities require a sustainable population comprising not only locals but incomers—it must include both. There should be a range of suitable employment. Today we have heard about farming, crofting, fishing and tourism. However, there should be opportunities in manufacturing, technology and the service industry. There should

be an adequate supply of affordable housing, especially for first-time buyers. The provision of local services—shops, post offices and garages—should be actively promoted and encouraged, rather than depressed.

In remote areas such as the Highlands, an adequate transport system that allows and encourages easy and convenient access by road and public transport is particularly important. Local communities should be encouraged—and, more important, allowed—to make a considerable input into planning and policy making.

The Lochaber local economic forum believes that there are deficiencies in many of the areas that I have mentioned. Those deficiencies are considerable barriers to the sustainability—let alone the development—of rural communities in the Lochaber area, especially outwith Fort William. The same is probably true elsewhere in the Highlands. The serious shortage of affordable housing, particularly for first-time buyers, encourages drift away from the area and makes it extremely difficult to attract incoming skilled workers. Employment opportunities are limited, even though, as Hugh Allen said, we have full employment for a small work force. That, too, encourages outward drift.

In some areas, everyday services such as electricity, telephone and water, which are taken for granted in urban communities, are below standard in operation or supply. It is no good expecting the internet and information technology to be the saviour of a rural community if the telephone system cannot handle the traffic or if the electricity supply is subject to frequent power cuts.

Although tourism is a vital part of the total economy in most rural communities, its development should not be at the expense or to the detriment of other industries, such as farming or crofting. The local environment is a living workplace for many people, not just a backdrop for visitors. Without vibrant local communities, tourism will decline even further.

We have heard about the ever-increasing and burdensome bureaucracy to which rural practices and communities are subject. In many cases, the never-ending avalanche of paperwork acts as a disincentive to their carrying on.

In our relatively remote area of the Highlands, as in many others, the current transport infrastructure is inadequate in many respects. Although Fort William and Mallaig have access to the rail network, the use of rail for freight transport appears to be negligible. Other parts of Lochaber are entirely dependent on road transport, but the state of the road network in most of the area is appalling. There is a considerable need for capital and revenue funding to improve road quality,

particularly on the A82 and associated road links. That road is the main route—in most cases, the only route—in and out of the area for visitors and goods, but its current condition is a disgrace.

The inquiry's remit covers European Union policies. I am not going to give a diatribe against the European Union, but the often ill-considered and indiscriminate application of those policies without due regard to local conditions, requirements and abilities can be highly detrimental. In many cases, the extensions and added factors that are tagged on to the regulations by UK authorities go far beyond the original scope of the policy, with regulations being applied in areas where they were never intended to apply. Before any blanket imposition of a policy, there is a need to think about how, when and where that policy should be applied and what its likely effect will be.

Above all, local communities need to be involved. They should be allowed to be involved in policy making, rather than merely being asked to respond to policy implementation from above. In that respect, the forum welcomes the fact that the committee is meeting today in Lochaber. The forum encourages committee members to spend even more time out at the sharp end, discussing and developing their strategies and policies on rural development in the communities whose people's lives those policies will affect.

The Convener: I thank all the witnesses for those statements. We have approximately 10 minutes for members' questions.

Richard Lochhead: I thank the witnesses for their presentations. I first came to Fort William as a tourist. I did the west Highland way 10 years ago—I wish that I were as fit now as I was then. A number of speakers have mentioned tourism. It is understandable that that issue is huge in this part of the world. Our first two speakers said that 30 to 40 per cent of the economic activity in Lochaber is dependent on tourism. Is such a dependence on tourism in the long-term interests of the economy? Do the witnesses think that the emphasis of any economic strategy should be on maintaining that dependence on tourism or should becoming less dependent on tourism be considered?

The Convener: Before the witnesses answer that question, I advise them that most members have indicated that they wish to put questions. If we are to fit those questions into the time available, I suggest that each member direct their question at a specific member of the panel. If any other member wishes to contribute, they should try to catch my eye.

Richard Lochhead: In that case, I direct my question at Alan Kirk, whose business is clearly dependent on tourism.

Alan Kirk: In my presentation, I said that tourism is sustainable. The economic indicators show that international tourism will grow over the next five years. Tourism is a safe industry, according to what the economists say about future development. The committee should consider the tourism industry, because, although it is destined to grow, the figures have been in decline over the past five years and that decline must be reversed.

Richard Lochhead: Can I ask Andrew Simpson to comment briefly?

The Convener: Yes.

Andrew Simpson: I agree that tourism is a vital part of the area's economy, although I am not entirely certain whether it should be promoted above other industries, such as farming and crofting, with which it often goes hand in hand. Tourism will continue to be a part of the operation of a rural area in which farming and crofting take place.

We must promote the other parts of the industry that Alan Kirk talked about, such as the big hotels and restaurants. This is a great area for tourists—people love Scotland, not only because of its beautiful scenery but because of what it is and how it is. As I said in my presentation, if communities die, Scotland will lose part of its tourism industry, because tourists will not come to a dead area.

Rhoda Grant (Highlands and Islands) (Lab): My question is for Hugh Allen, who talked about inshore fisheries. At last week's committee meeting, the Scottish Fishermen's Federation gave evidence on the budget. It talked about the possibility of an enterprise company considering inshore fisheries and finding someone to form links to maximise the social and economic benefit of those fisheries to the local communities. Do you agree with that suggestion?

10:45

Hugh Allen: Yes. Some local inshore fisheries are prosecuted by people who are domiciled in the area. Those fisheries are vital to the local economy. A downturn in fishing is obviously reflected in other businesses such as chandlery, pubs and supermarkets. Equally, a number of vessels visit the area on a seasonal basis. They also contribute to the local economy.

The under-10m sector, which is the inshore fishery, has undergone a dramatic change over the past 10 years—it is no longer the low-impact fishery that it used to be. It is a microcosm of the fishing industry. At one end of the scale, the low-impact vessels are locally based and sustain the local economy. At the other end, some under-10m vessels can now, as a result of technological advances, fish to the same capacity as an old-

fashioned 70ft vessel three times their size. However, those under-10m vessels only have the sea-keeping qualities to work inshore.

We have to take steps to protect the genuine fishery for the local economy by addressing the capacity of vessels to catch fish. We have gone some way to piloting that with the Torridon agreement, with which you will be familiar.

Stewart Stevenson (Banff and Buchan) (SNP): During yesterday's visit, the issue of housing came up frequently. It was said that, for example, a housing plot in Fort William now costs something of the order of £40,000. Today, both Hugh Allen and Andrew Simpson have said that housing is a problem. What underlies that problem? Are the policies on where new houses may be built too restrictive? What other issues could we address to start to solve the problem?

Andrew Simpson: There are several reasons why housing is in short supply. In many rural communities, there is a difficulty with availability of land to build on. There are many reasons for that, including the fact that some landowners do not want to sell and some crofters do not want to release the croft land. I suspect that land is available in Fort William but that there is no budget to build enough housing for the area. I am not certain that I have the answer. All I know is that there are not enough houses. I think that that is due to a lack of available land and a lack of budget for building.

Elaine Smith (Coatbridge and Chryston) (Lab): Convener, will you indulge me and let me ask two questions?

The Convener: If they are brief.

Elaine Smith: My first question is to Stewart Maclean. You say that you are glad that the committee recognises that the town of Fort William is rural. In informal conversation yesterday, I was told that Fort William is not officially designated as rural. I believe that that can cause funding problems. Could you expand on that?

My second question is to Andrew Simpson. You said that, despite the fact that there are reasonable rail links, not enough use is made of them for freight. I understand that a lot of freight goes by road from Fort William to the Freightliner terminal in my constituency of Coatbridge and Chryston. Why do you think that there would be an advantage in transporting freight by rail? Is it merely to free up the roads from traffic or are there other reasons?

Stewart Maclean: My question was whether the committee considered Fort William to be rural. A lot of my points were based on the centralisation in Fort William of tourism and local government, for example. Does the committee consider Fort

William to be rural?

The Convener: I think that the answer to that is yes.

Stewart Stevenson: I am not sure.

Mr Rumbles: If Fort William is not a rural town, I do not know what is.

The Convener: I think that I speak for the committee when I say that we consider Fort William to be a rural area.

Stewart Stevenson: Unfortunately, the Scottish Executive has a series of definitions of what "rural" means, but one of them applies to a town that has a population of less than 10,000 and is more than 30 minutes away from a town with a population of more than 10,000. On that basis, Fort William is not—

The Convener: I am sorry to interrupt, but we are not talking about the legal definition of "rural". There are more than 20 definitions of "rural". The question is whether the committee considers Fort William to be rural. I would say yes and I want us to move on, if we may.

Andrew Simpson: Encouraging freight on to rail will do two things. First, it will take freight off the roads. The ever-increasing size of lorries, especially those that transport fishing industry products, is damaging the roads. It also causes problems to, for example, visitors who are not used to meeting a 42-tonne articulated lorry coming round a blind bend on a single-lane trunk road at 3 o'clock in the morning with a deer jumping out in front of it.

Secondly, as we have heard, fuel costs and the costs of road transport are much higher here than in other areas, because of the cost of getting the fuel in. Therefore, putting freight on to the road in a lorry costs more per unit of freight carried. Fuel costs more up here because it is delivered by road. It seems illogical that in a port such as Mallaig, which has a large requirement for fuel for fishing vessels, all the fuel comes up by road—it would be much better to put it on the rail line. I believe that there are now plans to bring the fuel in by sea. I will tell you a quick story.

The Convener: Please make it very quick.

Andrew Simpson: More than five years ago, an entrepreneur in Mallaig offered the rail company £250,000 of business a year with the sprinter trains, at no cost to the company and involving no extra work. However, the company turned the offer down.

Mr Rumbles: Both Stewart Maclean and Andrew Simpson said that legislation that has been introduced over the past few years has badly affected them. Andrew Simpson mentioned EU policy directives. I would like more detail about

that, because the references were made in throwaway lines and were not specific. Are we talking about measures such as the minimum wage, which was designed to ensure that a fair day's pay was given to working people, or about the working time directive, which is intended to ensure that people are not exploited? I want to know what you are talking about and I would like you to be specific.

Stewart Maclean: I can be very specific. I agree with the principle that is behind your question. Everything is there to protect us. We are questioning the degree of protection and the requirement for that n^{th} degree of protection. Something as simple as assured safe catering produces reams of paperwork. Is it not better to have the right person doing the job properly with common sense than to have someone measuring the temperature of every piece of food that is produced? How many times are such things done after the event when we should, as I say, use common sense to start with and produce the goods properly?

We have to strike a balance. I think that I am right in saying that the minimum wage does not produce any physical extra work, so I did not address it. Yesterday, a lawyer told me that he spends 30 per cent of his time on administration and that he cannot run his business. I have spoken to between 15 and 20 people who run their own businesses and the number 1 item on their agendas is bureaucracy and red tape.

Mr Rumbles: I hear that often.

Stewart Maclean: I gave an example about assured safe catering and health and safety.

Fergus Ewing: I will ask Hugh Allen about his exciting idea of establishing a processing facility in Mallaig, which would be a concrete step forward. Is that workable and achievable? If so, what problems might occur? Since the Scottish Parliament was established, whenever any MSP has asked a witness whether he would like public money, the answer has always been yes, so I assume that Hugh Allen would seek public money. However, I note that the extra haulage costs are high—£52,000 for one vessel—and that when those are multiplied by the number of vessels that operate out of Mallaig, the resulting figure is higher, so could a Mallaig co-operative of vessel owners be formed to self-finance such a project?

Hugh Allen: Such a body could be formed. The vessel that I mentioned is a peripatetic west-coast vessel and does not necessarily land at Mallaig—it seldom does that, but it was a reasonably typical example. Mallaig has had processing factories—the problem is that they no longer exist because, as we have explained, there have been employment problems.

The only way in which to develop in a place such as Mallaig is to reclaim land, which has already been done, but that brings problems. I say frivolously that in about 20 years there will be no Sound of Sleat, because Mallaig will be attached to Skye. That is the only option for creating more housing.

One should not think of Mallaig in isolation. Such problems—or opportunities—present themselves up and down the west coast, from Mull of Kintyre to Kinlochbervie. Virtually all basic primary processing takes place in other parts of the country, on the east coast of Scotland, or in Grimsby and Hull. I often compare Mallaig with Rossaveal in Connemara in the west of Ireland. Both are at the end of single-track roads that go no place else and both are jump-off ports for islands. Rossaveal is the port for the Aran islands and Mallaig is the port for the small isles and the outer isles.

Many years ago, people in Rossaveal considered the ultimate destinations of their fish, which were mainly in Spain, but also in the Province. If customers wanted their cod with its head off in 5kg polystyrene boxes, people in Rossaveal would deliver it in that way. They had a small unit at the end of the pier in which they undertook that basic primary processing and re-presentation. Instead of leaving as a box of cod, the cod left in the form in which it was wanted. Within three months of doing that, the people in Rossaveal had increased the fiscal value of the fish by about 30 per cent. That could be repeated in the Highlands, although several fundamental problems would be faced, including finding people to do the work and somewhere for them to live.

11:00

The Convener: Gentlemen, I am afraid that you are experiencing the eternal problem that there is never enough time for our questions or for witnesses' answers. I thank you for giving up your time to talk to us. The evidence has been valuable. I hope that, if you have time to do so, you will stay with us for the rest of the morning. You will be welcome. Thank you for participating.

We welcome our second panel of witnesses, who will have had the benefit of having seen the first panel in action. I am sure that you have learned that the more you talk, the less we get. Thank you for coming. I welcome Jamie McIntyre from the Sunart oakwoods project, Mairi Maclean, who is representing the crafts industry, Peter Metcalfe, who has wind farming issues, and David Corrigan from Marine Harvest. Thank you for coming to the Rural Development Committee.

Jamie McIntyre (Sunart Oakwoods Project): I am the Sunart project manager, employed by Forest Enterprise on behalf of a partnership

comprising the Forestry Commission, Scottish Natural Heritage, Lochaber Enterprise, the Highland Council and local communities. The Sunart oakwoods project is a successful woodland restoration project, which has from fairly modest beginnings developed into a major initiative. Although it is driven by efforts to conserve and restore the Atlantic oak woods of the area, which are of European importance and are designated a special area of conservation, it also encompasses environmental education, recreation, tourism and wider rural development. Key to its success has been the development of strong working partnerships, particularly with the community, but also between various agencies. That has helped to secure the substantial funding—to date, in excess of £2.1 million—that is required to implement the work programmes.

The initiative comprises several component projects. The main projects involve restoration of public and private woodlands through the woodland grants scheme, the Millennium Forest for Scotland, European LIFE and structural funding, and the Ardnamurchan training and skills project, which is led by Acharacle community council and supported by the rural challenge fund. In practice, all the different projects are integrated, rather than operating in isolation.

Despite the project's success, our experience in Sunart has highlighted various issues that will be relevant elsewhere. In particular, integration between conservation and rural development is key. For a project to be truly sustainable, it cannot rely solely on external inputs—the rural development element that is associated with a conservation project can be very important. That has implications for the way in which both conservation management and rural development are carried out. However, there will always be a need for some external funding. Maintenance funding is a concern for public and private owners of woodland; funding is more readily available for initial investment than for on-going management work.

There have been concerns locally that the area's designation as a special area of conservation—SAC—will prevent development. However, the designation has attracted funding to the local economy and brought jobs to the Sunart area. Hopefully, the concerns that have been expressed can be addressed through the proposed Sunart SAC management forum.

The economics of forestry in remote areas can be difficult. That is particularly true for smaller diameter timber. In that context, wood fuel can represent a tremendous opportunity to make use of a renewable resource for the community's benefit, which will offset fuel imports and provide local jobs. Opportunities were missed in the past,

but awareness of and commitment to the potential of wood fuel are increasing and good examples exist. Dissemination of information through seminars and working groups is combating lack of understanding, particularly about the economics of wood fuel.

Similarly, any local use or processing of timber can increase the contribution that forests make to the local economy. Many potential uses of timber locally, such as timber flooring or cladding for housing, have been poorly understood in the past. However, the level of knowledge is increasing because of various agencies' efforts. Timber flooring and timber cladding are potentially good markets.

Mairi Maclean: I represent a group of extremely pro-community people who have played a small part in the regeneration of Fort William and the surrounding Lochaber communities by pursuing an identified need for a prestigious arts and cultural centre in Fort William. Since 1996, we have been fundraising for a feasibility study to aim for lottery arts funding. I am sure that I have no need to explain to the committee the advantages that would accrue to communities such as ours from having high-quality facilities.

Our project should have attracted enormous support from public agencies. Instead, the local community group found itself chasing countless red herrings and expending enormous amounts of energy in overcoming obstacles that Inverness-based officials put in our way. Grandiose plans were being laid down for a £30 million arts centre in Inverness and a £6 million arts centre for Dingwall, which is 11 miles from Inverness. We came on the scene at the same time to try to access funds from the same pots.

Eventually, the Dingwall project was refused lottery funding, but it was proved that the Lochaber project is strategically justified. However, it took six years of our precious time, as busy members of the community, to discover that. There was also a huge waste of officials' time and an inordinate amount of public funds was poured into consultancies. That is not an efficient way to allocate resources.

Lochaber has an extremely low population density of only four people per square kilometre compared with, for example, 10 people per square kilometre in Argyll and Bute, 10 in the Western Isles, 16 in Shetland, and 20 people per square kilometre in Orkney. Low unemployment figures in areas such as ours are an irrelevance when we cannot keep our talented young people nor attract replacements when the young go.

Development is critical to Lochaber, but it must be achieved by acknowledging the concept of inter-dependence through the establishment of

trade links and trade routes in and out of the area. Perhaps yet another quango is needed, which would, through research, establish developmental priorities and inform and integrate the allocation of resources from all agencies—from the planning department to the enterprise network.

Peter Metcalfe: I come from Loch Avich and I represent a group of people from Kilchrenan, Dalavich and Loch Avich in opposing the proliferation of wind farms in inappropriate places, with particular regard to the Inverliever wind farm, for which there will be an application shortly.

Our concern is that the best sites for wind farms—which should not be called farms, because they are industrial developments on hilltops—tend to be those that are the most picturesque; they are the highest and get the wind. Wind farm turbines range up to 400ft in height. There are about 100 applications for turbine farms—not just for 100 turbines—in some of the best landscapes in Scotland, which are now under threat.

Today, we have dwelt much on the issue of tourism as an integral part of rural development. We have had the events of 11 September and the foot-and-mouth disease outbreak. With respect, the development of turbines on our hill landscapes will be another nail in the coffin of our tourism industry, if we are not careful.

Wind turbines are highly obtrusive. I will not at the moment go into whether they are efficient, because I explored that in my written submission to the committee; all I will say is that they are highly inefficient. Moreover, they cause colossal damage to upland territory because of the way they are installed. For example, it takes 25 lorry loads of concrete to prepare the foundation for one turbine, and on each farm there are three to five miles of ballast road in upland areas where golden eagles, hen harriers and so on can be found.

Wind turbines are meant to conserve energy and produce renewable and sustainable energy, but other ways of doing so, such as solar power, biomass and heat and geothermal energy are less harmful to our landscapes. We hear very little about those alternatives. They are possibly more expensive than wind turbines; they certainly do not receive the same colossal subsidies that the power companies receive for building wind turbines. However, it is possible to produce alternative means of creating sustainable energy by not ruining the landscape, which itself might lead to the ruination of our tourism industry. We cannot afford another such hiccup.

Our small group is not just fighting the installation that affects us. We are involved in similar developments in Skye, An Suidhe and Cefn Croes in Wales. We feel strongly that we should not go down the same path as Wales, which has

been inundated with massive turbines, which has resulted in the potential ruination of its tourism business.

A hundred applications for turbines throughout Scotland is a colossal number. I do not know whether it is within the committee's remit, but could the committee ask the Scottish Parliament to put a moratorium on planning applications for wind turbines while the matter is examined and the Executive decides on its policy on turbines and on alternative forms of energy? At the same time, there should be a proper survey of such farms' possible effects on tourism. Of course, the problem is that we have no history in that respect, which means that we do not know how such construction will affect tourism. However, we do know that tourists visit Scotland to look at hills, not turbines. Some parts of Germany have already discovered the cost of erecting turbines, because tourism in those areas has fallen by 20 per cent. Again, I ask the committee to approach the Parliament to obtain a moratorium on planning applications and to have a parliamentary committee examine alternative forms of energy and the effects of turbines on tourism.

David Corrigan (Marine Harvest): I am the assistant manager on one of Marine Harvest Scotland's seawater farms and have been employed by the company for almost 18 years. In common with the majority of Marine Harvest's fish farms, we are situated at the heart of local communities throughout the Highlands and Islands and are fully aware of the importance of working together with various groups. Like many other Marine Harvest employees, I have been and still am actively involved in supporting organisations such as village hall committees, school boards and community councils.

In some of the remotest areas in the Highlands and Islands, Marine Harvest and its staff show great commitment in supporting emergency services such as the Royal National Lifeboat Institution, the coastguard and the fire brigade, the latter of which has 30 Marine Harvest employees as volunteer firefighters. A statement from the Highlands and Islands fire brigade says:

"Local companies who release their employees at any time to attend emergency incidents certainly contribute to the safe well-being of the local community. Employers like Marine Harvest do provide a valuable pool of workers".

I do not want to touch on issues that were raised in the committee's first agenda item; I did not realise that the committee would be discussing a report on aquaculture. Instead, I will say that I have seen many changes in Marine Harvest in the past four or five years. Staff have a more professional approach to fish farming and are more aware of their environmental responsibilities and duties toward the farms and surrounding

areas. Most of our farms are encouraged to ensure that their employees are involved in wildlife. For example, they have books in which they make daily or weekly notes about wildlife. Those books are audited every two to three years by an independent auditor.

You talked about the legislation that surrounds fish farming. Marine Harvest has been putting forward proposals for a new site for two and a half years. If that site had been given the go-ahead about two years ago, five full-time jobs would have been created in a small rural township. Eight different legislative bodies surround fish farming. If those bodies were integrated into a single body, that would surely speed up the development of fish farming.

11:15

Marine Harvest is owned by a Dutch company called Nutreco. Nutreco has been very professional in its approach during the past two years and has invested almost £25 million. If sites such as those that Marine Harvest is trying to open up are held back for much longer, part of that investment will go elsewhere—in other words, to Ireland or Norway. Once again, Scotland will be left behind; someone is always waiting to fill the gap.

The committee has not heard a success story from any of the witnesses, so I will finish off with a success story that has been promoted by Marine Harvest staff and supported by the company. So far, the company has invested £25,000 in the project. We go round schools in the Highlands and Islands and tell schoolchildren what we do. We have been to 70 schools and have spoken to 4,000 pupils and 700 teachers. The feedback that we have received, from the Western Isles down to Lochaber, has been extremely positive.

The Convener: Thank you. You are right—we want to hear about the success stories and it is nice to hear about an initiative that is obviously worth while. I will stop the session at half-past 11, so I ask for brief questions and succinct answers.

Mr McGregor: My question is for Mr Metcalfe. The remit of the committee is integrated rural development. Why do you believe that wind farms are damaging to integrated rural development? Please enlarge on some of the alternatives that you mentioned, such as geothermal electricity from Iceland.

Peter Metcalfe: First, I assumed that the committee's remit was not simply to recommend ways and means of bringing about sustainable renewable employment. Surely the opposite goes hand in hand with that. In other words, if developments that are positively harmful to a rural community take place, is not it part of the

committee's remit to object to such developments? Tourism is part and parcel of a rural community and, in my opinion, turbines will result in a drop in tourism.

Among the alternatives that I mentioned is geothermal energy. It is interesting to know that about five years ago Iceland offered Scotland—via geothermal heat—all the supplies of clean, sustainable energy that it wanted. An offer was made to build a plant in Iceland, the pipeline across the sea and a plant in Scotland. That did not happen. A contract for a continuous supply of clean energy was going to be negotiated with two Scottish power companies. We would not be talking about wind turbines if that had happened. I do not understand why it did not happen.

One of the best alternatives to wind turbines is geothermal heat—heat that has already been established and which is stored in the soil. Geothermal energy is within the committee's remit and the technology is up and running down south, but does not appear to be up and running up here. One could establish central heating systems by using geothermal heat. Those systems could replace conventional central heating systems, which contribute to emissions through the use of gas, electricity and so on. Such a system is available in most people's gardens. It is a matter of installing the right apparatus—a heat exchanger plus a heat pump, which uses one kilowatt of electricity and pumps out four kilowatts. If that is not a saving, what is? Through the Scottish energy efficiency office, grants are available to local councils to investigate such energy. Local industry could benefit from that as well as from other measures, such as increased insulation and economic lighting. All those measures could replace the massive overreaction that is the installation of wind turbines.

Mr Rumbles: I would like to pursue that point. Everyone accepts that there needs to be a huge leap in renewable energy resources; you identified several alternatives to wind power. However, wind power is part of Government policy—it is Government policy to access all renewables, although wind power might be the most controversial of those. I do not think that many people do not want to go down the route of wind power, but the problem is the choice of locations. I understand from your presentation that you are opposed not to wind power per se, but to the location of the wind farms or "industrial developments", as you described them.

At the moment, decisions on the location of wind farms are down to local people and the councils make the decisions. I can give you an example. Meikle Carewe, which is on your map, is in my constituency, and the proposed farm has been refused by local councillors because of the

location. Surely that is the best way forward—decisions must be left to local people who know their areas best.

Peter Metcalfe: I take your point. If local authorities worked as they should, there would be no problem. However, you mentioned Government policy and it is Government pressure—from the top all the way down—that means that such issues are not handled as they should be. There is a great danger that, because wind power is so popular and green, wind farms will be pushed through at local level, because that is Government policy. If the green paper goes through at Westminster, the planning laws in England will be revised drastically so that what the Government wants, the Government will get. I am anxious that we do not go down that route in Scotland.

Fergus Ewing: I was interested to hear what David Corrigan had to say about taking information out to schools. That sounds like an excellent initiative and I congratulate him on it. We all want to see fish farming in Scotland grow, but in a way that is environmentally sustainable. I do not think that anyone denies the self-evident economic benefits and essential nature of fish farming to communities such as Ardgour or Lochaline. The argument now is about claims and counter-claims, particularly the allegation that has been made by some people that fish farming per se is bad for the environment.

I know that David Corrigan is not here officially to speak for Marine Harvest. However, as someone who works in fish farming, what would be your response to the most serious charges that have been levelled by some, which are that sea lice are out of control and that the pollution of the loch bed has caused irreparable damage? What is your practical experience of those issues?

David Corrigan: We went to schools before the official school programme took off and, after explaining that our nets were 10m deep, there was one question that I found very hard to answer. The children would ask, "How do you know when to stop feeding the fish, because you can't see down as far as 10m?" Part of Nutreco's £25 million investment is in underwater cameras, which allow us to monitor all the pellets and ensure that they reach the fish and do not go through the bottom of the net. We have also employed an environmental manager, who advises us on best working practices. The quality of the staff and their awareness of the importance of the environment represents a big step forward.

Legislation is a factor in relation to the sea lice problem. Marine Harvest works closely with different organisations to produce medicines that are more acceptable to the environment. However, while Norway can come in, take the ideas away and within a year administer the medicine on its

farms, four or five years down the line, Marine Harvest Scotland and other companies in Scotland are still waiting to use those medicines.

Rhoda Grant: I would like to ask Mairi Maclean a question. It is rare that we are asked to develop a new quango. What elements would you want to be better integrated among the agencies to make your role easier in pushing ahead with your project?

Mairi Maclean: We would like the Scottish Arts Council, Highlands and Islands Enterprise and the local authority to be better integrated. As I see it, a central quango could identify the need. At the moment, we are seen as very small fry as regards the development of quality facilities. It is considered that such facilities should go to the central area of Inverness or thereabouts, but that takes resources away from less populated areas such as Lochaber and damages the infrastructure here. The role of such a central quango would be to identify the developmental deficiencies in areas such as this and to advise bodies to target their funding appropriately to deal with those deficiencies.

We have to increase the population in Lochaber. Maybe we have bottomed out at four persons per square kilometre. As the committee heard, it is difficult to develop value-added products in the fishing industry without people living in the villages where canneries might be sited, and it is difficult to create manufacturing industries without the people to work in them. We have a serious infrastructure problem in the area; that must be addressed. The centralising forces that we have currently to deal with are increasing the damage, probably unbeknownst to them, and the area is no longer attractive to talented young people. They leave and no one is interested in replacing them.

Elaine Smith: I would like Jamie McIntyre to comment further on how he sees the woodland project fitting in with integrated rural development. What is the project's potential for job creation?

Jamie McIntyre: I would like to preface my answer by disagreeing with David Corrigan. Everyone involved in our project considers it to be a great success story, and we have some very good working partnerships. Of course, there are agencies involved in oiling the wheels of finance but, more important, we have strong working partnerships with the community. We have links with community councils and also with local private woodland owners and forestry contractors. That is one area in which there has been a positive change in terms of employment, partly as a result of the training project that I referred to. The management work of the project provides opportunities for people to use their skills. When the community was first consulted on the project, there was strong feedback not only that the work

should go ahead but also that, as far as possible, it should create work for local people, not only in tourism but in forest management.

At that time there was a skills problem. Forestry contracting typically requires training and certification for many management operations. That skills gap was addressed through a pilot project, followed by the main training project, which has trained dozens of people in various forestry skills. Obviously, not all those people have remained involved on a full-time basis. However, we estimate that between three and six contractors are working on Sunart oakwoods project work at any time and we can attribute their existence—if I may call it that—to the project and its beginnings in the mid-1990s.

11:30

Richard Lochhead: I would like to direct my question to Mairi Maclean. The committee always faces a problem when it goes out and about to take evidence—many of the people to whom we speak either run a business or work for a business agency and it is often difficult to gauge the opinion of local communities. We have heard from the business community this morning that 30 to 40 per cent of the local economy is dependent on tourism. The business sector seems happy with that and therefore seeks more support for tourism, which is understandable. However, there is often concern about the quality of jobs in tourism—they are usually low paid and seasonal. Can you give us an insight into the views of the local community and whether the agenda of the local community is the same as that of the business community? Do you think that the tourism sector is the long-term future of the local economy and its sustainability?

Mairi Maclean: The tourism industry is very important. We all do a bit of bed and breakfast or whatever on the side. However, the area needs much more than tourism. We could do with one of the Scottish Executive departments being relocated up here. We are actually very close to the central belt—that is our main market. If there were big improvements to the roads and the transport network, we could form a good centre. There is easy access to the whole of the north-west Highlands, yet we are just on the doorstep of the central belt. It would be a good place to put a Government department and would help to increase our population. Fort William and the villages of Lochaber should be looking to double their population in order to achieve the population levels of Argyll and Bute and the Western Isles. That is an indication of how big the population drift has been. Some of it is historic and has never been properly addressed.

The Convener: On that note, we will draw the evidence from this panel to a close. Thank you for

taking part and for giving us your time.

We move on to our final panel of witnesses, whom I welcome to the meeting and thank for attending. We have Kirsty McLeod from Glen Gloy Estate; Hughie Donaldson from the Initiative at the Edge; Aidan McEoin; and Maggie Fyffe, who is no stranger to the committee. I ask Kirsty McLeod to lead off with a brief presentation.

Kirsty McLeod (Glen Gloy Estate): I thank the committee for coming to Lochaber and for giving us the opportunity to discuss rural development at a local level.

Development in a rural context usually implies building of some sort, but the management of land is also development. My husband started 13 years ago with two shepherds and a flock of hill sheep. The business at Glen Gloy now supports four men and part-time labour, and is based on hill sheep, beef cattle, pedigree sheep and cattle breeding, deer stalking, grouse and game shooting, commercial forestry, native woodlands and self-catering. At one time, we also had a rainbow trout farm in Loch Lochy. I need hardly add that the trading conditions for almost all those sectors are volatile.

However, there is a view that such an approach has had its day and that the individual and his relationship with the bank should be replaced with the community funded by centralised state aid. There is also a gravely mistaken view that sectors such as farming and forestry are entirely funded out of the public purse. That is not so. I welcome any individual private investment that helps to maintain the bond between Highland people and traditional land use by creating useful employment. If we can spend thousands on corncrakes and oak trees, surely we will use every available means of investing in one of western Europe's rarest rural cultures. I am aware that there are sectors represented in the room today that are not subsidised by the public purse, but I am speaking from within the context of the common agricultural policy, in which all farmers are involved.

As we have heard this morning, with any building and processing, we immediately come up against central bureaucracy and regulations. For example, to develop our farming business further, we considered turning an old building into a farm shop, which was ideally located beside the A82. However, consent was refused, not by the local planning authority—which was enthusiastic—but by the roads division of the Scottish Executive development department, which claimed that there was a danger to the public from the adjacent trunk road as they might cross the road to look at Loch Lochy. I wish now that we had had the traffic light that Stewart Maclean referred to earlier. Unfortunately, the particular stretch of the A82 on

which we wanted to site the shop is probably the best in the whole network. Such an attitude could severely curtail development in Lochaber, where all essential services such as roads, electricity, telephone, water and a lot of housing share the same corridor space because of the restrictions imposed by the hills and lochs.

Although there is plenty of room for more rural development, I have a thought for the committee to consider: a surprising number of people—from the recreationalist who wants wild landscapes to the householder who moves into the Highlands determined that nothing there will change—do not want such development. Everything is rigidly zoned, including huge areas for the conservation of wildlife or what is called the wider public interest. What about the local public interest?

We have our work cut out for ourselves if we want to turn the situation around and promote places such as Lochaber as living, working, developing areas. As yet, there has been no definite lead from the Scottish Executive; there has just been a frightening increase in the influence of experts, consultants and quangos.

Hughie Donaldson (Initiative at the Edge): I thank the committee for visiting Lochaber. I also want to thank Mr Thomas for distributing my handout to the committee, and I hope that all members received it. Given the time, I will be brief just now and hope that we can return to any questions that members might have about my submission.

On the issue of barriers, after six years of campaigning by the community, the North of Scotland Water Authority announced recently that no public water supply would be established in the small village where I live. That decision speaks volumes for the fact that the private sector—as it is now known—does not want to get involved in development unless it comes down to strict pound per head criteria. It has proven almost impossible to get BT to invest in the infrastructure of a remote rural location.

We also have problems with time scales for investment in rural locations, as investment is planned for five, 10 or 15 years down the line. However, policy—and the Government—might have changed when we get to that delivery point. People in rural locations, such as where I live, feel disfranchised when planned investment does not happen. They feel that they are being ignored and marginalised. I think especially of the Government's policy on education and the upgrading of local schools. Where I live, two of the four primary schools have closed in the past 15 years. In the past 12 years, our local village school has fallen from the top of the capital-funding list. The school has put in a bid for a public-private partnership that might take eight years to deliver.

That would mean that it would have taken the school 20 years to get to that delivery point.

I do not want to be too negative. Some successes have happened, through my work locally with the Initiative at the Edge and through the community council. The Loch Sheil Jetties Trust was set up locally to safeguard public interests in Loch Sheil. In Kilchoan, within 12 to 15 months, we will have a new playing field next to the new community hall. Acharacle community council set up a small company that has recently purchased the local post office, tea room, and shop, and the house that the postmaster lived in. The house has been transferred to the local housing association as a unit for rent within the village. I am also a director of the Highlands Small Communities Housing Trust and I would welcome questions that you might have on housing issues.

On the future and the committee's wish to establish integrated rural development, there are possibilities for integrating local projects with the help of agency effort and the Executive. A project that is coming to the fore is the establishment in Ardnamurchan of an outreach learning centre for the university of the Highlands and Islands. We have a centre in Ardtoe, but it is a research centre only and is difficult to access. Research students take priority over anyone else who wants to access that facility.

There is a real chance of integrating all agency and authority effort with the Executive and delivering that locally with a ground-up approach. As Jamie McIntyre said, in the Sunart oakwoods project's presentation, Acharacle community council has demonstrated that there is a need—of which the Executive has taken note in the past, I believe—for a training and skills programme that is funded by the rural challenge fund. We are making a bid to the rural challenge fund to develop that programme with a further training regime that would develop small business skills.

It was nice to note in today's paper the comments that the First Minister made in the Western Isles yesterday. He said that we should be looking at a smart, successful Scotland and that the Highlands and Islands should take part in that. I stress that we have areas on the mainland that are equally as needy as the western and northern isles.

Aidan McEoin: I address the committee as a parent and as a member of the Rum community. My partner and I moved to Rum in 1999. My partner is employed by Scottish Natural Heritage, which is the main employer on the island. I successfully ran, for two and a half years, the only shop on Rum. The shop is now owned and run by the community association.

On integrated rural development, I would like the

committee to take on board the fact that I can live on Rum only if my partner remains employed by SNH. The only current employment or business opportunities on the island are through SNH.

My two children, aged five and two and a half, do not at present have the right to live on Rum, if they so choose, once they have completed their education. There are no future prospects for them on the island. I would like the democratic processes of the community to have a real say in their future. In the past three years, the community went from 19 people in 1999 to 43 in 2001, and then from 27 later in 2001 to 32 in 2002.

The process of SNH engaging in sustainable community development on the island has foundered through the inability of environmentalists to relinquish the control that would empower people to gain autonomy in their own lives and grow as a community. From the onset of SNH's statement of intent in 1999, the community has sought actively to work in partnership with SNH and the environment. I welcome the positive step taken by SNH's north areas board last Tuesday, when it rejected a paper on socioeconomic development on Rum and requested that the paper be revised with real community input and that community representatives be allowed to present in person the community's real aims and aspirations to the main board of SNH in May.

11:45

Maggie Fyffe (Isle of Eigg Heritage Trust): I am company secretary of the Isle of Eigg Heritage Trust. Five years ago, when the trust became the island's owners, most of the barriers to development were removed. Having secure access to land and buildings has enabled us to create a number of community businesses and to provide opportunities for individuals, especially young people, to develop their own business ideas. As a result, a significant number of employment opportunities have been created, which has greatly improved the island's economy and helped to increase community confidence.

By its very nature, the Isle of Eigg Heritage Trust is a partnership. In every project that the trust has undertaken to date, partnerships have been formed with relevant organisations that have the skills and experience necessary to ensure the success of the project. Through that integrated approach, we have been successful in accessing funding for the various initiatives undertaken on the island. A good example is the island's building company. Many of the tenanted properties that are owned by the trust would have been regarded as below tolerable standard. Working in association with Lochaber Housing Association, the Highland Council and Communities Scotland, we have put together a rolling programme of works. So far,

three properties have been totally renovated and another three are in the pipeline. That has had major benefits; it has improved tenants' living standards and improved trust property, and created three full-time jobs and a part-time supervisor's job. The construction company is now attracting smaller contracts from outside bodies, as having work done by local labour is proving far more cost-effective than bringing in mainland contractors. Further work could also become available in future, and there are plans to provide building plots to encourage young people to return to the island.

Access to funding is never as easy as some people would have you believe. Initial contact with lottery bodies in London produced sometimes confusing mixed messages. The situation has been much improved by the creation of regional offices, and the community land unit has been a great source of help and advice, especially as it is now the first point of contact for applications to the Scottish land fund. We are also lucky to have access to organisations such as Voluntary Action Lochaber and the Lochaber Communications Network for advice, practical training and facilitating networking.

Funding for development co-ordinators is crucial in the early stages of any community project. It would be more realistic to extend beyond the standard three-year period to allow time for an exit strategy to be developed. The work of volunteers should never be underestimated. If possible, the value of their time should be included as matched project funding. There is already co-operation among the funding bodies, but that could be further improved by the creation of a one-stop shop to assess applications and identify the most appropriate funding source.

There are still remaining difficulties. Freight charges add considerably to the cost of everything that is brought to the island but, with work already started on the new pier, we will be able to buy in bulk in future, with deliveries being made by lorry. That means that freight costs should be significantly reduced, as we will be paying the cost of transporting the vehicle as opposed to the cost per tonne. The area transport forum has made inroads into providing more joined-up travel, but it still takes two days to travel to the small isles by public transport from Inverness, Glasgow or Edinburgh.

Not having mains electricity presents many problems, as the use of diesel generators is by no means ideal. The trust has a commitment to providing renewable energy where appropriate, and one micro-hydro facility already provides most of the power needs for the Pier Centre. A further micro-hydro scheme, which is intended to provide power for a cluster of five houses, is under way.

The current difficulty in finding suitable accommodation for secondary students attending Mallaig High School is a great worry for parents in the small isles and Knoydart. To address the situation, the Highland Council proposes to build a hostel in Mallaig through a public-private partnership. I understand that the application to proceed with that is before the Executive. If successful—we certainly hope that it will be—that will result in the completion of the hostel by 2005.

A small island is a naturally defined area and no part of island life can be seen in isolation. An holistic approach will be demonstrated in the preparation of a whole-island plan, which will in effect be a business plan for the next five years, and which will serve as a tool for monitoring and evaluation. We hope that the council and other bodies will accept that whole-island plan as part of the community plan for the whole area. I thank the committee for the opportunity to attend the meeting and to give our views.

The Convener: Thank you all. We have 10 minutes for questions.

Fergus Ewing: I had the dubious pleasure of waking up to the tones of Mohammed Al Fayed on the radio this morning. He was expounding his views about how many MSPs, I think including me, are mad communists, a charge—that I am a mad or any other variety of communist—which I do not think has been levelled at me before.

I want to ask Aidan McEoin about community ownership. I was concerned—as we all have been—to hear about the decline in Rum's population. As you know, Aidan, I have been trying to stand up for some of the other residents on Rum, and I feel that SNH's inability to relinquish control is a serious problem. Is there an appetite on the part of the remaining residents of Rum to go for community ownership?

Would a lesser option, such as the ownership of parts of Rum—perhaps Kinloch—suffice? Do you see how the multifaceted role of SNH, as landowner, hotelier and sole employer—as opposed to what many people view its role to be, which is as adviser about the environment—means that it is in a hopeless conflict of interest or series of conflicts of interest, which may be impossible to resolve until it reverts to being an advisory body on environmental matters?

Aidan McEoin: Following its statement of intent in 1999, the community has been at great pains to point out that we have wanted actively to work in partnership. I do not think that ownership is an issue right now. We have to get the basics right first.

The redesignation of the area of Kinloch would go a long way, first, towards the community empowering itself and proving that it can control its

own destiny and, secondly, towards our working in partnership with outside agencies other than just Scottish Natural Heritage. There has been a very successful partnership with Lochaber Enterprise recently. The shop has been purchased and is now in the community's hands. It is running successfully and it is being properly managed.

I have said that I do not think that ownership is an issue on the island, although autonomy is a very real one. I might have to send my children to school for seven years and then leave once they finish school, because they do not have a home to come back to even if they choose to return. There is not a choice about that at the moment. The problem does not lie in attracting people with skills to the island to set up a permanent base there as such; it is in keeping them there. At the moment, we have no opportunity to address that issue.

Mr McGrigor: As a farmer and a producer who lives in the area, can Kirsty McLeod think of any ways in which added value can be brought back to products from the area, perhaps through niche marketing, which could bring more wealth into the area?

Kirsty McLeod: Lochaber, as members can see out the window, is a fairly wild terrain. What we produce here is young lamb and beef, which then have to go down to the low grounds to be finished and fattened. That in itself imposes limitations on what can be done with animals here.

One option, which I believe has been attempted, is to develop initiatives such as marketing our own Lochaber lamb. The problem with a niche market, however, is that it has to be unique. The situation is the same as in organic farming: the more people who compete in a mass market, the less unique the product is and the lower the price is. We cannot therefore have Lochaber lamb, Argyll lamb, Shetland lamb and so on. I am not saying that that would not be a useful ingredient in organic farming; indeed, it would be extremely useful.

Capital will be needed and there will be a lot of bureaucracy—the moment we move away from a set-up that involves only a shepherd and a dog and we start thinking about slaughtering animals, smoking them and marketing them, we are immediately up against bureaucracy and costs.

Lochaber is an area that produces the basic raw material for the sector. There is still a good living to be made out of the basic raw material, but the problem is that markets such as the sheep and cattle markets are riven with politics—we all know what the French are doing, for instance. Various political concerns in the UK keep driving the price down. If we looked more positively at the basic raw material, all our incomes would immediately come back up.

Richard Lochhead: In the current age of

absentee landlords and multinationals that come and go at the drop of a hat, the committee welcomes the bottom-up strategies that have been discussed in terms of economic security for rural communities. How can it be made easier for communities to develop bottom-up strategies and take ownership of their own initiatives?

To what extent do communities in Scotland share information about that with each other? There are many good examples of initiatives throughout Scotland—you have mentioned some today—but I would like to know how other communities can learn from those experiences. Are there any mechanisms in place to allow that to happen?

Hughie Donaldson: The bottom-up strategy appears to be best option. It engages the community, gives people a goal to aim for and makes them feel included.

I have worked with the community council and as a development officer for the Initiative at the Edge and am aware that the integration of that work with social inclusion has already started. The social inclusion partnership operates within Ardnamurchan just as it operates in Kinlochleven and Fort William.

On sharing information, the Initiative at the Edge used to organise an annual conference, which proved difficult for large numbers of people to attend. However, as the Initiative at the Edge has changed, development plans that are based entirely within the communities that they concern have slowly been drawn up. Maggie Fyfe has been involved in such a plan for Eigg.

To develop such a plan, we pull information from various places. That sets up links and contacts through which people interact, as happens throughout the crofting counties. Those are all agencies that help. The ability to interact with agencies and authorities in starting the next phase of the process is critical. We must ask whether an agency or authority has the human and financial resources to deliver what the community wants. If it does, what time can it devote to that and does it have the support of the Executive in making that happen? I am not sure whether that is the integration about which you asked.

Rhoda Grant: You mentioned housing. Many people have talked about the supply of housing for those in the area, and about bringing in employees and adding value. What are the issues on housing and how could we tackle them?

12:00

Hughie Donaldson: The main issue is the availability of land, on which previous speakers have touched. The single biggest barrier to the

supply of land is the right to buy, which has diminished the local housing stock and has deterred sympathetic landowners from making land available. The issues are the right to buy and the bureaucratic burden on organisations, such as the Highlands Small Communities Housing Trust, which must become registered social landlords to implement the right.

One house makes a big difference in a small community. We cannot even guarantee that one house will be available because of the level of bureaucracy that is pushed on to small organisations. For two years now, the Highland Small Communities Housing Trust has been negotiating with the Executive at Victoria Quay to try to circumvent having to become an RSL. That has recently proved possible with the help of Communities Scotland, which replaced Scottish Homes. All that we are now doing is waiting for the next blow to arrive, because we know that something else will happen.

We must provide housing in our rural communities for our young people and to look after our older people, who may be living in not sub-standard, but inappropriate, accommodation. If we do not do so to enable us to recycle all the stock, we are not making any progress.

The Convener: Thank you very much. I am afraid that we must bring this part of the meeting to a close, although that is slightly unsatisfactory, as we could go on longer. We would much rather hear some of what you have to say than nothing of what you have to say. I appreciate your coming very much. I know that members had more questions to ask, but we have no choice but to finish at this point.

12:01

Meeting suspended.

12:35

On resuming—

The Convener: We now resume the official part of the meeting and move to the final item on the agenda.

We are going to hear from representatives of two of the main local agencies that have responsibility to promote, support and deliver rural development. I welcome Jackie Wright from Lochaber Enterprise and John Hutchison, who has become a lifelong friend of the committee in the past two days. It is nice to see you again, John, and I thank you for the hospitality you have shown us.

I ask you for the briefest of introductions and we will then open for questions.

Jackie Wright (Lochaber Enterprise): I am the

chief executive of Lochaber Enterprise. I have lived in Lochaber for more than 20 years and worked with the local enterprise company for 11 years. I make that point because, when you live and work in a rural community, the issues of integrated development challenge you at work, and they affect the way that you live. It is far less easy to separate the two in the way that you might do in a city. We have heard several personal examples of that this morning. We all welcome the committee's interest in our area and in the barriers to integrated development that we experience.

I circulated the graph that several people have spoken about this morning. It shows the unemployment levels in Lochaber from 1983 to March 2002. You will note that, over that period of time, unemployment has fallen from a high of 16 per cent in the mid-1980s to last month's figure of 2.6 per cent. You will also note that, over that time, although we have seasonal fluctuations, they are less marked than they were in previous decades.

Unemployment statistics are only one macroeconomic measurement of the health of an area. I accept that we, in common with the rest of the Highlands, still have a gap in gross domestic product compared to the rest of Europe. However, our area is significantly stronger than it was in the 1980s. One reason for that is our integrated approach. That approach is not just about people like John Hutchison and me—and others that you have met this morning—talking to each other. Our partnership approach is based on harnessing economics, community skills and environmental effort on the issues affecting our area. I have two examples of that, but I will also give you my views on the barriers that exist against the backdrop of that good practice.

First, as you are aware, from 1994 to 2001, the objective 1 programme operated in the Highlands and Islands, bringing more than £200 million to the area. On a population basis, you might have expected Lochaber to secure some 5 per cent of those funds. Lochaber organisations secured more than 12 per cent of the programme. That enabled major regeneration work to be undertaken in Kinlochleven in advance of the aluminium smelter closing. More than £4 million was invested in the village, which made the project one of the largest funded by both public and private sectors in Lochaber. The economic base of the village changed, employee skills were addressed, environmental improvements were made and community facilities created. That approach is not serendipitous. It comes about through commitment, planning, hard work and, mainly, the harmony among local agencies, organisations and the private sector.

Another example is the establishment of Lochaber College, a broker for training and

learning locally. That is a £1.4 million project, funded through the European Union, Lochaber Enterprise, councils and the private sector. We believe that Lochaber College is an exemplar of its kind. Although it is in its infancy, it has some 2,000 students throughout its campuses. It has a campus in Fort William and campuses in Mallaig, Kinlochleven and Kilchoan.

However, Lochaber College needs more than the local agencies and the private sector can give it, which brings me to three barriers that I would like to highlight. The first concerns learning. We need recognition of, and a solution to, the problem that it costs more to teach or train people, especially in further and higher education, in rural areas. We have ensured that, where possible, Lochaber College's learning centres are combined with other community facilities, but that alone will not make them sustainable. Now that the learning revolution is here, we ask you to accept that the costs are higher in areas such as Lochaber. If you do not, we will continue to see disadvantage through rural location, which is an issue that none of us here can address.

The second barrier concerns telephony, a subject that has already been mentioned. You might say that e-learning is part of the solution costs, but students still need mentoring and tutoring. We also presuppose that everyone has access not only to computers but to modern, consistently available, telephony. It is an irony that, at a time when my colleagues in HIE are rightly dealing with the complexities and opportunities offered by broadband, areas of Lochaber are still served by ancient phone lines and ISDN is still a pipe dream. People in those areas will not access e-learning and they are further disadvantaged. As an important aside on telephony, if a business or a resident in Kilchoan wants to phone someone in Fort William, they must make a long-distance phone call. We must find ways of ensuring that profit and return on capital are not the only reasons for phone companies investing in areas such as Lochaber.

Finally, in a rural community, the lines between business development, community work, transport and infrastructure are imprecise; at the same time, the lines are absolutely interrelated and impact on that community's relative strength. However, it seems to us that the further away someone is from that community, the more clearly they perceive dividing lines. Issues are either economic or environmental, transport related or whatever, and funding follows the appropriate outputs linked to those.

It is vital to us all that Government departments and committees operate in an integrated way so that, for example, decisions on which ferries to include in Caledonian MacBrayne's undertaking

are viewed in the broadest economic sense. It is important that the issues that I have raised about the cost of delivering learning are considered not only by the Enterprise and Lifelong Learning Committee, with which I have raised them, but by committees such as this, which have an interest in rural development.

Rural development has been integrated strategically in Lochaber and we are stronger economically for that. We are not perfect, as you have heard. There are barriers to continued progress, but we must make progress. Standing still is not an economic option for us. There are further major developments to be undertaken in Lochaber. I hope that your visit will convince you that it is a positive place in which to invest further private and public funds.

The Convener: Thank you. Over to you, John.

John Hutchison (Highland Council): Thank you for your complimentary introduction earlier. I am the Lochaber area manager for Highland Council. I have worked in Lochaber for 27 years. As well as overseeing all council services, area managers have responsibility for developing partnerships with colleague organisations. I am responsible for the social inclusion partnerships in Lochaber. I work in the Iomairt aig an Oir—the Initiative at the Edge—and represent Highland Council on the national management group of the Iomairt. I am also extensively involved in several community companies, including those in Eigg and Knoydart.

I endorse Jackie Wright's comments to the committee and associate myself with them. I have taken your remit literally, convener, and have circulated a table with my covering notes. In an objective way, I have tried to tease out the issues that affect rural development in Lochaber—the barriers and some possible solutions. Perhaps you will take those notes away with you. I shall emphasise six or so issues.

First, as you have heard many times this morning, the A82 is of major importance to us. We are aware of your views on the A75, which you touched on last night. The A82 affects not only Lochaber, but the entire western Highlands from north Argyll to Skye and the outer islands. It is a major euroroute of strategic importance but it has yet to be recognised as such. We are also concerned about deterioration in the council's rural roads leading to very remote parts.

12:45

Committee members have heard about the cost of rural housing. That cost is high because of land costs, transport costs and a lack of investment in water and sewerage schemes. Issues affecting our economy also arise with regard to access to

land and rivers.

Especially in recent weeks, sadly, we have had anxieties in the field of health care. We have increasing drugs difficulties, which have followed our historic alcohol difficulties. Those difficulties affect not only the health of the individuals concerned but the aspirations and morale of our people. That can lead to a considerable barrier. We need to create an atmosphere that will counter the expectation held by many young people that they will have to leave the area to succeed. I am sure that we are not alone in that in rural Scotland.

As the committee has heard from Hughie Donaldson and others, we are concerned about the proliferation of initiatives and the resulting difficulties for communities in having to work through those problems. I hope that the specific details in the chart in my notes will be of interest.

Some well-established partnerships exist in Lochaber—they could form a topic for debate in their own right. We have had many success stories, convener, some of which you have heard about today. We are a very determined community and people are used to working together to achieve things. However, as you have heard, we cannot deal with all the problems by ourselves. We will need some assistance from the Parliament.

The committee's inquiry seeks to find ways in which communities can become more involved. I believe that they are already very much involved in the life of Lochaber. I have checked that with a number of people in the community, but some barriers remain. In the table in my notes I indicate a number of possibilities. Perhaps the most important is the idea of allowing community people some sort of parity to allow them to meet people from the main organisations—the council and the other agencies—so that they can be reimbursed for loss of earnings, travel costs, child care, care of dependent relatives and so on. I commend all those issues to the committee.

The Convener: We now have exactly 14 minutes for questions.

Mr Rumbles: John Hutchison and Jackie Wright spoke about the community involvement in Lochaber and the witnesses have shown that there is indeed such involvement. Earlier, I wanted to question Aidan McEoin from Rum and I was disappointed when we ran out of time. Jackie, can you comment on the sustainable rural development activities of the people who live and work on Rum that you support through Lochaber Enterprise?

Jackie Wright: The only activity that we have supported recently was the community buy-out of the post office, which Aidan referred to. We have been involved, as have other partners, in the Rum

development group, which considers opportunities that could be harnessed. That is in its early stages.

Mr Rumbles: So the community has bought out the post office?

Jackie Wright: Yes.

Mr Rumbles: I have to admit that I do not know anything about Rum. I was shocked by the evidence that we heard about families of people who live there who, if they left, would not necessarily be able to come back. Are the houses on the island tied houses?

Jackie Wright: Yes—as far as I am aware.

Mr Rumbles: So the opportunities for that community to be involved in sustainable rural development are limited by the organisation that runs the island.

Jackie Wright: At the moment, that is the case.

Richard Lochhead: At the end of all our meetings, we usually reflect on the evidence that we have heard from different people. I have written a note to myself to mention that we had not heard from any young people. Ironically, the very last witness to come before us ruined my point.

Why is it that, in this day and age, in the 21st century, young people still cannot live and work in their own communities when they want to, despite the fact that we have all these well-paid people at the top of all these well-funded agencies? Why are we still in that ridiculous, pathetic position?

Jackie Wright: Somebody mentioned drift. There are two types of drift. One type is the drift that will happen anyway—young people who want to leave the area and for whom it is right that they do so, so that they can take up higher education. However, two or three years ago, the penetration of further education in Lochaber was less than 1 per cent, which is appalling. I do not work in further education so I cannot give much detail, but I know that that figure has increased, although not substantially. One reason for that is the cost of learning. Lochaber College works closely with Inverness College, which is Lochaber College's main provider of further education. Inverness College is driven by class sizes; it cannot deliver further education to classes of fewer than 16 people. It is impossible to get a class of 16 people in many areas, let alone Fort William.

John Hutchison: A number of opportunities have arisen through the social inclusion programme whereby young people have been employed as youth workers. In Scotland, there is scope for greater emphasis on youth work. It is important to catch young people, even those at primary school age, and to develop their sense of community and interest in their environment. In

recent years there has been an emphasis, albeit a belated one, on traditional culture and music. Young people from Lochaber have reached the international stage in those fields and there is scope for development.

We want to create a culture of appreciation of the natural environment. There are job opportunities through the new youth action teams and, for example, in mountain leadership. We are keen to try to get people to recognise that their skills in relation to the natural environment and geology are marketable. The road will be long and difficult, but we must change people's approach.

Richard Lochhead: The witnesses' answers are valid to an extent and they might explain why people leave the community. However, Jim Jackson, who gave evidence during the informal session and who wants to stay in the community, cannot get a roof over his head. I am asking the witnesses who represent the enterprise agency, which has a social remit, and the council, why young people from the community cannot live in the area because they cannot get a roof over their heads.

John Hutchison: I was pleased that Mr Jackson came along from Glenborrodale this morning. Glenborrodale has particular issues connected to the reluctance to release land. The committee might want to consider a new classification in the planning legislation whereby consent could be given for social rather than for general housing. That might well release more land and, because land would be available only for social housing, it would cost less. That is a big strategic issue.

Another big strategic issue, which is mentioned in my submission, is that water authority schemes are not emerging because, in rural areas, particularly in rocky parts of the western Highlands, water schemes cannot meet the normal cost criteria for implementation. Perhaps different, non-urban criteria should apply to water and sewerage schemes. If that happened, more schemes would emerge. If there were a different planning category, the price of house plots might reduce. The issue is a major strategic one for the countryside.

Fergus Ewing: I am grateful for the table that John Hutchison submitted, which sets out a lot of information, but which the audience cannot see. I endorse the recommendation, which is in his submission, that we create a new type of designation, namely, land for social use. We must have more low-cost or affordable housing. The basic problems, which have been discussed by many of the witnesses, are that land is too expensive and that the costs of building are more expensive than elsewhere. As Mr Donaldson mentioned, site development costs are also high.

I have two questions for Jackie Wright. First, could—or should—the enterprise company devote more of its resources to site development costs, especially to the costs of servicing land in the Highlands, which, as we have heard, are much higher than elsewhere? My second question relates to a deeper problem. There is so much land in Lochaber, but Lochaber is full up. That is because the unemployment rate is virtually zero. As Hugh Allen and others mentioned, there are no houses for people to go to in Mallaig, but money could be found to create a major processing centre there. We are caught in a trap.

I am aware that there is no simple answer to that problem, but I ask John Hutchison whether one of the problems and the springs to this trap is the planning law that designates land for housing. Planning law is so tight that we may need a fundamental rethink of the issue. I couple that with a suggestion that we re-examine the pattern of land ownership in some parts of Lochaber and the unwillingness of some landowners to release land. In those circumstances, perhaps we should consider compulsory purchase.

Jackie Wright: Perhaps I can answer the first part of Fergus Ewing's question. We have worked on occasion with Lochaber Housing Association, at times when it experienced exceptional development costs that led to its funding formula not adding up. An example in Mallaig springs to mind, when the association was developing a significant number of houses.

Housing is not in the remit of local enterprise companies but, wherever possible, we have worked with organisations such as Lochaber Housing Association. Local enterprise companies cannot ignore housing. In my introduction, I said that standing still is not an option for us. Our industrial sites are also full. We are about to try to raise upwards of £1.5 million from Highlands and Islands Enterprise to develop land for industrial use. At present, I have one small vacant unit for potential businesses that are looking to expand. I hope that, over the next year or two, we will raise money to take about 20ft of peat off land and site-service it.

The simple answer on housing is that we do what we can, but there is only one pot and what comes out of the pot does not go to somebody else.

John Hutchison: Planning is not simply about quick and easy decisions to aid development. It is about sound, carefully worked out policies that happen in a bottom-up process in consultation with the community. The statutory local plans, which all local authorities have to undertake, are developed in a process that is similar to our own "planning for real" process. Over a long period of time, we have involved the community in order to

identify what it would like to see happening in its own area.

Mr Maclean gave an example earlier of a specific issue of the road standard requirement in a particular housing development. Unfortunately, we have a long history of failed road maintenance agreements. That is the reason that such a requirement for adoption is in place.

I mentioned the issue of the possible social housing category. I agree that the community purchase powers could be strengthened. They have not been tested properly for housing, although they have been tested for other public buildings and for roads. An opportunity exists to strengthen those powers.

The council is also anxious about a forthcoming review of the planning process, as it might delay planning decisions. We hear rumours of a possible appeal procedure for third parties, which would allow objectors the right to run an appeal. We are extremely worried about that. The general public should also be worried about that possibility, as it could further elongate the planning process.

Rhoda Grant: I want to ask about the assistance that public agencies could give to community groups. We heard from Mairi Maclean about the difficulties of dealing with the Scottish Arts Council, HIE and the local council at an Inverness level. I wonder what the local agencies could do to help community groups conquer bureaucracy.

I also wonder whether local agencies could take on some of the work of community groups, as they are reinventing the wheel every time they look for money and assistance. Perhaps a role could be found for community facilitators to work with community groups and point them in the right direction at an early stage of their work.

Jackie Wright: One of the witnesses mentioned earlier that Voluntary Action in Lochaber does a lot of work with community groups. One of the difficulties is that big projects, such as the one that was mentioned by Mrs Maclean, look to lottery funding for their main source of funds. Lottery funding requires people to demonstrate community support and an agency finger on an application form is sniffed out very early on. The community has to be able to fill in forms itself and produce the necessary evidence to satisfy the lottery development people. Our role in that is trying to do exactly as you say.

13:00

We have sat in this room on a couple of occasions, discussing that project with agencies and lottery people to try to break the deadlock. It is not always easy. The big community projects that we have seen in this area over the past five or six

years—a plethora of community centres from the millennium fund—have all taken time to develop. It is not just a matter of raising the capital funds; it is about demonstrating the sustainability of a project. Time and time again, that has been mentioned today. There is no agency with revenue funding to sustain the stand-alone centres. There are two sides of the coin that have to be addressed. I assure you that we will work as hard as we can for the significant number of large projects that we have on the community side.

John Farquhar Munro: During the evidence taking this morning, people have enthused about the support that they have received from the development agencies and the local council. I am glad to see that your submissions suggest that there is strong co-operation between the two agencies. Nevertheless, one of the witnesses this morning suggested that the legislation that governs your allocation of funding is rather restrictive and might militate against your supporting some initiatives that come before you. Is that the case?

Jackie Wright: It can be. I am pleased to say that the recent round of funding that HIE has secured seems to be linked less to jobs targets and more to other more holistic targets on the environmental side and the skills side. That change has obviously been driven by “A Smart, Successful Scotland”. We are, however, an economic development agency, and the Government and the taxpayer expect some hard outputs from the use of public funds. However, I am pleased to see the funding moving away slightly from jobs targets. I am also pleased to say, in relation to a point that Stewart Maclean made on local autonomy, that we are about to see our delegated limits double regarding what we can approve. That suggests a loosening of the strings by Highlands and Islands Enterprise rather than a tightening of them.

Mr McGrigor: I have a final question for Mr Hutchison. Fort William lies between two Scottish skiing resorts, yet we have not heard one word today about anything to do with winter sports and integrated rural development. Could you comment on whether winter sports are important to rural development? If they are, is enough being done to promote them?

John Hutchison: The people who have given evidence today volunteered to do so. I cannot comment on why the skiing sector did not come. Skiing is certainly very important to our economy, as is the year-round appeal of the Nevis range as a destination for visitors who come to Lochaber. We cannot underestimate the importance of the Nevis range.

Jackie Wright: The local development of the skiing industry has been in part responsible for the

reduction of the seasonality that we have seen in the employment statistics. It is of great credit to the Nevis range that it has maintained its position in the top 10 Scottish visitor attractions, not only through skiing but through the summer trade that it brings to the area. Its people are very creative in ensuring that their land is well used. A world-class downhill biking championship will be held in Lochaber this year on what can be described only as the most suicidal path that anyone could ever choose to cycle down. However, those who like that sort of thing will be coming here in droves.

The Convener: I hope that enough of them survive to return the next year.

On that positive note, I draw the meeting to a close. Several people said to me last night that we would find this a very negative meeting. They were concerned that we would leave with a negative image of this area; however, I do not think that that is the case. Today has been very positive. We have been shown the wealth of ideas, enthusiasm and commitment that exists in the area. For that, I thank you sincerely. I am sure that I speak on behalf of all members of the committee when I say that we are grateful for the time that you have given—although you are all busy people—to contribute to what I hope will be a very positive report at the end of our inquiry. It is hoped that the report will be published in the autumn and it should be accessible to all of you so that you can see that you have contributed meaningfully to the workings of the Scottish Parliament.

I thank our hosts, Highland Council, especially John Hutchison and May Alexander, who helped to set up today's meeting. I also thank those people who took the time and trouble to show us around their businesses yesterday—and those who reminded us that we did not visit their businesses yesterday. Finally, I thank everyone who has attended the meeting today. It has been a long meeting, yet, remarkably, we have finished only five minutes over schedule. I thank you all for helping us to achieve that.

Meeting closed at 13:05.

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