

# **ENVIRONMENT AND RURAL DEVELOPMENT COMMITTEE**

Monday 13 June 2005

Session 2

£5.00

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2005.

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

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by Astron.

---

# CONTENTS

Monday 13 June 2005

Col.

RURAL DEVELOPMENT INQUIRY ..... 1993

---

## ENVIRONMENT AND RURAL DEVELOPMENT COMMITTEE 18<sup>th</sup> Meeting 2005, Session 2

### CONVENER

\*Sarah Boyack (Edinburgh Central) (Lab)

### DEPUTY CONVENER

\*Mr Mark Ruskell (Mid Scotland and Fife) (Green)

### COMMITTEE MEMBERS

\*Rob Gibson (Highlands and Islands) (SNP)

Karen Gillon (Clydesdale) (Lab)

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

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

\*Maureen Macmillan (Highlands and Islands) (Lab)

Mr Alasdair Morrison (Western Isles) (Lab)

\*Nora Radcliffe (Gordon) (LD)

### COMMITTEE SUBSTITUTES

Alex Fergusson (Galloway and Upper Nithsdale) (Con)

Janis Hughes (Glasgow Rutherglen) (Lab)

Jim Mather (Highlands and Islands) (SNP)

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

Eleanor Scott (Highlands and Islands) (Green)

\*attended

### THE FOLLOWING ALSO ATTENDED:

Mr John Swinney (North Tayside) (SNP)

### THE FOLLOWING GAVE EVIDENCE:

George Allan (Angus Citizens Advice Bureau)

Andrew Bruce Wootton (Scottish Estates Business Group)

John Burt (Angus College)

Dr Elizabeth Cohen (Breichin Day Care Ltd)

Richard Cooke (Dalhousie Estates)

Shona Cormack (Scottish Enterprise Tayside)

John Forster (Forster Roofing Services Ltd)

Mai Hearne (Angus Rural Partnership and Angus Association of Voluntary Organisations)

Mark Johnston (Angus Glens Website)

Anne Mitchell (City of Brechin Partnership)

Callum McNicoll (Communities Scotland)

Mark Taylor (Brechin Business Association)

Sandy Watson (Angus Council)

### CLERK TO THE COMMITTEE

Mark Brough

### SENIOR ASSISTANT CLERK

Katherine Wright

### ASSISTANT CLERK

Christine Lambourne

### LOCATION

Breichin City Hall



# Scottish Parliament

## Environment and Rural Development Committee

*Monday 13 June 2005*

[THE CONVENER *opened the meeting at 14:01*]

### Rural Development Inquiry

**The Convener (Sarah Boyack):** I thank everybody for turning up this afternoon. I welcome committee members, witnesses and members of the public to the 18<sup>th</sup> meeting in 2005 of the Environment and Rural Development Committee. I also welcome John Swinney, who is a local MSP.

We are pleased to be in Brechin and have already helped to boost the local economy by checking out the local coffee facilities. We are all looking forward to the meeting, which is the only visit that we will make during this part of our inquiry. Previously, we went to different parts of Scotland—Durness, Barra, the Borders and Fife—to talk to people about rural issues. We have settled on considering whether there is a need for a particular policy response to the issues that face accessible rural communities—that is, small rural communities that might be near a big city or big town, not the most remote rural areas. The four issues that we are considering are: what people in accessible rural areas throughout Scotland consider to be the priorities for their areas; what challenges and barriers they face; how Scottish Executive policy addresses those issues at present; and what might be the priorities for future policy developments.

We are glad to have all the witnesses with us today. The meeting is their chance to talk to us about their experiences and their thoughts about the experiences of people in the Brechin area. We will divide the meeting into two parts. In the first part, we will take evidence from witnesses who are involved in local businesses or who have special experience and have got in touch with us. We will also hear from some of the main agencies with local responsibility for promoting economic development. In the middle, we will take a break from the formal meeting—all of which is recorded for posterity, by the way; we have members of the official report team with us to pick up the comments that we make—to get local people's views, which we are keen to hear. That will happen at around 3 o'clock.

Before we take evidence from our first set of witnesses, I have a couple of housekeeping comments to make. I ask everyone to switch off their mobile phones so that they do not ring during

the meeting—that happens to us all the time. We have apologies from one of the committee members, Karen Gillon.

I welcome our first panel of witnesses: Andrew Bruce Wootton, general manager of Atholl Estates and a deputy chairman of the Scottish estates business group; Richard Cooke, from Dalhousie estates; Mai Hearne, chair of the Angus rural partnership; and Mark Johnston, from the Angus Glens Website. I invite each of them to introduce themselves briefly, explain whom they represent and say a little about their interest in accessible rural communities. I ask for relatively brief introductions so that we can move straight to questions from committee members.

My final housekeeping comment is to say that witnesses' microphones will magically go on and off, but committee members will have to switch theirs on and off using the little black button on the console.

I ask Andrew Bruce Wootton to introduce himself.

**Andrew Bruce Wootton (Scottish Estates Business Group):** Thank you very much. I represent the Scottish estates business group, which is a group of progressive estates in Scotland's rural areas. My personal experience is with Atholl Estates in highland Perthshire, which reaches from Dunkeld up to the Inverness county boundary.

The paper on the remit and background of the inquiry, on which we commented in writing before the meeting, mentions the separation between accessible and remote rural communities. That is an interesting and accurate way of defining the different issues that face rural communities. Remote rural areas face the issue of the changing rural economy—they are struggling to adapt to the economic pressures that that is bringing about, most notably in forestry and farming—whereas the accessible areas are trying to adapt socially to the sudden influx of people who wish to have the benefit of a rural lifestyle but to live close to an urban centre. Our experience in Atholl falls more into the remote than the accessible category. It is interesting to consider the issues from the perspective of highland Perthshire rather than that of Angus. I am sure that the issues that face Brechin are different from those that face Dunkeld, although they would probably both be seen as accessible rural communities.

**The Convener:** You have established a good principle of being to the point.

**Richard Cooke (Dalhousie Estates):** I am the general manager for Dalhousie Estates, which is in the immediate vicinity of Brechin, and for a number of other estates in the area. In addition, I am the secretary of the Association of Deer

Management Groups, which is the industry representative body for the wild deer management industry in Scotland. My job as general manager at Dalhousie is to manage a fairly diverse range of enterprises. I am involved with traditional enterprises, such as agriculture, forestry and the management of sporting rights, but we also aim to innovate and introduce new businesses. We are in a fast changing economy and we recognise the need to adapt to survive. However, I do not want to play down the importance of the traditional land uses, which remain significant in the area. Farming remains a key economic activity in this part of the world, although, as always, it is undergoing a great process of change. The same is true of forestry, although to a lesser extent, and field sports remain of great importance. My written evidence mentions the increasing employment that is coming from country sports in the area.

Brechin and towns like it throughout Scotland, as well as the smaller rural communities that depend on them, are fragile in the extreme. A great deal of the funding that maintains those communities comes from the private sector.

**Mai Hearne (Angus Rural Partnership):** I am the chair of the Angus rural partnership, which involves representatives of all the main statutory and voluntary organisations throughout Angus. Our collective priority is to support Angus rural life, particularly Angus rural community life. Hence, as my day job is in the Angus voluntary sector in the local council for voluntary service, I chair the rural partnership. I welcome the opportunity to speak to the committee and to hear from the other witnesses and the public in Brechin.

**Mark Johnston (Angus Glens Website):** I am the chair of the Angus Glens Website, which was set up to support community and economic development in the rural area of north Angus, which includes the glens and the communities beside them. The website was set up on the back of work that was done to provide computers, internet access and information technology training in village halls—it is one of the many projects that have grown out of that work. Our management committee is in the process of employing a development worker for the area, for which we have received funding. I am involved in community development, but with a bit of economic development, too.

**The Convener:** That helps us to know who is who. I ask members to introduce themselves, so that everyone knows who we are. I should have said that I am the convener and that I represent the Edinburgh Central seat, which is not in any way a rural constituency; it is one of the busiest bits of Scotland.

**Rob Gibson (Highlands and Islands) (SNP):** I am a Highlands and Islands list member, and I am

interested in placing the likes of Brechin and other small towns both as commuter centres for cities such as Dundee and as service centres for more rural areas.

Richard Cooke states in his written submission that

“forestry is an increasingly marginal economic activity”.

That is quite a stark statement. What is grown here could, potentially, provide building materials or be used for biomass. I compare Richard Cooke's statement to what the report of the committee's inquiry into climate change says, which is that forestry should play a much larger part in activity in rural areas. How could forestry be expanded in this area, and how could a place such as Brechin become a user centre for forestry products?

**Richard Cooke:** You touched on the balance of commuter dwelling and local employment in Brechin. Brechin lies almost equidistant between Dundee and Aberdeen. I have no information on this, but my guess is that it is home to quite a number of people who commute—in both directions, although, probably, more people commute north than commute south. With the regeneration of Brechin, which we all hope for, the commuting population will increase and will introduce additional income to the local economy. That is critical to the revival of the town. Brechin is perhaps a little too far away to have benefited from the considerable spread of wealth that the Aberdeen oil industry has generated; however, in due course, the ripples on the pond may reach Brechin, too.

The second part of your question related to forestry. As a trained land agent, I was making the general observation that forestry always appears to promise much but delivers little. The market for timber is a global market. In Britain, we grow quite a lot of trees, although forestry accounts for a relatively small proportion of land cover here compared with other European countries. Also, I am sorry to say that much of our timber is of relatively poor quality. We grow short-rotation softwood trees that often have little value other than as pulp wood or for the manufacture of construction board. Top-quality construction timber tends to come from overseas. Britain is a long way from being independent in timber production, and any increase in production would be very welcome.

Forestry policy has changed a lot over the past 20 to 30 years. At one time, the tax regime and grant support system encouraged the growing of commercial timber. The pendulum has swung away from that and we are now, possibly, somewhat ashamed of our wall-to-wall spruce in some parts of the country, where it is now

considered inappropriate from a landscaping point of view. The emphasis is now, perhaps, too much on the amenity value of timber. The best course probably lies somewhere in between, in having more productive forestry that offers more attractive environmental and recreational benefits. As always, we are sucking it and seeing—we are trying to find the perfect balance, and we are still quite a long way from that.

The other thing about forestry in the rural economy is that it tends not to create a great deal of local employment: it is a boom-or-bust industry. During a period of planting, there is quite a lot of local employment, and often itinerant and contracted labour is involved, too. However, the level of on-going maintenance that is required for timber is, overall, relatively low. In Angus, although there are some big blocks of forestry, the industry is not a big provider of local employment.

14:15

**Rob Gibson:** I was trying to tease out how that might change. There is a target of moving from 17 per cent cover in Scotland to 25 per cent cover. The Brechin area could grow quality timber of the kind that could provide work not at the pulp end, but in the manufacture of biomass, paper, building materials and so on. Could that approach be developed on the estate that you look after? I would be interested to hear what the representative from Atholl Estates has to say about that as well.

**Richard Cooke:** We would welcome the opportunity to contribute more to timber production. As agriculture becomes more marginal, it is perhaps conceivable that some land will move from one use to the other. The only thing that I would say about forestry is that the cycles involved are long, which means that investment today might not produce a return for 25, 50 or more years. Forestry has a long-term part to play, but it is not as useful in situations in which, dare I say it, a quick fix is required.

**The Convener:** Do you want to come in on this issue, Mr Bruce Wootton?

**Andrew Bruce Wootton:** On biomass, the constraint is to do with the need for there to be an assured supply of fuel. Largely on the back of developments on the continent, there are a number of companies that are supplying good, well-proven and efficient kit. However, as far as I am aware, there is no consistent and reliable form of fuel supply. There is not yet a company—or a group of companies—working on behalf of a number of small producers that is able to deliver to a fairly large user a guaranteed supply for the next five, 10 or 20 years, or whatever. Municipal organisations such as schools or hospitals need to

be pretty bold if they are to put in kit with a lifetime of 20 or 30 years when no supplier can guarantee a supply of fuel in the same way that Esso, Shell, BP, Brogan Fuels and so on can. That major issue is holding back the development of biomass fuel in the small to medium-size business market. If that problem could be solved, a market would be created, particularly if small to medium-sized businesses in the countryside—whether farmers' estates, forestry owners' land or whatever—could feed into a network of fuel supply. However, as we all know, the machines need the fuel to be of a good quality in terms of density, purity, size and so on. You have to know what you are doing; this is not something that one can go into in a half-cocked, do-it-yourself way. Someone must be in place to perform quality assurance tests and ensure that there is an assured supply so that the people who are supplying the kit have the back-up. At the moment, the people who are quite happy to sell the kit want nothing to do with the fuel.

In relation to the production of power from biomass, everyone is aware of the issue of entitlement under the fuel support grant system. If it were possible for Scotland to identify biomass as an eligible form of alternative energy supply under that system, that would have an enormous effect on making viable some areas of production that, simply because of the immaturity of that type of energy production, are not currently viable.

**Rob Gibson:** Do you think that there could be an increase in the amount of trees that are grown, which could then be used in schools or hospitals in Brechin and other small towns that serve wider rural areas?

**Andrew Bruce Wootton:** Yes. However, although the development of a fuel supply system needs to be a private sector development, there is a question of who is going to kick start that process and ensure that the supply can be guaranteed. There should be a forum in which the private and public sectors can meet to discuss how best to progress this issue. Fuel production is a major constraint to the development of biomass energy.

**The Convener:** Perhaps we can capture those points about what needs to change and come back to them at a later date. Last week, we had representatives from local authorities and business enterprise partnerships before us and, as Rob Gibson said, we have recently produced a climate change report. One of the things that we are trying to work out in this inquiry is what needs to change. Identifying problems is fine—we can log them—but if people identify solutions, we will be even more interested.

**Alex Johnstone (North East Scotland) (Con):** The committee has come here because we

thought that Brechin and Angus were a good example of what we thought we meant by an accessible rural area. Brechin is reasonably close to a couple of cities, and there are potential positive and negative aspects to being so close to main centres of population. I ask panel members to consider whether it is positive or negative for a rural area to be so close to cities. Do panel members think that it would be appropriate for Government to try to connect rural areas more to the cities, or does the development of economic and social activities in rural areas need separate support?

**Mai Hearne:** You are asking quite a big question, although I shall try to keep my answer fairly brief. When one lives in a rural area, it is easy to feel that one is in a weird ghetto—particularly in the new Scotland. The cities are vibrant and all the things that cities should be. Young people like the bright lights. There is an old song that goes: “How you gonna keep ‘em down on the farm after they’ve seen Paree?” That was written in the first world war, and the same could apply to keeping young people in Brechin.

**Alex Johnstone:** That applies to me in this case.

**Mai Hearne:** That is right. My children grew up in rural Fife—I am disappointed not to meet Andrew Arbuckle again today—but whether we are talking about rural Fife or rural Angus, we should not overstate the benefits of living in a rural area. In a roundabout way, I am saying that cities have more to contribute to rural life than people in rural areas sometimes admit. It is wrong for a city region to stop just short of places such as Brechin. We should not fall between two cities; we should contribute to both far more vibrantly.

**Mark Johnston:** I am not 100 per cent sure what Alex Johnstone is asking. Difficulties arise from the fact that Dundee and Angus are separate local authorities; the same applies to Aberdeen and Aberdeenshire. Although local authorities are supposed to work in partnership, there is a conflict of interests in such arrangements.

**Alex Johnstone:** Let me simplify my question. Do you feel that being close to a couple of major cities is an advantage for rural areas, or does that proximity disadvantage rural areas, which tend not to get the attention and support that some cities get?

**Mark Johnston:** In some ways, it is a disadvantage, but it is hard to see how that could be changed under present circumstances. Although it is a city, Brechin is a small place and does not have a lot of political or economical clout. It is hard to see how it could achieve a balance with the likes of Dundee or Aberdeen.

**Alex Johnstone:** At the end of the day, to support the Angus economy and the Brechin area, do we need to connect the area more closely to the cities, or do we need to protect it from the cities?

**Mark Johnston:** With increasing car use, people are spending more and more time going to the cities. It is less of a problem now to travel 30 or 40 miles down the road than it was in the past. Short of extreme measures to cut down on car use, I do not see how we will be able to support the likes of Brechin, Forfar and other areas to maintain themselves as market towns, supplying the rural hinterland. People have to travel anyway, and then they travel further afield to get services.

**Richard Cooke:** The countryside is the lungs of the urban parts of Scotland and—not to be derogatory—it provides the playground for people who live in cities. People come to the countryside for recreation—and quite rightly so. They expect to see the countryside being looked after in a certain way. We are at a rebalancing stage, perhaps, in which the wider population needs somehow to make a bigger contribution to the rural economy in return for what the rural economy contributes to national life as a whole.

Although it can be difficult to see how such rebalancing can be achieved, an example can be found in the recent changes under the Land Reform (Scotland) Act 2003. The creation of a right of responsible access is completely appropriate, as it recognises what was already happening, and people from both within and outwith Scotland’s boundaries are able to enjoy access to the countryside. Because of that legislation, Government agencies are beginning to invest in the provision of access. For example, Scottish Natural Heritage is making a major, and welcome, effort to educate the visiting public. That is part of that process of Scotland’s wider population—especially the urban population, which is the preponderant element—making a contribution to the economy of the countryside. There needs to be that kind of understanding between urban and rural society.

We are often told that tourism offers rural Scotland a great deal by way of future economic benefit, but it can be a little difficult to see that in counties such as Angus because—although many of us who live here are probably pleased with this fact—such places tend to remain a well-kept secret. The overall tourism strategy and signage tend to direct people up the A9 or up the west coast, so other beautiful parts of Scotland such as Angus do not get as much benefit from tourism as they might do. However, there are many chickens and eggs in the situation: because Angus does not get many tourists, it does not have much tourist accommodation; and because it does not have



much tourist accommodation, it does not get many tourists. There are all those difficult circles to square, but the challenge for the future is to spread the benefits of tourism and of access to the countryside more evenly across the country as a whole.

**Andrew Bruce Wootton:** My main thought on the subject is that we should not simply blur the interests of the countryside with those of the city. Those who like the country tend to prefer it to the city, but not many 18-year-olds would prefer to spend a day in the country than to have an exciting day in the middle of Edinburgh.

In my opinion, our schools and villages in the countryside must try to offer the same opportunities to those who grow up there that are given to those who grow up and attend school in the city. It is up to individuals to decide where they want to put down roots when they grow up, but it is lovely that, in our neck of the woods, we have many school leavers who would prefer to stay in the countryside if they can find a job. Not every 18-year-old wants to live in the city. Unfortunately, the number of jobs in the countryside is limited. Obviously, as parents who live in the countryside, we fear that one drawback of living here is that our children might not get quite the same opportunities in a small rural school or medium-sized regional secondary school as might be available to them in the city. We do not want them to be disadvantaged when they become adults.

Just as the Parliament has done an amazingly good job in promoting broadband facilities in the countryside, I believe that it is important that public investment—or, if you will, interference—is also aimed at helping to enable the people who decide to make the countryside their home to have, in so far as is possible, the same opportunities of earning a living and creating wealth that are available elsewhere. However, we should not simply blur the issues. If somebody wants to live in a rural village, they need to take the good with the bad, just as people do if they live in the city.

**Richard Lochhead (North East Scotland) (SNP):** I am a Scottish National Party member for North East Scotland.

Even if local young people got jobs in Aberdeen or Dundee, they could continue to live in the Brechin area if they could afford a house here. Many of the submissions refer to that difficulty, which faces young people in particular. People cannot continue to live in the place that they are from because of high property prices. Presumably, that relates to our earlier discussion, in that the ability to commute from the countryside puts pressure on property prices here. Will the witnesses expand on that issue?

In other parts of the country, we hear that a lack of land is often what leads to difficulties for local young people who want to build their own house in their local area. I note that the submissions from the estates point towards the movement of people into rural areas as the reason for the housing shortage, but I tend to think that housing shortages are caused by a lack of houses and, after all, people cannot build houses unless they have land. I would be interested to hear what the estates are doing to ensure that more land is available for local people to build their own houses. I am talking about people not just renting houses but purchasing them, because many young people aspire to own their own property. I would be interested to hear about the social consequences of high property prices. Is it the case that young people cannot afford to live in this area because of high property prices?

14:30

**Richard Cooke:** Property prices in Brechin are rather low compared with those in Aberdeen and, to a lesser extent, Dundee. The ripples in the pond have not spread this far yet. Angus Council is at the stage of final consultation on its new local plan. It has identified sites for additional housing around Brechin and other towns. At least one of those sites is on the estate that I look after. Availability of land for building is not a constraint in this part of north Angus. I take the point about high property values putting houses out of the reach of local people. I am not sure whether that is an issue here yet. I suspect that if we have the success that we would like to see and have more housing around Brechin and more people coming to live here, house prices will inflate and the problem will increase. I do not know how to deal with that.

**Mai Hearne:** One of the criticisms is of urban dwellers buying a second home in a rural area. I do not know the situation in Angus, but in some of the bigger English shires people now pay 90 per cent council tax on second homes. That has proved a good brake on the headlong rush of people with large disposable incomes buying in rural areas. That sort of measure might help here. Somebody said earlier that urban people could contribute more to rural areas. If a second-home owner made the direct contribution of paying 90 per cent of the local council tax, they would have a greater interest in the area, even if they were there for only short periods.

**The Convener:** We do not need to have every witness answer every question, but witnesses can come in if they want to.

**Mark Johnston:** House prices are very low compared with those in Edinburgh and other places, but relative to the wages that are available

in the area they are extremely high. I am lucky. I was brought up in rural Angus and Fife and a few years ago I was able to move back here. I know many people who have not been able to afford to do that. There are economic aspects, but another consideration is that good schools and communities are needed, to encourage young people to stay in the area or to move back, rather than just having people coming back to the area to retire.

**Mr John Swinney (North Tayside) (SNP):** Part of what I wanted to cover was mentioned by Andrew Bruce Wootton a few moments ago. Brechin, which is an accessible rural town, is similar to many of the towns that I represent, which face similar dilemmas. One of the points of constant debate is what is the engine of development and improving economic performance in a lot of small towns. I happen to be of the view that we cannot fault private sector businesses in delivering economic activity and growth. That is what they are there to do and many do it very well. The big question is what the public sector can do to assist that process. I am certain that the public sector should not try to replace the private sector in running the local economy or businesses in it. What additional initiatives or activities could the public sector undertake to support wider economic development in towns such as Brechin?

**Richard Cooke:** Parts of Angus and Dundee used to have development area status, which provided additional grants for new businesses starting up. That benefit was never available in Brechin, although I have heard it argued that it should have been and it would undoubtedly encourage people to invest in Brechin. Some measures are delivered at local authority rather than national level. Angus Council has invested in land in Brechin for industrial development and use although, to be honest, the uptake has been rather disappointing. There is a lot of untapped capacity for industrial land in Brechin. I am sure that it will fill up in due course, but the process has been a little slower than one might have wished. Local authority business rates are a penalty for new businesses. That is a common cry, but where businesses are struggling to survive or to start, a rates holiday of some sort would be of enormous help and would help businesses start to make a contribution to the local economy.

**Andrew Bruce Wootton:** The area to address will always be what is holding back development in a community. That might be a lack of housing, a lack of commercial space or issues to do with the proximity to transport routes. There will always be such issues, although they are never the same in any two communities.

In highland Perthshire which, as John Swinney knows, is a tourist, second-home and retirement-home hot spot, the biggest thing that could be done to help the local economy would be to help local housing, with the aim of bringing in new families and retaining existing families. The main constraints in highland Perthshire on new housing are the infrastructure and services; there is no real problem with the availability of land. We need to match planning guidelines with the service and road infrastructure to enable land to be developable. With help from Communities Scotland, we are developing six houses for sale on a split-equity basis. If one considers the market value of the property, the residual value of the land is only about £10,000. There is not an awful lot of value in the land, but it costs a lot to build houses. That is an example of everyone coming together to make a project work, although it has taken us three years already and it has been tiring.

That is the answer in our area, but in other areas it is the lack of commercial space that holds back development. Six commercial units have been built in Blair Atholl, all of which are now fully used. There is now demand for more, although six years ago, if anyone had asked whether there was demand for retail or commercial space in Blair Atholl, everyone would have said that they were crazy. However, the space has been filled and, because of that nest egg of activity, there is demand for more—success breeds success. The trick is always to find out what is holding development back. The answer is not always as close to the surface as it seems to be. The constraint may be to do with housing or retail space or it could be another matter, but there is always something.

Dunkeld is an example of a community that was in recession 10 years ago, but is now booming. An accumulation of two or three measures has helped to build the quantum of success. Dunkeld is now moving forward and nothing will stop it, apart from a lack of housing.

**The Convener:** We will come back to that point. At last week's meeting, we discussed with the panel how some places can become successful through partnership or investment, while other areas do not seem to click and cannot get partnership or investment going.

Every other member wants to ask a question. However, I had hoped to wrap up the session with the first panel about 10 minutes ago, as we have four sets of witnesses this afternoon. Mark Ruskell has indicated that he wishes to push his question on land issues. I ask Maureen Macmillan and Nora Radcliffe whether they still want to ask their questions.

**Maureen Macmillan (Highlands and Islands) (Lab):** I had questions about community capacity

and why some communities are energised and others are not and what we can do about that. If you want me to leave that for another panel, convener, I am happy with that.

**The Convener:** Yes, I will bring you in later.

**Nora Radcliffe (Gordon) (LD):** I have a question about the Angus Glens Website, so I need to ask it now.

**The Convener:** You are next, then.

**Nora Radcliffe:** I am the MSP for Gordon. I empathise with Richard Cooke's comments about tourism development and the need for sufficient infrastructure to cope with tourists, but that is by the by.

I gather that the Angus Glens Website is to do more with community support than with economic development, but does Mark Johnston envisage that the website will take on an economic development role? On a related issue, what difference does the availability of broadband make? Is there any evidence of local people taking advantage of broadband to set up high-tech, high-income country-based activities? The other aspect of that is the extent to which we might exclude people who do not have web access by doing so much on the web.

**Mark Johnston:** In many of the communities that the Angus Glens Website covers, there is no broadband and no possibility of any in the foreseeable future. Everyone has to work with the slow connections that they get with the copper wires. However, in two of the halls in the area, we have set up satellite broadband, which enables people to download stuff and take it home with them on a compact disc. Those halls are also used for training and we work with the local authorities to provide training for people. Training is an important part of our work. Around eight years ago, we started putting computers into halls for training purposes. A positive result of that was that there was a decline in the use of the facilities. A lot of people in rural areas needed computers for their tax returns, to communicate on the internet and so on but did not have the confidence to get one. However, the budding schemes and the training that they received enabled them to overcome that lack of confidence, get computers and move on. The training that we provide is a way in which we can ensure that we are not excluding people.

We are lucky that many of the small, rural schools in the area are well ahead of many large schools in terms of information technology. The children at the school that my children go to have recently been making a film with the Angus Digital Media Centre, working with Apple Macs and personal computers. There have also been links

between after-school clubs and villages in Africa, using broadband and webcams.

Community capacity building is important and those of us who are involved in the website believe that, if economic development is going to be sustainable, the community has to be strong. That is where a local authority can usefully come in to ensure that rural schools and communities are supported. The quality of local services is important, but it is also important that the council ensures that if a local group wants to do something, it has the funding or the support and training to enable it to do it.

**Mr Mark Ruskell (Mid Scotland and Fife) (Green):** I am the Green party MSP for Mid Scotland and Fife, which is one of those funnily shaped parliamentary regions. It incorporates North Tayside, so it just about includes Brechin.

**Mr Swinney:** It does include Brechin.

**Mr Ruskell:** That is what I mean.

I want to focus on the issue of land use and the estates. Last year, I enjoyed a trip to Invermark estate. I recognise the importance of the shooting estates for employment and the knock-on effect of maintaining viable rural populations and schools.

Shooting estates are vulnerable as they are dependent on shooting seasons, which are quite short. Clearly, if there were another 9/11 or a problem with the global economy and tourism, the high-value tourists who support those estates might not come to Scotland. To what extent are estates thinking about diversifying into other areas? Rob Gibson has talked about forestry and some of the economic opportunities that can add value to estates, but are other areas being considered?

14:45

**Andrew Bruce Wootton:** Any estate that is worth its salt thinks about how it might diversify. That has always been the case—it is how we got from the situation 500 years ago to today and it is how we will get to the situation that we will be in 100 years from now.

Most estates in this part of the world view field sports as being a by-product of responsible land management, whether that has to do with managing deer populations or creating a healthy moorland, which results in excessive grouse populations, which must be kept to a healthy level by shooting in order to avoid crashes in population. Field sports subsidise the cost of good land management, which is not necessarily carried out in order to produce a quarry to shoot.

It is important to regard the short shooting season, which is open through statute, less as an

end in itself than as a way of subsidising the cost of responsible land management. As one would expect, most estates have already diversified into areas such as housing or tourism—whatever is good for their particular market. Tourism in many parts of Scotland is now the big one to chase. Trends show that tourism, particularly in this part of the world—perhaps Angus as much as the Highlands—will grow more than just about any other market. Many activities can take place on the same land on which the field sports are carried out. The field sports help to subsidise the good land management, and the land acts as a platform for staging other activities, such as walking, cycling or more energetic outdoor activities. New businesses will sprout up to earn a living from the markets of people who come up to enjoy those activities, many of which are free—that is where the pound signs are. Estates are there as a provider of the land on which those activities can happen and those businesses can operate, as well as owners of the businesses themselves.

**The Convener:** We are about 15 minutes behind schedule because we all asked lots of questions. I thank the panel for their answers, and I thank those of you who gave us written evidence—it was useful for us to think about what we wanted to ask you. The first panel of witnesses is welcome to stay in the hall, but I invite our second panel to come forward. We will take a quick break.

14:47

*Meeting suspended.*

14:48

*On resuming—*

**The Convener:** Okay, I do not want everyone to get too comfortable with their break and their chat—we will get a space for that in a bit. I welcome our second panel of witnesses: John Burt, who is the principal of Angus College; Anne Mitchell, who is with the city of Brechin partnership; Mark Taylor, the chair of Brechin business association; and John Forster, who is managing director of Forster Roofing Services Ltd. I thank you all for coming along. As with the first panel, I invite you to make brief introductory remarks.

**John Burt (Angus College):** Angus College serves Angus and the south Mearns area. We have 8,500 students, 91.5 per cent of whom come from the Angus area. I checked the most up-to-date figures as I came out today. Of the 501 students from Brechin who attend the college, 191 are taught in the Brechin area. The college has a main centre in Arbroath and learning centres out in the community. The centre in Brechin has had a

mixed success. That illustrates the historical problem of the area, which is to do with diseconomies of scale and a general lack of confidence.

**The Convener:** We will come back to those two points.

**Anne Mitchell (City of Brechin Partnership):** I am the former chair of the city of Brechin partnership and currently chair of the city of Brechin and district community council. The Brechin partnership brings together local organisations to help to create a friendly environment and a welcoming city for residents, visitors and businesses alike. The partnership is open to any organisation that wants Brechin to become a vibrant small city.

I have been a civil servant for 25 years and have been employed by a local economic company for a few years. My main interest has always been in regenerating the economy of small towns the size of Brechin, which falls between two stools, being neither urban nor rural—it is too small to be urban but too big to be a village. Our future lies in somebody recognising that there are a number of small towns such as Brechin that would benefit from receiving support—whether financial or practical—to help them to regenerate themselves. A lot of people in Brechin are willing to help with the regeneration, but we need some external support.

**Mark Taylor (Brechin Business Association):**

I am the chair of the Brechin business association, which was formed in 1994. The association tries to help local businesses to make a better way of life for people in Brechin as well as for businesses. We work in conjunction with the city of Brechin partnership and Angus Council to make things as good as possible for Brechin.

I am also the general manager of one of the larger employers in Brechin. Some of the issues that are being discussed today affect us as an employer—for example, we sometimes find it difficult to get staff to employ in our factory.

**John Forster (Forster Roofing Services Ltd):**

I own and run two businesses from Brechin. Forster Roofing Services has two offices, one in Brechin and one in Livingston. Last year, we were responsible for one in five of all new roofs on new houses in Scotland. That gives a scale lead. We are also involved in distribution. As a businessman who is already based in Brechin, I am interested in seeing Brechin develop as a business centre and hope that new developments and new enterprises of significance will grow here. I especially want to see the socioeconomic benefits that are achieved through local employment rather than commuting.

**The Convener:** Thanks very much. That gives us a good start.

John Burt mentioned the problem of not benefiting from economies of scale. He also mentioned a lack of confidence, which was raised as an issue at last week's meeting, when we had local authority representatives around the table. Do our panel members all share John Burt's view? Brechin is not a big city, so it does not benefit from economies of scale. No one else has mentioned lack of confidence this afternoon.

**John Burt:** From my perspective, we face a chicken-and-egg situation. There are 7,000 or 8,000 people in the Brechin area and the college finds it difficult to get enough students for courses that we want to run. That is not for lack of trying and we work with other public sector partners and the private sector to address that. However, we can always do better. Inevitably, especially with the current cap on public funding for the college sector, we cannot grow any more. The college already does 10 per cent of training for nothing and we must look at the financing of student groups.

At our main college campus, we look to have a minimum of 12 students on a course. Although we sometimes run courses in the Brechin area, we struggle to get eight, seven or even six students on a course, which means that there are not the same economies of scale. That then leads to a lack of confidence in the area. The retail sector has had problems, but we know that there is potential for tourism and potential for us to engage in training for the tourism industry. There is a connection between the lack of economies of scale and the lack of confidence, but I believe that, by working together, we can find solutions. Perhaps we will come to those later.

**The Convener:** Do businesses share that perspective? Panel members have been successful in Brechin and have been able to expand their businesses. Do you see ways around those difficulties?

**John Forster:** The shortage of what we would describe as a can-do approach in Brechin is very evident. We have been in Brechin for just under two years, but we have created about 30 jobs. Over the past 12 months, we have started working with the local high school through one or two employer involvement projects. There is a strong desire for the school to create greater links with business, but that is where there is a major misunderstanding about how much business can add to an economy and society in a place such as Brechin.

Brechin knows that it falls between the two cities of Aberdeen and Dundee and undoubtedly feels abandoned. It has a phenomenally strong community spirit but, if we ask the school about the kids' view, we find that there is a massive shortfall in can-do attitude. That can be lifted in

many different ways. Undoubtedly, the way in which the school is run can be changed, as can the targets that the Executive gives. Individuals who are involved in the school do a lot, but more than that is needed and the momentum must come from a range of supports. I believe strongly that one of those supports is the business community, but if the business community in the area is not thriving, one of the main building blocks is missing.

**Mark Taylor:** I agree that there should be closer co-operation between education bodies and businesses. Without that, businesses do not know which kids can do what jobs. If we train the people whom we need, that will secure the community's future. We must recognise that what makes a community and keeps people in the community is the availability of apprenticeships for plumbers, joiners, mechanics and builders, for example. If we have those, local people will stay, the community will become more vibrant and there will be money and families in the community. There is more than one problem; the issue is an amalgam of all those little points. If we could pull them together in a small way, we would at least be building the community.

**John Forster:** I will throw in a statistic that might help. This year, 27 children coming up to age 16 expressed an interest in having experience of the trades, such as plumbing and joinery, but only a handful of those children were placed with local employers, because there is a fundamental lack of placements.

**Anne Mitchell:** On lack of confidence, the young people who are growing up in Brechin are in a difficult situation, in that their parents and grandparents remember the good old days when Brechin was an extremely vibrant city—we had a range of industry, a large American base and a large teaching hospital. Sometimes, although they do not mean to go on about it, parents are inclined to say to their children, "We didn't have a problem getting jobs, so why do you have a problem?" We forget that it is difficult for young people now, when businesses are not so vibrant and local employment is not so readily available. The youngsters who leave school automatically look around and ask whether they should go to Dundee or Aberdeen. Once they start working in those areas, it is difficult for them to think about coming back to Brechin and remaining here for the rest of their lives, because their employment opportunities are elsewhere.

**Richard Lochhead:** Anne Mitchell mentioned the need for some kind of help and assistance for places such as Brechin that are caught between cities. What distinctive assistance does such a place require? What measures would be more appropriate for Brechin than for other, differently sized communities?

**Anne Mitchell:** It would be good if we had similar rules for European and Scottish Executive financial initiatives. Brechin can qualify for the LEADER + programme but does not fall into most of the Executive's funding programmes because of its size, as its population is below 10,000 but above 3,000. It would be nice if there was a specific funding regime that was aimed at burghs of Brechin's size. I am not saying that such funding should last for ever, but it would be good at least to give us a kick start to get some things going on in the town. Many towns throughout Scotland are in the same position as Brechin is, as I am sure the committee is aware. It would be nice to have something. By all means, make the structure competitive, but let us at least have a fund to which we can apply.

15:00

**Maureen Macmillan:** I am a Highlands and Islands MSP and know well a small town that is similar to the small city of Brechin—perhaps Brechin is slightly bigger than it is. How is it that one small town can somehow pull itself up by its bootstraps, but another cannot? You seem to be saying that Brechin has a good community spirit, but that the problem is the lack of diverse employment opportunities. A member of the previous panel set up a website. I wonder whether there are opportunities for jobs that are linked to information technology in Brechin. Such jobs do not need to be done in a city—they can be done in a small town. Is anything being done through the college or businesses?

**John Burt:** The college has been involved in training for work in call centres that could come into the area. Various grants have helped us with that training and we have worked closely with Angus Council and Scottish Enterprise Tayside, but there is the final step of attracting a call centre. I think that there is a dedicated site that would be suitable.

I return to confidence and economies of scale. Individuals who work in partnership with the public sector and organisations such as Angus College make a difference. My staff have come back to me and sung the praises of the new rector of the local high school, with whom we are looking forward to working in partnership. Sometimes the combination of individuals and additional funding from schemes is needed to make things a success.

**Mark Taylor:** We have four companies in the town that are involved in various sorts of software and hardware IT. Therefore, we cover the field quite well.

**Maureen Macmillan:** I was thinking about people setting up microbusinesses using IT rather

than big businesses using IT. People do so in other rural areas.

**Anne Mitchell:** I am not aware of people doing that in Brechin, but I might be wrong if I said that people had not done so.

**Alex Johnstone:** I have a brief question that returns to what was said a moment ago. There have been mixed messages from business people about their experience of running businesses in the area. Will you clarify whether there is a labour or skilled labour shortage in the Brechin area?

**Mark Taylor:** In the industry in which I am involved—manufacturing window blinds—there is a labour shortage. When we want to take on staff, we go further and further afield for applicants. Instead of simply taking labour from the local area, we now go as far as Laurencekirk, Arbroath, Forfar and Kirriemuir. Perhaps two years ago, we could meet all our labour requirements from the town, but we must now go further afield, basically as a result of the age of the population. I think that retired people make up around 55 per cent of Brechin's population.

**Alex Johnstone:** It sounds as if there is a set of circumstances that should deliver economic and population growth, but I do not get the message that there is such growth. Why is that growth not happening?

**John Forster:** Mark Taylor's needs are different from ours, as he has a manufacturing base for which there is a slightly different set of skill requirements. In general, we have found that there is reasonable availability of people, but most of our staff who work from Brechin are in administrative or management positions, although some are in distribution. It is interesting that, invariably, the majority of applicants are people who work in Dundee or Aberdeen. It was mentioned earlier that, once people leave Brechin to take a job in one of those cities, the problem is that they will invariably have higher wages. Therefore, if we want to attract those people back, what is believed to be one of the fundamental economic benefits of setting up in a place such as Brechin will be removed. In other words, many people will have the perception that they are looking for higher wage levels than they might have looked for previously. *[Interruption.]*

**The Convener:** Does anybody have a phone on?

**Alex Johnstone:** Excuse me.

**The Convener:** We were discussing an important point.

**Alex Johnstone:** Would it be fair to say that Brechin could be on the cusp of an expansion phase?

**John Forster:** A key point is incentivising businesses to start up in Brechin. We have a good business park on the outskirts; it has been there for a few years but it has failed to attract any significant inward investment. The businesses that have moved to the park are predominantly relocations from the locality, so the park is not bringing in a great deal of new employment. We were hoping for significant incoming investment through new business that would generate local demand, but that has not happened. I believe that that is because Brechin does not have supported status and is therefore relatively expensive.

The perceived benefits—potentially lower residential and commercial property prices, as well as the possibility of slightly lower wage levels than might be demanded in the major cities—are being negated because we are too close to and not far enough away from Aberdeen and Dundee. In other words, it is too easy to choose to go and work outwith Brechin. However, if we were closer to those cities, we could derive more benefit. We are just on the edges of the commuting zones of those two places, so we are neither one thing nor the other and we fail to get the level of inward business investment that will create demand for jobs and bring the higher local employment that would lead to all sorts of added benefits.

The issue is not just about socioeconomic benefits; it is about people living in the town and spending their money here. If people go to Dundee or Aberdeen, they spend their money in the supermarkets and major shopping areas. I am not saying that people will not travel outwith the area even if they work in Brechin, but it is clearly a greater incentive to stop off at the supermarket on the edge of a major city than to spend much money in Brechin. That causes problems.

If people commute, they have less time to spend in Brechin and so they are less inclined to do their social and leisure spending in Brechin. From a community support perspective, time spent commuting in a car to either of those cities is time that might otherwise be spent with families and helping to develop a community spirit in a place such as Brechin.

I am sorry if I sound a bit depressing, but we are in a cleft stick; we are unable to go one way or the other. Business is undoubtedly the driving force that can create upward and onward momentum. We are on the cusp and we could go a long way. Unfortunately, business cannot do that unless it is supported to encourage inward investment into a business park, such as the one that we have in Brechin, or into any of the other commercial property in the town.

**The Convener:** Two members would like to come in—Rob Gibson and Mark Ruskell. If you are both relatively brief, we should be able to get

in a final round of questions before we break for coffee.

**Rob Gibson:** My question is aimed at Anne Mitchell, because she mentioned poor public transport to the cities. I have heard the arguments that we cannot stop people going to large centres. However, plans for a railway to Alloa, which is eight miles from Stirling, have recently come to fruition. The Brechin area had railways in the past and there is currently a steam railway on part of an old route. People feel involved when passengers and freight can be carried on a railway. Indeed, there will be a new transport plan in the next 10 years. Do you think that Brechin would feel more involved if people and goods could travel to Brechin by rail?

**Anne Mitchell:** The short answer is yes. Brechin is in a difficult situation in that our only link is a road. We do not have rail, a harbour or an airport. It would be lovely to have all those. I would love it if the rail link between Brechin and Montrose were resurrected, because at least that would link us with a harbour and enable things to be brought from the east coast. I would support any rail route to Dundee and Aberdeen and the resurrection of all the routes that we used to have many years ago, although that would cost a lot of money. We are in a difficult situation because we have only one entrance, which is by road.

**Rob Gibson:** Would anyone else like to comment?

**Mark Taylor:** Last year, all the ground from Brechin to Montrose was surveyed to see whether it was possible to re-lay the railway track. I do not know the outcome of that survey.

**The Convener:** We can find out.

**John Burt:** To get students to our courses, we have to run our own dedicated bus service, which we do from most of the burgh towns. However, there is still a problem, in that kids may miss their connecting buses to elsewhere, which cuts the number of students who can come to our college to do specialist courses such as carpentry, joinery and catering in industrial premises. Pupils in rural schools are therefore not getting the advantages that pupils in city schools are getting. Transport is a key issue for us.

**The Convener:** Do you pay for that service out of your budget or do you have a special allocation?

**John Burt:** We use our funds for student bursaries to help—legitimately—to pay for that. We also get a premium of £34 extra for a student coming from Brechin. Those things exist to help us.

**The Convener:** Mark, if you are brief you can sneak in a question.

**Mark Ruskell:** A number of communities in Fife are concerned that they will become dormitory towns, with effectively no business infrastructure. Do you face a similar problem?

**John Forster:** Yes.

**Mark Taylor:** Yes. The same problem affects Brechin. A lot of the smaller communities outside larger urban areas such as Dundee and Aberdeen are retirement towns, to which people from the bigger towns retire because they want a quieter life. Alternatively, people commute from the towns to the big urban areas.

People keep talking about big industry. The centres of lots of towns are blighted with empty shops. Most of those small businesses are family owned—they have been in the family for years—but they face a lot of burdens, such as rates, water charges and refuse charges. Something must be done if we are to keep the small towns going. The small shops are the heart of those communities. If we are to keep the communities going, we have to keep those small shops open.

People who want to start up a business might be frightened off by the rates and water charges. We need to offer them assistance. We can give them a two-year period when their charges will be subsidised, because normally within two years we know whether a business will make it. Once the shops are up and running, people will shop in the town. When tourists are in the town, they will spend in the town; when they go away, they will tell their friends that Brechin was a nice little town and they will come back.

**Mark Ruskell:** So a lot of the business infrastructure is already in the community, but it is in a poor state and needs upgrading.

**Mark Taylor:** It is in a poor state. We need to build on that. I am a member of the local round table. Recently, we had 17 guests from Holland and Germany. We supplied them with tourist leaflets and information from Angus Council about the area, so that they could go back and say to their families, "It was a nice place. Let's go back there." When people are here, we have to promote the area as best we can.

15:15

**Mark Ruskell:** Is that reflected in local structure plans?

**Mark Taylor:** One of the reasons why the city of Brechin partnership works so well is that the 30-odd groups in the partnership are all working together in our own little way, pulling in the right direction to try to push the issues.

**John Forster:** We must be careful when we talk about small and medium-sized enterprises. The

reality is that small business start-ups have a high failure rate, so issues will always arise, particularly in towns such as Brechin. Anybody who lives in such a town will see unusual small shops popping up and disappearing within 18 months—that is common and it is why the failure rate is what it is.

Much of the power lies in medium-sized enterprises. Places such as Brechin do not have enough of us—there are hardly any of us. We need a heck of a lot more of us. We can become excited about local website development or any of a small number of initiatives, but the reality is that we need many jobs. It is all very well to say that 20 new shops will be established in the middle of town, but they might employ only two or three people each. The reality is that we need significant enterprises.

If three medium-sized businesses were brought into the business park in Brechin, we could be talking about a couple of hundred jobs. In a town with a population such as Brechin's, which is about 8,000, that would have impact and clout and would create a focus. Spending would increase, which would support small enterprises that can fill the shops in the middle of town.

That is the holistic approach. We started by talking about schools and encouraging a belief from the youngest age. That starts there, but it comes through the whole community. Brechin has a strong community spirit, which is probably reflected in many communities with a similar status throughout Scotland. The approach starts from training the youngest people and goes right through. We must not miss out the medium-sized enterprise sector, which is self-sustaining, invariably profitable and a powerhouse in its own right. However, we must get that here in the first place.

**The Convener:** That powerful contribution has inspired three members to want to speak, but we are already 20 minutes behind schedule, so I will have to be brutal and stop them.

We have a coffee session lined up for everybody—not just those at the top table—so I invite everybody to go next door for that. I will give a couple of thoughts to keep the discussion going in people's minds. The next session should be used as a networking opportunity. You will mostly know one another, but we do not know you, so it would be good to catch up over coffee.

Good points have been made about the scale of towns such as Brechin, Brechin's location and how to turn the proximity to Aberdeen and Dundee into an advantage rather than a way of feeling like a dormitory town that people leave to make their money. Lots of thoughts have been discussed. Good ideas have been expressed about partnership working, education and training and



creating local employment opportunities that involve local businesses.

We will have two panels after the coffee break. One will examine social enterprise service issues and the other will involve representatives from the local council, Scottish Enterprise Tayside and Communities Scotland. That will enable us to develop the discussion. Before we hear from them, we will have a slot for individuals to bring a brief comment to the top table on the basis of what they have heard or to add a point that has not been made. Anyone who is interested in doing that can speak to Mark Brough or Christine Lambourne, our two clerks, who will guide you on how to ensure that you are called for the open session after coffee.

I thank the second panel of witnesses for appearing.

15:19

*Meeting suspended.*

15:50

*On resuming—*

**The Convener:** I welcome the three members of our third panel. Dr Elizabeth Cohen is with Brechin Day Care Ltd, Mai Hearne is chief officer of Angus Association of Voluntary Organisations—she is obviously wearing more than one hat this afternoon—and George Allan is head of service with Angus citizens advice bureau. I invite the panellists to introduce themselves briefly and to state their interest in our inquiry.

**Dr Elizabeth Cohen (Brechin Day Care Ltd):** I am chairman of Age Concern Angus and secretary of Brechin Day Care Ltd. Age Concern Angus initiated the day care centre in Brechin; before that, it had helped with other day care centres in Angus. We are concerned about the isolation of older people in rural and semi-rural areas. Surveys that Age Concern Angus undertook among older people in Forfar, Montrose and their surrounding rural areas indicated that there was a need for such centres, both for older people and to provide respite for their carers.

As a result of our discovery that transport in rural areas was a problem, Angus Council introduced two new services. Given that getting on and off buses is a problem for older people, the introduction of low-floor buses was warmly welcomed. Also, gardens can be either a joy or a great problem for older people, depending on their health and the availability of help.

**Mai Hearne (Angus Association of Voluntary Organisations):** My day job is chief officer of Angus Association of Voluntary Organisations,

which is also known as—it is another mouthful—the council for voluntary service in Angus and is core funded by the Scottish Executive. We have three staff, including me, and a management committee of eight volunteers. We work closely with the local volunteer centre in Angus.

**George Allan (Angus Citizens Advice Bureau):** I am the head of Angus citizens advice bureau service. I have a staff of 70 volunteers and four paid staff. We consider the organisation to be reactive in that we tend to react to all the problems that people bring to us, which are caused by social and economic factors, such as economic deprivation. At least 60 per cent of our work relates to welfare benefits, employment and money advice. Recently, we have accessed money from the Executive to create the B4 project, the aim of which is to provide young women with financial education. It covers matters such as budgeting, benefits, banking and borrowing. That is what Angus CAB is doing at present.

**The Convener:** Richard Lochhead and Maureen Macmillan have questions that they wanted to ask the previous panels.

**Maureen Macmillan:** Yes, but I want to ask about the way in which older people are supported in the community, which Dr Cohen mentioned. I assume that the population is aging. The previous panels told us that young people were leaving and that people were returning to the area to retire. How much of a problem do you foresee that being in the future? What further support is necessary? You suggested organisations that could help, such as Angus Care and Repair, but you might want to say why the necessary measures are not being taken.

**Dr Cohen:** The fact that the population is aging will be an increasing problem. In particular, the incidence of dementia will increase as people reach the age of 85. There is certainly a need for specialised day care centres for people with dementia. There is a great deal of activity in that area—for example, Alzheimer Scotland is doing a lot of research on dementia. It is being shown that there is life after dementia, as long as the condition can be looked at properly.

**Maureen Macmillan:** Is there a care home in Brechin?

**Dr Cohen:** There are two.

**Maureen Macmillan:** So there is quite good provision.

**Dr Cohen:** That is right. In our day care centre we provide care for 50 to 55 people at one time; there are 25 places per day. We have quite high turnover because of the age and frailty of our members. About half of them go into residential care and the other half go to the cemetery, but at

least we keep them in their own homes until they go to the cemetery.

**Maureen Macmillan:** I am a bit taken aback—you put that quite bluntly. On the whole, are you content with existing provision for older people? You mentioned transport. Do you feel that transport issues have been addressed by Angus Council's new schemes?

**Dr Cohen:** To a certain extent. However, we see buses going along empty. Nobody can sustain transport provision if it is not being used. Sometimes it is not there when people need it.

**Maureen Macmillan:** When Rob Gibson and I were in Fife it was said that the buses did not go where old people wanted them to go, which is why they did not use them. Do we have to consider whether the bus routes fit in with what people want?

**Dr Cohen:** I think so. Angus Council is good at doing that. It held a consultation not that long ago to which a lot of organisations, including ours, were asked to come along to express their opinions. We will get there.

**Richard Lochhead:** I have a question for George Allan. What are the distinctive characteristics of the case load that you get from Brechin and similar-sized communities, compared with what your counterparts in cities or very remote areas might get?

**George Allan:** Two years ago we conducted a survey of how the population of Angus used our services. We discovered that our services were used by one in 10 people and one in 14 people in Arbroath and Forfar, respectively, where we have offices. There was not an office in Brechin at the time of the survey and only one in 21 people there used the service. That is to do with remoteness and the fact that the majority of people who try to access our service in Brechin use the telephone rather than coming into a local office. We try to answer as many telephone calls as we can—calls represent about 35 per cent of our advice service—but we do not guarantee that we will answer every single call.

In Brechin more people make first calls for debt advice than in the areas where we have offices, which are Montrose, Forfar and Arbroath. They make first calls for debt advice, but they are less likely to call again, because there is no office service available.

The only difference in the statistics, apart from in relation to debt, is in relation to employment issues. Brechin South is an area of high unemployment—I think it is the fourth-largest such area in Angus. We tend not to get as many employment inquiries from Brechin as we do from other areas. That also applies to other rural areas.

We tend to get more first calls about debt and fewer employment issues are raised. When I say employment issues, I do not mean unemployment issues; I am talking about issues for people who are employed.

**Richard Lochhead:** Do you have any further comment on the debt issue, which is interesting?

**George Allan:** We have just opened a clinic. I did not say in my introductory remarks that we have just received a second Community Fund grant. With our first Community Fund grant we prepared a report called "The Social Welfare of Angus", which some of you would have received if you were members in the previous session, when we sent a copy to all MSPs. I am sorry, I have lost track of your question on debt; could you repeat it?

16:00

**Richard Lochhead:** My question was about the debt issue. Will you give us some background on that?

**George Allan:** Although I know that money advice call centres have been set up recently, I do not believe in call centres and think that the best way to resolve a person's debt problems is face to face. We send out money advice self-help packs, but tackling debt problems is such a big step for any individual that there is no doubt—I give this assurance based on my experience—that the best way is for the person to speak face to face with a qualified adviser.

**Mr Swinney:** Before moving on to my question, I should tell members that the Brechin day care centre is admirable. It is worth visiting to see the quality support that has been put together thanks to a jigsaw of lottery assistance. It is first class. Its ceremonial opening takes place in a couple of weeks, if memory serves me rightly.

I want to ask the panel about economic activity, which is an issue that came out of Mark Taylor's and John Forster's evidence in a previous panel. Given that, as Mr Allan said, Brechin South has higher unemployment levels than other Angus wards have, it is obvious that a certain proportion of the local people who could be economically active are economically inactive. That begs a question, given the business community's obvious concern about the pool of labour. As we heard, Mark Taylor's company has had to recruit people outwith the Brechin area whereas it would previously have been able to recruit locally. How actively is the voluntary sector involved in encouraging back to work those who may have got out of the habit of employment? Is the sector involved with statutory agencies in trying to tackle that issue? The problem is not unique to Brechin—it affects a whole range of communities—but it

strikes me that an untapped resource is not being motivated into joining the labour market.

**George Allan:** As an earlier witness pointed out, the funding that voluntary sector organisations receive is often only for short-term projects. For example, there was a nucleus project in Arbroath that facilitated people who were having difficulty getting back into a job after long-term unemployment. I understand that the role has now been taken over by someone else—

**Mr Swinney:** Who is that someone else?

**George Allan:** I think that Angus Training Group has now taken on the role. A facility still exists in Arbroath, but I am unaware of whether there is a facility in Brechin. Mai Hearne might know for sure, but I do not think that such a facility exists in Brechin.

**Mai Hearne:** The national picture is that the changes to incapacity benefit that were suggested before the general election in May—although they have been modified since then—will be put into place next year. Those changes will mean that the voluntary sector, including voluntary organisations in Angus and the rest of Tayside, will be more involved in encouraging back into work those who, for a variety of reasons, were on long-term incapacity benefit but always maintained that they would work if they had the opportunity.

Given the voluntary sector's successful involvement in the new deal for young unemployed people since the introduction of that programme in 1997, voluntary organisations have been seen as a good partner in any process that helps people back into the workplace. It is not about paying people to volunteer, but voluntary organisations can take a nurturing approach because they are in the happy position of being funded to do that.

Angus Association of Voluntary Organisations will certainly work with the Scottish Council for Voluntary Organisations—the main intermediary that interacts with councils for voluntary services throughout Scotland—but the employment service in Tayside will be encouraged to work with us in getting people back into the workplace.

Angus still has some organisations that help people back into employment. As George Allan said, the nucleus project no longer exists, but Angus Council has a good record on helping people in that way. By the nature of the burghs and villages in Angus, many voluntary organisations tend to be on the high streets. We encourage people to volunteer because it all adds to their employability.

I have been involved with community planning for what seems like a lifetime, but it has been only about seven years. Community planning in Angus

is effective, but the message that I am picking up today—I am sure that other members of Angus community planning partnership feel the same—is that there is still a gap with the private sector. We need to work much more closely with it to further develop Angus.

**Mr Swinney:** What is the gap?

**Mai Hearne:** From its inception, community planning in Angus sought to encourage more involvement from private sector companies, but we have still not had the success of being able to say that the Angus community planning partnership contains three or four Angus businesspeople because it does not. We have links and an economic theme, but private sector involvement is still not direct enough. The people whom I have met today for the first time from the private sector are still not coming along and being part of the joined-up work that we are trying to do in community, statutory and voluntary groups.

**Mr Ruskell:** We seem to be talking about a lot of issues this afternoon that are at the heart of community planning, including service delivery and private sector issues to do with how the needs of business are being built into local planning. However, I notice that Mai Hearne's submission says that there is a local perception that community planning happens anyway and that people are focused on individual local issues such as litter and road signage and feel that the bigger issues should be dealt with by politicians. How do you break through that thinking and get the capacity in the community to look at local issues, to take decisions and to involve all the different sectors? What approaches are being tried?

**Mai Hearne:** The effective approaches in Angus take the form of local area partnerships. The strategic element of community planning is contributed locally by local area partnerships and there are partnerships in most of the towns. They encourage people to see that planning is happening locally and is not just something that people in suits decide elsewhere.

There is also a greater recognition in the partnership that we are all partners—it is not like the huge bureaucracy of the national health service, only bits of which relate to community planning. In Angus, such planning is particularly effective because it is a relatively small county and although we see the same people in the groups, at least we can ask what is happening in Monifieth or in Brechin.

We need a far better media image for community planning and that is terribly hard to get because newspapers and television are interested only in bad news. Unless we are all fighting all the time, which we clearly are not, we do not get publicity. However, we are getting there and I

certainly feel, not just because I am in the strategic partnership but because I have been around it for so long, that we are getting community engagement—it is just taking a long time. People think that if their bins are being emptied, they do not need to worry about who is talking to whom.

**Mr Ruskell:** Do the local area partnerships involve the wider public?

**Mai Hearne:** Yes.

**Mr Ruskell:** We heard some interesting evidence from Stirling last week when the witnesses spoke about their rotating assembly that travels round different rural areas. How do your partnership meetings work?

**Mai Hearne:** They tend to take place in the burghs. There is a difficulty for a lot of people in the burghs because they wonder why there is a community council if there is a local area partnership meeting, say on the second Thursday of every month. We must educate people to know that the two are different and have different focuses.

We had our May annual conference for community planning last Thursday and I spoke, as did many of my colleagues, to people from community councils. There is a great desire to work together in Angus. Everybody says that they do not want to reinvent the wheel—we do not have the resources to reinvent it. There is more understanding about community planning, but it is taking a long time. I feel that it could accelerate if we could get more private business involved in community planning, but that is for the community planning partnership to recognise and develop from an event such as the one today.

**Rob Gibson:** I am interested in the strength of volunteering in rural communities. We have heard in evidence that voluntary organisations feel that they ought to be able to budget over a longer period. Do you agree that, instead of the short-term, three-year programmes that we often hear about, something on a 10-year budget scale would be useful? Do you also agree that core funding grants ought to go directly to voluntary organisations to enable them to plan for their future?

**The Convener:** Would anyone with a voluntary sector perspective disagree with that? We can ask the local authority representatives about it later on.

**Dr Cohen:** We get core revenue funding from Angus Council and we are left to do pretty much as we like with it, except that we are responsible to the care commission and must abide by its rules. We get funding annually, but we are pretty sure that it will continue.

**The Convener:** There is a long-term demand for your services.

**Dr Cohen:** Indeed.

**The Convener:** We picked that up earlier. Do the other two witnesses want to respond to Rob Gibson's questions?

**Mai Hearne:** I was going to make a point about funding, having listened to the witnesses from the private sector. Funders—not necessarily the statutory funders such as the Scottish Executive and the local authorities, but the huge foundations and funders such as the Big Lottery Fund—ought to have a box on their forms that says, "If we give you £60,000 a year in your small area of Brechin, what will it do to the small company two doors away that is providing IT services?" The funders could take more cognisance of what is happening in local areas. Many years ago, the Angus transport forum undertook a survey that produced some interesting facts. For example, when all the people who lived in a row of 10 farm cottages were asked whether they would use a rural bus if one was available, they replied, "No, we would use Tam in the last cottage because that is his source of income. He drives us everywhere." Funders ought to bear such things in mind in considering funding in rural areas.

**George Allan:** Funding is quite a tetchy problem for Angus citizens advice bureau. Sandy Watson, the chief executive of Angus Council, is sitting behind me. I am glad that he is retiring on Friday, as I would not like to face him on Monday morning after saying what I am about to say.

Angus citizens advice bureau has had its core grant fixed at £84,000 since 1995. The first grant increase that we received was an increase of £6,000 this year. We have managed to maintain our present level of service by being innovative in raising other money. We have got money through the new deal for taking on young volunteers, and we have received a fee for taking on social work students from the school of applied social studies at the Robert Gordon University. We have also been proactive in raising Community Fund money, and my salary and the salaries of two of my colleagues are partly funded by that method.

As far as the CAB is concerned—and this is the view of the board of directors as well—the issue requires examination. We would be happy to receive funding through the local authority. Such close proximity would be good, given the activities that we carry out in the local authority area. Some of my colleagues would say, "Let's go national. Let's get the money from the Department of Trade and Industry." I do not support that view and think that we should be funded by the local authority. The problem is that we are no longer budgeting, simply because, every year, we have to look at last year's budget and establish where we will cut back and make savings. That has been the position for 10 years, and it is not a happy one.

16:15

**The Convener:** There are no further questions. Your comments will be useful for us in joining the dots from our previous discussion and will help to ensure that we do not ignore the issue of how individual people get support. Thank you all for coming along and for giving us your written evidence beforehand, which was also useful.

I ask our final panel of witnesses to come to the table. Sandy Watson is chief executive of Angus Council; Shona Cormack is chief executive of Scottish Enterprise Tayside; and Callum McNicoll is a social justice manager for Communities Scotland. I welcome you all and ask you to give a brief introduction to your organisations and your contributions to this discussion. I take this opportunity to thank you for the written evidence that you gave us before the meeting.

**Sandy Watson (Angus Council):** I am the chief executive of Angus Council. The council has an interest in the inquiry because, as the local authority, we have a responsibility for many public services that are provided in the county, much of land area of which sits squarely within the accessible rural area category. We have an interest in the financial issues, some of which have already been referred to by Richard Cooke and Anne Mitchell. We also have a particular interest in community planning, including community engagement and engagement with young people in the context of the statutory duties laid upon us by the Local Government in Scotland Act 2003.

If policy is centred, on the one hand, on city regions and, on the other hand, on remote rural areas, there is a danger that accessible rural areas will be left in a gap. Against that backcloth, we are particularly interested in the statement made by Tom McCabe at the recent Convention of Scottish Local Authorities conference, in which he said that he is now interested in outcome agreements. I think that there is something in that for us and for the inquiry's remit.

**Shona Cormack (Scottish Enterprise Tayside):** I am chief executive of Scottish Enterprise Tayside. I have a professional interest in the inquiry, given the Scottish Enterprise network's remit for economic development and the fact that Tayside covers a considerable rural area, both accessible and remote, in Angus and Perthshire. Scottish Enterprise Tayside is part of the Angus community planning partnership and the Angus rural partnership, representatives of which the committee has already heard from this afternoon.

**Callum McNicoll (Communities Scotland):** I am the social justice manager for Communities Scotland in Tayside. Communities Scotland is the Scottish Executive's regeneration agency. We

fund a variety of housing projects—housing association initiatives and a wide variety of other initiatives—and we fund and work on a variety of social regeneration measures. We work closely with local authorities and others, including SET and NHS Tayside, in prioritising our investment. We also participate in the relevant community planning partnerships.

**The Convener:** Half the members round the table have indicated that they want to ask questions and make points. This is a good chance for us to pull together some of the threads from our discussion this afternoon.

**Nora Radcliffe:** I want to ask about the barriers that face areas such as Brechin in accessing different funding streams. Could you comment, from your different perspectives, on the deprivation indices and allocation formulae that are used in public funding streams? Where might we be creating anomalies that are to the disbenefit of areas such as Brechin?

**Sandy Watson:** That brings me back to what I said in my introductory remarks about the danger of our falling between two stools. I very much hope that one of the outcomes of your deliberations will be a recommendation to the Executive that the issue be treated seriously and that mechanisms be identified to deal with the problem.

I would like significant movement under the banner of community planning. I will come at my answer slightly more obliquely. One of the best exercises in national and local community planning that I have seen in Scotland is the way in which the health improvement agenda has been carried forward. The document "A Healthy Challenge" was issued with a number of key national messages. It was passed to—in our case—the health improvement committee of NHS Tayside and then to the local community planning partnerships, so that the joint health improvement plans could be put together. I would like the committee's remit to echo that process. What will be the main messages to come out of your inquiry? Can they be fed down not only to—in our case—the Angus community planning partnership but to the local area partnerships, which, as members will have seen this afternoon, have gathered a fair bit of momentum since they were introduced? There is no doubt that there is a strong will to make that happen.

One of the issues that should be discussed is how we get the money to make some of the things happen that we have identified at the local level. That is why I was so pleased that Tom McCabe was interested in outcome agreements. If we can get to a situation in which a local community is identifying its main priorities against a backcloth of your national messages and the messages from Angus, we can surely say to the minister, "Will you

please give us the money to deliver X, Y and Z, on the clear basis that we will deliver?" There is a lot of mileage in that approach.

**Shona Cormack:** There are challenges relating to funding. From an economic development perspective I would raise the specific issue of the lack of revenue funding that is available to community development groups and organisations. Revenue funding can be a particularly important factor in providing people with the confidence to undertake development activity. Some elements of funding are not tagged as funding for accessible rural areas but are available to all organisations. A good example of that is funding from the Scottish Executive's small firms merit award for research and technology; I am aware that Scottish Enterprise Tayside assisted a company located just outside Brechin to lever in nearly £50,000 from that particular funding source.

**Callum McNicoll:** The reference to deprivation indices is interesting in relation to Brechin. From Communities Scotland's perspective, there is a wide variety of housing grant initiatives that are probably flexible enough to allow housing support to go into accessible rural areas if they are deemed a housing need priority under the local housing strategy. The deprivation indices are a main driver of the new community regeneration fund, which gets going this financial year. Angus has some areas—in Arbroath, for example—that come within the worst 15 per cent, and the priority is to allow funding to go into such areas. Mention has been made of the worst areas of Brechin. The worst area of Brechin—you can tell that I have checked this—comes within the worst 16.4 per cent; in strict terms, therefore, it falls outwith the prioritisation for community regeneration funding. However, the Angus community planning partnership includes an area of Brechin in its draft regeneration outcome agreement, which is due to be submitted to Communities Scotland shortly. It will fall on Communities Scotland to assess the reasons why the Brechin area should be included and to recommend to the minister whether that would be deemed acceptable.

The deprivation indices are only one driver of funding. Others drivers of funding are not so dependent on the indices and look more to closing the opportunity gap; therefore they would probably not preclude the Brechin area although, as we have mentioned, small towns probably suffer a wee bit against all the other competing priorities. Organisations such as Jobcentre Plus try to identify hard-to-reach out-of-work people in areas that are outwith those that are identified through the deprivation indices, which may well include Brechin, although I cannot be definite about that.

**Sandy Watson:** I have two points about money.

First, it is extremely important to ensure that the city region funds are spent in a way that ensures a vibrant city and a vibrant hinterland, because the two depend on each other. In our case, the bulk of the funds—if not all of them—are being spent on the Dundee waterfront. One can understand that from a Dundee perspective, but it is extremely important that we work jointly on transport, economic development, leisure and tourism, waste management and the healthy, safe and caring communities agenda.

Secondly, somebody asked the previous panel about 10-year funding for voluntary organisations. There is a major issue about how funding should be disbursed to the voluntary sector. The present system of three-year tranches of funding is not satisfactory because organisations scabble around to put together a proposal, the project runs for three years and then—phut—the funding stops. Enough funding needs to be made available for organisations to write up their proposals, after which there can be a gradual phasing as they gather confidence in the community and so that they can run the organisation differently when money is withdrawn.

**Alex Johnstone:** Part of that answer slightly pre-empts my question, which is largely for Sandy Watson. When the Executive and other organisations talk about city regions and speculate about what might happen in the future, I detect a certain amount of fear, particularly in areas such as Angus, that the process might lead ultimately to another round of local government reorganisation. How important is it that the integrity of local authorities such as Angus Council is maintained over time to ensure that we do not have the difficulties and arguments over resources between cities and rural areas such as Angus that resulted in the past?

**Sandy Watson:** A fair amount of discussion is going on about the future shape of the public sector, not just local government. You will have seen in the press recently that Tom McCabe called for a cull of chief executives and directors of finance.

**Alex Johnstone:** Did that cause you to volunteer?

**Sandy Watson:** The comment had to be seen in the context of everything that he said in his speech. He was really saying that the whole public sector needs attention. My crystal ball is as effective as yours, but I would be surprised if the Executive dispensed entirely with the system of 32 councils, given that they have developed a relationship with their communities that the previous regional councils did not achieve. However, whether the 32 councils will provide the same services is another issue. A fair bit of debate is developing about what might happen to

education, social work, health and enterprise services.

There is no getting away from the fact that in Scotland we have what some people have described as an institutional mess, with 32 councils, 23 LECs, 15 health boards and eight police and fire authorities. In fact, I was highly amused the other day when I heard that the situation is being called institutional porridge in the Highlands, institutional muesli in Edinburgh and institutional mince in Glasgow. There is no doubt that there is an issue to be talked about in detail. I can say only that I am glad that I am retiring.

**The Convener:** It is important for everyone to match their identity to whatever the theme of the day is.

Does Alex Johnstone want to follow up the question, or has it been answered?

16:30

**Alex Johnstone:** I think that Sandy Watson has effectively answered my question. I would be interested to know whether the other organisations that are represented on the panel also feel that it is important to retain that distinction, given that their organisations are perhaps included in the mince.

**Shona Cormack:** In relation to the city regions, we recognise the importance both of vibrant cities as economic drivers, and of vibrant, accessible rural areas as a powerful proposition for mobile individuals and businesses. I think that we need to understand the contribution that accessible rural areas make to city regions and how they can benefit from that agenda.

**Callum McNicoll:** Communities Scotland does a lot of work in housing market areas, which, to a certain extent, relate to city regions. We think that local authority boundaries are not as important as the need to ensure that there is a bit of joint working between the relevant organisations to deal with situations in which boundaries do not coincide with housing need or social regeneration need. Housing demand does not stop at the boundary between Dundee and Angus, for instance, and the creation of jobs in Dundee might well impact on housing demand in Angus, or vice versa. We have to ensure that there is good joint working around the boundary areas.

**Maureen Macmillan:** Earlier, Mai Hearne told us that she felt that community planning partnerships did not have enough involvement with private enterprise, and John Forster told us that he felt that medium-sized enterprises had a strong role to play in regeneration. However, there does not seem to have been a meeting of minds on this issue. Do you have any thoughts about

how we could bridge the gap between the voluntary sector, statutory bodies and private enterprise, particularly larger businesses?

**Shona Cormack:** There is often a challenge in encouraging the private sector to engage with community planning. I do not think that that challenge is unique to Angus. Equally, I know of examples in other areas of the private sector engaging effectively with community planning partnerships. For example, there is the Stirling assembly, and I believe that there are business assemblies in Edinburgh.

I endorse what John Forster said earlier about the importance of ambitious, medium-sized, growing businesses, some of which are already located in accessible rural areas, in driving forward local economic development. Certainly, Scottish Enterprise Tayside is working with Forster Roofing Services and similar companies to help them to share the risks and achieve growth faster than they would on their own.

**Maureen Macmillan:** What sort of voice should they have on the community planning partnership? Are you able to invite them on to the partnership, or is that outwith the partnership's remit?

**Sandy Watson:** The Angus partnership has four strands, one of which deals with the economy. Within that, we have pretty good representation from the business community, including a few movers and shakers from local businesses, the Federation of Small Businesses, the chamber of commerce and so on, which we are happy about. Those people make a good contribution against the background of what is coming out of the Tayside economic forum, which is related to the smart, successful Scotland programme.

At a local level, we believe that we are starting to head in the right direction. For example, in Carnoustie, we have an economic development marketing group, which is planning a European-funded image enhancement exercise in the run-up to the 2007 open championship. Also, in Monifieth, we are conducting an exercise in generating new dialogue between businesses and the partnership to address issues of town centre regeneration. Further, the issue of opportunities for young people is a major one across all the communities in Angus.

The process is not perfect, but it is moving in the right direction. I was heartened that the recent Audit Scotland report on Angus Council showed that we were the first council in Scotland to go through an audit of best value and community planning. We were complimented on where we were; we seemed to the auditors to be ahead of the game.

The bottom line is whether we can get the business community and politicians more

integrated, both top down and bottom up, in the community planning process in Angus.

**Richard Lochhead:** A lot of submissions said that renewable energy holds a lot of potential for the rural economy, for a variety of reasons. We touched on biomass and forestry with the first panel. How is the public sector trying to realise such potential on the ground in our communities?

Communities Scotland will spend millions of pounds on housing projects. To what extent are such projects being powered by renewables? I read recently that Scottish Enterprise Tayside employs a renewables officer. I have doubts about how much one person in an enterprise company can do on renewables. I presume that local authorities are also turning on to the issue. I ask all the witnesses to tell us briefly how many people they employ in developing energy projects and what role they think that the public sector has to play in that.

**The Convener:** Who would like to kick off? It would be good to work through the witnesses.

**Sandy Watson:** I will kick off with an example from Angus Council, which relates to local village halls and the use of up-to-date renewable energy technologies. Menmuir hall is an excellent example of a renewables development. A small hydroelectric generator has been placed in the burn and generates 1kW of electricity, which is used to operate a ground source heat pump, which creates enough heat to provide under-floor heating for the hall. The hall has basic warmth for free. We want such developments to be encouraged through community planning mechanisms. The idea was generated locally, but its potential is considerable.

**The Convener:** Do you have a programme that cuts across the council's work? You do not yet have targets for tackling climate change emissions. In our climate change report, we considered how councils could set targets and identify what they could do locally.

**Sandy Watson:** That issue has surfaced. I said that there were four strands in our community planning partnership. The environment forum fits into the discussions, but we still have long way to go. It is important that the right people are now around the table having discussions, and local developments such as the Menmuir project are heartening.

**Shona Cormack:** Our key interest is securing business opportunities from the renewables market. Richard Lochhead is absolutely right: we have recently employed an individual in that area of work; we levered in funding from the European Union to help us do so. That individual does not work entirely on their own. Scottish Enterprise has an energy team that has an interest in renewables.

The individual whom we employed will be working with both private sector and public sector partners to identify opportunities for existing and new businesses to benefit from the renewables market.

**The Convener:** Is Communities Scotland developing best practice in the area? I know that developments in Scotland have exciting ideas that came through Communities Scotland.

**Callum McNicoll:** Communities Scotland is developing a sustainability policy, which is on-going work. On housing developments, each housing association that we fund is meant to have a sustainability policy, both for its internal working and for house construction. The key is to have low energy ratings for the housing that we approve for funding.

The use of local timber is an interesting point. We are running research with one of the housing associations in Tayside on the use of local timber. We will have to see how that pans out. We also run quite a few pilot projects, for example heat and power projects and other sustainability projects, such as housing developments that use recycled water. To be honest, most of those things add a lot of cost to a development. Recently, a housing association wanted to use a combined heat and power system—a sort of local power distribution network—in a project, but it was going to add almost £1 million to the cost. It is difficult to incorporate such things when we are trying to produce as many houses as we can for given amounts of money, but our on-going pilots will be assessed to find out which give the best added value.

**Richard Lochhead:** I know that it is early days and people are feeling their way around, but organisations often come up with tokens of what they are doing; they say, "Oh yes, we have this one project in this area." To what extent is there a determination to exploit the opportunities for economic development and jobs that are presented by renewables? Scottish Enterprise national has its energy team, and Scottish Enterprise Tayside has one person working on that in Tayside, which is quite a big area. Is it enough to have one person working in the whole of Tayside to exploit the business opportunities? The opportunities are massive. How seriously is Scottish Enterprise taking the matter?

**Shona Cormack:** We are taking it seriously, which is why we decided to invest our own resource and to lever in additional resource to employ that individual in Tayside. As I said, the person will work in partnership with people in the enterprise networks and with others in the public and private sectors to ensure that Tayside exploits the available renewables opportunities.

**The Convener:** Okay. Thank you for that. Four members want to ask questions. The plan is that



we will leave here at 5 o'clock—that will concentrate the minds of the four questioners.

**Rob Gibson:** My question is about dispersal of civil service jobs. Have you been approached by the Scottish Executive with the idea that small towns such as Brechin are appropriate places to place 30 or 40 jobs? Such placements could kick-start the economy of a town of Brechin's size. Do Angus and Tayside feel that they have had a fair share of jobs that have been decentralised from Edinburgh or London?

**The Convener:** Would the council be involved in that, Sandy?

**Sandy Watson:** Yes. We have persistently bid for jobs to be dispersed to Angus, but entirely without success. We bid through our Tayside contacts. I am sure that Shona Cormack will be able to speak about the overall Tayside position. However, Angus has not been successful in its bids thus far.

**Shona Cormack:** Given that Scottish Enterprise Tayside is part of a national networked organisation, our role has been to support local authority bids. We cover three local authority areas, so we sometimes find that more than one authority bids for a particular dispersal. We perform a supportive role for the local authorities, but they take the lead in making bids.

**Rob Gibson:** Would you welcome the Scottish Executive's considering a spatial policy that would involve the type of work that I am talking about coming to small towns in particular?

**Sandy Watson:** I would absolutely welcome that.

**Shona Cormack:** We welcome any jobs growth in accessible rural areas and small towns, wherever it comes from.

16:45

**Mr Ruskell:** It is clear that renewable energy offers significant business opportunities, but it also offers significant opportunities for communities. We are talking a lot today about service delivery, the need to fund the voluntary sector and the need to build community capacity. Supportable renewable energy projects could be key drivers of income for those, so why do you focus more on business aspects and less on community development, especially given the experience in Denmark, where many communities are being funded by renewables projects? Here, many of the benefits of renewable energies seem to be distributed to businesses rather than to communities.

**Sandy Watson:** I will use the Menmuir hall example that I cited. We have a group of village

hall representatives in Angus who have become knowledgeable about such technology. They have assisted in planning of installations that include a major ground-source heat pump, wind turbines, photovoltaic arrays, wood-pellet stoves and modern insulation systems. That local knowledge is spreading; a few private households have adopted the technologies and one local firm has gained installation experience.

I am told that, as rural communities face uncertainties that arise from developments such as withdrawal of structural funds—which was mentioned—and reconfiguration of the common agricultural policy, it is interesting to see them use modern technology to work towards developing sustainably.

**Mr Ruskell:** I am talking more about wind-farm development, such as the larger-scale developments that are proposed in Angus and Perthshire, for example. I am interested in hearing about that from Shona Cormack, because I am aware that Highlands and Islands Enterprise has a community renewables grouping that works to support communities in achieving the optimum deals from such developments.

**Shona Cormack:** I am sure that many people around the table know that Highlands and Islands Enterprise has a marginally different remit from the Scottish Enterprise network. HIE has a community development remit, which the Scottish Enterprise network does not have. I cannot comment on the specifics of the case to which Mark Ruskell refers, but that difference between remits may explain why it is appropriate for HIE to become involved in such activity, in respect of which the Scottish Enterprise network would focus primarily on the private sector or potentially a social economy organisation.

**Mr Ruskell:** Why are the Highlands and Islands treated differently from Angus?

**Shona Cormack:** That is a result of how the two organisations were set up. As I said, Highlands and Islands Enterprise has a slightly different remit, which includes community development, unlike Scottish Enterprise's remit.

**The Convener:** Perhaps we can put that to ministers when they give evidence.

**Nora Radcliffe:** I will ask my last question in a minute, but I want first to pick up Communities Scotland's quite disappointing response on renewables, which was that £1 million would have been added to a project's cost if the combined heat and power route had been taken. Given the chicken-and-egg cycle of developing CHP that we heard about earlier, did you consider what that £1 million might have bought in capitalising on an opportunity? How many houses were involved in the project? Did you examine the whole-life costs

and what would be saved downstream by spending £1 million upstream? It was disappointing that the £1 million added cost, which was not enumerated and might have been broken down into much more manageable figures, was such a barrier to seizing an opportunity such as we must seize if we are to move the agenda forward.

We have heard much about Aberdeen and Dundee pulling labour away from and drawing business out of Brechin, but how much have they been targeted as a source of customers for Brechin businesses? My area has good examples of communities outwith Aberdeen that have persuaded Aberdonians to shop in their town centres because they offer a slightly different and more interesting shopping experience.

**The Convener:** That is as a day trip.

**Nora Radcliffe:** Yes.

**Callum McNicoll:** The first point—

**Nora Radcliffe:** Sorry—

**The Convener:** Take the hit for Communities Scotland.

**Callum McNicoll:** We hope that we are working towards funding such a project.

**Nora Radcliffe:** Good.

**Callum McNicoll:** I just used the figure of £1 million as an example of how expensive it can be to become involved in such innovative processes.

**Nora Radcliffe:** To blaze the trail.

**The Convener:** The track record throughout the country is that combined heat and power is particularly difficult to use because it involves a cost that can be chopped off. It will be interesting to see how you proceed with trying to make that work.

**Sandy Watson:** Any way of incentivising expenditure through a spend-to-save model would be good to explore.

**Nora Radcliffe:** There is a perception that there is a gap. Some people deny that there is, but other people say that it exists because they keep falling into it.

**Sandy Watson:** You asked about the extent to which the burghs of Angus attract people from Dundee and Aberdeen. They do so to some extent because shops in different areas provide different things. The city of Brechin partnership has pushed the question whether Brechin's town centre can be sold as being something different, which is interesting. Can people become specialists in certain things? A town in Scotland is recognised as the book town, and the city of Brechin partnership is asking itself whether there is

something for which Brechin can become recognised. We certainly encourage it to think in those terms.

**The Convener:** That issue arose last week when we talked to local authorities, particularly about the Borders' experience. We considered Peebles, which is a small town that has majored on its being a distinctive shopping experience. Peebles has been successful, but a lot of work was needed to make it successful. Perhaps Callander in Stirlingshire should also be mentioned. There is another way of thinking about retail: rather than everyone going to the big cities, people could think about what they can do to pull people into their towns.

**Mr Swinney:** Mark Taylor and John Forster, who were on a previous panel, said that the infrastructure for doing business in Brechin is very good. They said that there is a business park and all the rest of it, but that much of it lies vacant, which is a fair assessment. What would make the biggest difference that would attract private sector companies to locate in that facility? The infrastructure is good, but what policy changes could the committee argue that the Government should undertake to make locating there more attractive for businesses?

**Shona Cormack:** A range of factors encourage businesses to locate in different areas. It is clear that availability of appropriately skilled human resources is critical, but in other areas availability of financial resources can make a difference to businesses' location decisions, although we must be clear that it is not always the only factor.

**Sandy Watson:** I will make two suggestions. First, there should be some kind of development status for such rural areas and secondly, business rates—which have been mentioned—should be looked at hard. Is alleviation of rates for start-up businesses in the locality possible, bearing in mind that if the council does not receive income from business rates, it must come from another source? I am not saying that the council can give up the income, but that business rates should be considered. We should come up with alternatives. I am aware that a committee is discussing local government finance—business rates will also exercise the minds of the members of that committee.

**Mr Swinney:** One thing that would help with a number of issues that we have considered is categorisation of areas—such as the area that we are discussing—that are neither city regions nor villages and which require specific policy initiatives to address their specific circumstances.

**Sandy Watson:** That is exactly what I mean.

**The Convener:** Perhaps that is a good point at which to end. The issue arose at the previous

meeting, at which councils talked about the success of the LEADER + programme funding that they had been able to utilise. The councils did not cover a big city or a remote rural area, but people had been able to use that funding stream in different ways.

I thank the witnesses for answering sharp questions towards the end of the meeting—it was useful to cut through issues.

If we reflect back on what has been said, it will be clear that there are identity issues to do with small towns that have relationships with big city regions. Brechin has a relationship with two city regions, and it is obvious that a big issue is about thinking through what it wants to be in relation to Dundee and Aberdeen. It does not want to be a dormitory town—it wants to be vibrant.

We did not spend as much time as I had anticipated on agriculture or diversification; we talked more about manufacturing and local business growth. The focus was on economic development, how to retain young people in rural communities, the importance of education and training and the range of social services that are needed to back up communities. Mention was made of the need for an integrated approach to be taken: if we are to look at local business growth, we must also consider schools, quality of life and services issues.

The meeting has been very useful for us and an awful lot of issues have been put on the committee's agenda. I hope that the community found it enjoyable and interesting to hear the debate flying around among representatives of different elements of the local community. I also hope that one or two of the questions that people found hard to answer could go back to the city of Brechin partnership for its representatives to answer.

The committee has had the chance to fire questions at people. If, after the meeting, anyone—individuals or representatives of organisations—wants to make points on issues at local or Scottish level that we have discussed today, we would be happy to hear them. We have sheets for people who want to comment in writing this afternoon; anyone who wants to do so should speak to the clerks. The sheets are available for anyone who wants to capture a thought before they leave the hall. Equally, if anyone wants to e-mail us, it is fine for them to do so over the next few days.

**Sandy Watson:** If I may, convener, I will capture a thought in 10 seconds. I meant to mention earlier that Professor Malcolm Mosley produced "Parish and Town Plans, Market Town Action Plans: links to local Strategic Partnerships and Community Strategies" for the Countryside

Agency south of the border. Scotland could learn something from excellent document, which is often called the bridges report.

**The Convener:** That is useful. Depending on whether you can get hold of a copy and how long it is, perhaps you could copy the executive summary or the entire report to us.

I thank Angus Council, who have been our hosts today, for helping our clerks to set up a very smoothly run operation. I give particular thanks to Audrey Wood, who I understand was instrumental in making today's arrangements work so well.

I thank the audience and the people who participated this afternoon and who asked us questions when we went for coffee. It has been an interesting and lively meeting and I hope that people feel that we got to the heart of some of the difficult issues.

We will continue with our inquiry, so this is not the end of the story for us. Over the next few weeks, we will fire questions first at the national agencies and then at ministers. It will probably take a few months for us to finalise our report, so people should look at the Parliament website in September, when they will—I hope—find the report. If anyone is interested in reflecting on the discussion, the *Official Report* of the meeting will be on the website within a week, once the official report staff have done their hard work and sorted out who said what.

I hope that everyone keeps an interest in the inquiry. Certainly, we very much wanted to hear about the experiences of the people who have attended today, so it has been a valuable afternoon. I will let in John Swinney for a brief and helpful five-second contribution.

**Mr Swinney:** As the local MSP, I thank the committee for coming to Brechin. The community appreciates the special attention that the committee has focused on some of the practical issues that affect the area.

**The Convener:** I thank everyone for attending.

*Meeting closed at 16:58.*



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

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

The deadline for corrections to this edition is:

**Wednesday 22 June 2005**

#### PRICES AND SUBSCRIPTION RATES

##### OFFICIAL REPORT daily editions

*Single copies: £5.00*

*Meetings of the Parliament annual subscriptions: £350.00*

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

##### WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

*Single copies: £3.75*

*Annual subscriptions: £150.00*

Standing orders will be accepted at Document Supply.

Published in Edinburgh by Astron and available from:

**Blackwell's Bookshop**  
53 South Bridge  
Edinburgh EH1 1YS  
0131 622 8222

**Blackwell's Bookshops:**  
243-244 High Holborn  
London WC1 7DZ  
Tel 020 7831 9501

All trade orders for Scottish Parliament documents should be placed through Blackwell's Edinburgh

**Blackwell's Scottish Parliament Documentation**  
Helpline may be able to assist with additional information on publications of or about the Scottish Parliament, their availability and cost:

**Telephone orders and inquiries**  
0131 622 8283 or  
0131 622 8258

**Fax orders**  
0131 557 8149

**E-mail orders**  
[business.edinburgh@blackwell.co.uk](mailto:business.edinburgh@blackwell.co.uk)

**Subscriptions & Standing Orders**  
[business.edinburgh@blackwell.co.uk](mailto:business.edinburgh@blackwell.co.uk)

**RNID TYPETALK calls welcome on**  
18001 0131 348 5412  
Textphone 0845 270 0152

[sp.info@scottish.parliament.uk](mailto:sp.info@scottish.parliament.uk)

All documents are available on the Scottish Parliament website at:

[www.scottish.parliament.uk](http://www.scottish.parliament.uk)

**Accredited Agents**  
(see Yellow Pages)

and through good booksellers

Printed in Scotland by Astron