



**Environment and Rural Development Committee**

**17th Meeting, 2005**

**Wednesday 8 June 2005**

The Committee will meet at 10.00 am in Committee Room 1

**1. Inquiry into rural development:** The Committee will take evidence from—

James Knowles, Head of Economic Development, Aberdeenshire Council;

Tony Fitzpatrick, Group Manager for Economic Regeneration, Dumfries and Galloway Council;

Norma Graham, Fife Rural Partnership;

Councillor Ian Ross, Chair of Sustainable Development Select Committee and Area Transport, Environmental and Community Service Committee, Highland Council;

Councillor Alan Livingstone, Convener, Enterprise and Infrastructure Committee, Perth and Kinross Council;

Ian Lindley, Director of Planning and Economic Development, Scottish Borders Council;

Nick Larkin, Head of Enterprise and Development, South Ayrshire Council;

Gordon Todd, Economic Development Manager, South Lanarkshire Council;  
and

Ian Fraser, Head of Economic Development, Stirling Council.

**2. Subordinate legislation:** The Committee will consider the following negative instrument—

the Common Agricultural Policy Single Farm Payment and Support Schemes (Scotland) Amendment Regulations 2005 (SSI 2005/257).

**Mark Brough**  
Clerk to the Committee  
Direct Tel: 0131-348-5240

The following papers are attached:

<u>Agenda Item 1</u>	
Briefing paper ( <i>for members only</i> )	ERD/S2/05/17/1a
Submission from Aberdeenshire Council	<a href="#">ERD/S2/05/17/1b</a>
Submission from Dumfries and Galloway Council	<a href="#">ERD/S2/05/17/1c</a>
Submission from Fife Rural Partnership	<a href="#">ERD/S2/05/17/1d</a>
Submission from Highland Council	<a href="#">ERD/S2/05/17/1e</a>
Submission from Perth and Kinross Council	<a href="#">ERD/S2/05/17/1f</a>
Submission from Scottish Borders Council	<a href="#">ERD/S2/05/17/1g</a>
Submission from South Ayrshire Council	<a href="#">ERD/S2/05/17/1h</a>
Submission from South Lanarkshire Council	<a href="#">ERD/S2/05/17/1i</a>
Submission from Stirling Council	<a href="#">ERD/S2/05/17/1j</a>
<u>Agenda Item 2</u>	
<a href="#">The Common Agricultural Policy Single Farm Payment and Support Schemes (Scotland) Amendment Regulations 2005 (SSI 2005/257)</a>	ERD/S2/05/17/2a
Extract from the Subordinate Legislation Committee's 22nd Report	<a href="#">ERD/S2/05/17/2b</a>

## **SUBMISSION FROM ABERDEENSHIRE COUNCIL**

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### **1 Introduction**

Aberdeenshire Council welcomes the opportunity to provide evidence to the Inquiry titled "Securing a future for rural communities" being undertaken by The Scottish Parliament Environment and Rural Development Committee (E&RDC). The comments detailed in this submission are provided after consultation with officers, in particular, within Transportation & Infrastructure and Planning & Environmental Services. Aberdeenshire Council's Infrastructure Services Committee (ISC) will consider this response at its next scheduled meeting on 23 June 2005 and if recommended by ISC, any changes to this submission will be notified to the E&RDC promptly thereafter.

### **2 Aberdeenshire Profile**

#### **2.1 Area & Population**

Aberdeenshire covers an area of 6313 sq km (2,437 sq miles), 8% of Scotland's area and has a population of approximately 230,000, 4.5% of Scotland's population<sup>1</sup>. Approximately 35% of Aberdeenshire's population live in major settlements<sup>2</sup> (population over 10,000) and accessible towns<sup>3</sup> (population between 3000 to 10,000). It is estimated that 39% of Aberdeenshire's population live in accessible rural areas<sup>4</sup>, which is significantly higher than the Scottish average of 13%. A total of 26% of Aberdeenshire residents live in remote rural areas<sup>5</sup>, which is significantly higher than the Scottish average of 6%.

With a population density of 1 person per 2.74 hectares, the rurality of Aberdeenshire is clearly demonstrated, along with the requirement for rural policies that address the rural economy and communities. However, the linkages to and synergy with major cities is also relevant to communities in accessible rural areas, for example, approximately 29% of Aberdeenshire's residents commute to Aberdeen, representing 20% of the City's workforce<sup>6</sup>.

#### **2.2 Economy**

Major industries in Aberdeenshire include agriculture, fishing, forestry, papermaking, energy, tourism and service sectors, with financial services featuring strongly. With many large non-indigenous manufacturers closing their factories in Aberdeenshire over the past 20 years, for example, Nestle, General Motors, Consolidated Pneumatic Tools, United Biscuits, Cleveland Twist Drill, and the draw down of RAF Buchan, the area has again become economically dependent on the primary sector and related processing industries. The oil and gas industry has contributed to population growth and provides significant employment.

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<sup>1</sup> and <sup>6</sup> Aberdeenshire Statistics – Profile

<sup>2</sup> Fraserburgh, Inverurie, Peterhead, Stonehaven, Westhill

<sup>3</sup> Banchory, Banff, Ellon, Huntly, Kemnay, Macduff, Newtonhill, Portlethen, Turriff

<sup>4</sup> Settlements of less than 3000 and within 30 minutes drive of towns with population of 10,000 or more

<sup>5</sup> Scottish Executive Urban Rural Classification 2003-2004 Statistics – Remote small towns and rural areas

Gross Domestic Product (GDP) in Aberdeenshire is estimated at £2,532 million, representing 3.5% of the Scottish total, indicating that in per capita terms, the area underperforms economically in a regional and Scottish context. Total employment is estimated at 88,850. Overall unemployment in Aberdeenshire is low at 1.4% compared to Scotland (3%), but there are clusters of high youth and overall unemployment, particularly in fishing dependent communities.

### **2.3 Strategic Framework for Economic Prosperity**

Aberdeenshire Council's vision for "Working together for the best quality of life for everyone in Aberdeenshire" is pursued through the four major themes of Community Well Being, Jobs and the Economy, Learning and Sustainable Development. Community Planning is the overarching framework which underpins the Council's Strategic Plan. Other major strategies that influence sustainable development of rural communities in Aberdeenshire include:

- The Statutory Development Plans comprising the Aberdeen and Aberdeenshire Structure Plan (North East Scotland Together) and the Aberdeenshire Local Plan
- North East Scotland Economic Forum (NESEF) Strategy "Business 2010"
- Aberdeenshire Council's Economic Development Strategy 2001-2007
- NESTRANS and the Modern Transport System (MTS) and the Aberdeenshire Local Transport Strategy, which complements the MTS.
- Aberdeenshire Local Housing Strategy 2004-2009
- Aberdeenshire Council's Renewable Energy Strategy
- Aberdeenshire Council's Sustainability Charter

### **2.4 Strategic Initiatives for Economic Prosperity**

Looking to the future sustainable development of rural communities in Aberdeenshire, a broad range of initiatives and activities encompassing communities, economic prosperity, jobs and the economy are influenced by partnerships, advisory committees and strategic initiatives. These partnerships and initiatives contribute to rural economic development and as such, demonstrate the positive outcome in terms of local and regional delivery of EU and National rural development policies and funding. Examples of such initiatives include:

- Aberdeenshire Towns Partnership
- Community Planning.
- Community Economic Development and Rural Partnerships
- Building Buchan New Beginnings
- EU Objective 2 Area and Transition Area Status and LEADER + Programme
- North East Forest Industry Group
- North East Scotland Agriculture Advisory Group
- North East Scotland Fisheries Development Partnership
- North Sea Regional Advisory Council

### **2.5 Major Industries in Aberdeenshire**

#### **Oil & Gas**

The important centres for the industry are Peterhead and the gas terminal at St Fergus. There is also a significant presence of oil service companies in Portlethen and Westhill. Although most oil-related companies are based in Aberdeen, approximately 80 are based in Aberdeenshire thus contributing to the rural economy. NESEF Oil & Gas Industry forecasts for onshore employment in the oil sector show a decline in the next 15 years of approximately 25% and a key challenge for Aberdeenshire will be replacing these jobs.

## **Fishing**

Aberdeenshire is Scotland's foremost fishing area, accounting for 48% of total landings by tonnage and 33% by value and the local industry provides 31% of Scotland's fishing employment<sup>7</sup>. However, the fishing dependent communities and the rural hinterlands in Buchan and Banff & Buchan have been exposed to social and economic pressures as the fishing sector restructures.

## **Agriculture**

Aberdeenshire accounts for 9% of Scotland's agricultural land area, 14% of Scotland's farm holdings and 14% of Scotland's agricultural labour force. Output from agriculture is £230 million, 16% of Scotland's total and 9% of Aberdeenshire's GDP<sup>8</sup>.

## **Tourism**

Aberdeenshire's tourism industry is growing in importance with major natural assets including the Cairngorms National Park and Coastal areas supplemented by visitor attractions based on Aberdeenshire's heritage. Estimated tourist expenditure in the area is £329 million. However, the wintersports sector, which generates significant employment, has struggled to remain viable due to unreliability of snowfall and rapid thawing, reflecting climate change.

<sup>7,8</sup> Aberdeenshire Statistics

## **3 Key Issues in Aberdeenshire Council's approach to Rural Development**

Aberdeenshire Council's policy to promote sustainable rural development encompasses a broad range of initiatives based on and developed from strategic objectives to maintain the viability of the rural economy, and of rural settlements in particular. Examples of activities that influence rural development include the following:

### **3.1 Economic Development / Business Development**

The Support for Aberdeenshire Business Scheme and Rural Shop Support Scheme can stimulate the rural economy through support to new, key existing and expanding businesses. Community Economic Development promotes capacity building in rural communities and supports the development of rural partnerships.

The Rural Facilities Monitor is an annual publication which tracks changes in the extent of service provision in Aberdeenshire.

The Council is active in supporting the primary industries of agriculture, forestry and fishing through partnerships and forums, researching new opportunities and promoting diversification in these industries.

The Council and wider public sector also has a role to play in creating a market for wood fuel and rape methyl ester (biodiesel) to stimulate demand for these products and encourage investment in growing and processing.

Throughout many of these initiatives, the essential element in delivery is the partnership approach between agencies and organisations, maximising local and regional involvement.

### **3.2 Transport/Accessibility**

Aberdeenshire Council's Local Transport Strategy (LTS) published in December 2000 outlined its aims and objectives in addressing the transport and mobility needs of rural communities. It sets out that the accessibility needs of all will be taken into consideration in transport planning, balanced with a desire to bring about a reduced need to travel. The LTS is currently under review and social inclusion is a key factor in shaping its framework. The Council is committed to improving social inclusion in rural areas and through its demand responsive transport scheme has improved accessibility to services for rural residents in Alford, Fraserburgh, Mintlaw, Peterhead and Strathdon.

The Council reinforces this commitment through its Community Planning Partnership where key agencies are informed and influenced to integrate transport planning into their service delivery plan with a view to maximising accessibility.

### **3.3 Planning, Development & Housing Policies**

The Structure Plan and Local Plan set out the framework for future development in Aberdeenshire, based on core strategic land use objectives and locational objectives. These plans seek to create a long-term sustainable framework of settlements, focusing major development on the main settlements in the North East, to promote integration of employment, housing and services, while acknowledging the needs of rural areas.

It is clearly recognised that policies should reflect the type of rural area in which they are applied. For example, an estimate is made for the requirement of housing within the Aberdeen Housing Market Area (HMA), which includes Aberdeen City and a sub area of Aberdeenshire within an approximate 30 km radius of Aberdeen and the Aberdeenshire Rural HMA, which comprises the remaining part of Aberdeenshire. Based on data from the 2001 census, 70% of the total housing requirement from the Structure Plan Area is proposed for the Aberdeen HMA. Of the allocations currently made, 70% of this is within major settlements and accessible towns.

The recently published Scottish Planning Policy (SPP)15 Planning for Rural Development supports this rural typology approach to development, noting the different needs and pressures in rural areas. In relation to business development current policy fits with SPP15 through existing development plan policies which support business development in rural areas through Policies 3 in NEST and Emp\3 in the Aberdeenshire Local Plan.

## **4 Future Key Issues Influencing Rural Development in Aberdeenshire**

### **4.1 EU Structural Funds**

Aberdeenshire has benefited from Structural Funds during the current and previous financial perspectives. Parts of Northern Aberdeenshire, predominately fishing and farming dependent areas, currently have Objective 2 status. The Objective 2 area is also classified as accessible rural. Western Aberdeenshire, most of which is classified as remote rural, has Transitional status. The economic fragility in the Objective 2 area is replicated in the Scottish Index of Multiple Deprivation (SIMD) in relation to access to services and housing. Although Aberdeenshire is ranked 31<sup>st</sup> of 32 local authorities in terms of lack of multiple deprivation, there are datazones within both the Objective 2 and Transitional areas that demonstrate low income levels and poor access to services. It can be seen, therefore, that while the future of EU Structural Funds for the next programming period 2007 to 2013 is at present unknown, both accessible rural and remote rural areas within Aberdeenshire require access to policies that will stimulate and sustain these rural economies.

### **4.2 Common Agricultural Policy (CAP) Reform**

The CAP reforms implemented this year represent the most significant change to agriculture in the last decade, as farm businesses move from a production based support system to the new regime, based on competitiveness, environment and land management and wider rural development incentives. The importance of maintaining a profitable farming industry in Aberdeenshire cannot be underestimated in terms of the impact the industry has within the rural economy and on upstream and downstream industries.

Support through Pillar 1 and Pillar 2 of the CAP applies to farm businesses and farming families throughout Aberdeenshire. Current rural development support delivered through the Farm Business Development Scheme is not determined on rural accessibility but on viability and demonstration of need. The impact of the CAP is as significant in accessible rural as in remote rural areas in Aberdeenshire, which is not perceived to be the case in local authority areas which demonstrate less agricultural activity than in Aberdeenshire.

### **4.3 Renewables**

The development of a sustainable renewables sector presents an important opportunity for rural development in Aberdeenshire. With significant forest resource in the area, research and development of biomass potential should be encouraged to stimulate local economies, harness local sustainable fuel stock and contribute to delivery of the Council's Renewable Energy Strategy. Appropriate policies and strategies to allow these developments must be delivered as soon as possible, as it is recognised by the Scottish Executive that a more rounded mix of renewable energy technologies is necessary to meet the generation targets set for 2010 and 2020. Likewise, in the agricultural sector, the potential for use of oilseeds and alternative crops towards fuel, heat or electricity generation should be encouraged, backed by policies that will enable economic viability of these embryonic industries.

## **5 Conclusions**

Transport, local housing, provision of rural services and infrastructure, combined with communication technology, enabled at competitive broadband speeds, remain essential elements for rural development. Priorities will vary according to location. For example, areas exposed to the "urban pull" have different development priorities and pressures compared to the provision of services and need for sustaining economies in more remote rural areas.

Examples of best practice in delivery and outputs should be recognised and built upon in developing future rural policies and funding initiatives. For example, the working partnerships across agencies and funding programmes are a tested methodology for efficient regional delivery of EU and National policies.

Consideration could be given to the establishment of a rural growth fund, comparable to the Cities Growth Fund, with the aim of growing rural economies and the settlements which support them. However, allocation of economic development funding should relate more to demonstration of need rather than geographic location and there should be clearer recognition of the issues influencing the rural types. Current data for Aberdeenshire would indicate neither accessible nor remote rural types should be disadvantaged in terms of future policy and funding.

## **SUBMISSION FROM DUMFRIES AND GALLOWAY COUNCIL**

### **1. Background : Some Basic Facts on Dumfries and Galloway**

- Population : 147,800
- Population Density : 23 persons per Sq Km
- Only 2 settlements with over 10k people (Dumfries & Stranraer)
- Land Area : 6,400 sq Km
- 3<sup>rd</sup> Largest Local Authority after Highlands & Argyll & Bute
- Average Age ; 41.5 yrs (2<sup>nd</sup> highest in Scotland)
- The area boasts unique co-terminous boundaries for the Council, Enterprise Company, Health Board, Transport Partnership, Tourism Hub and emergency service providers making Community Planning a strong feature of the region.

### **2. Economic Context**

- While the local economy is no longer dominated by Agriculture, this is still a very significant contributor to regional GDP (16.3%). Add to this upstream and downstream support industries and the impact is still considerable
- The local economy now relies heavily on the service sector (driven largely by retail and consumer service sectors)
- Manufacturing is still of significance with a small number of major players still active in paper, wood and rubber products. The food and drink sector also feature well as job providers
- Recent Labour Market intelligence studies show there are some 55,000 employee jobs in the region, a slight increase since 1998
- The regional economy was showing signs of steady growth until the Foot & Mouth outbreak of 2001 which saw both jobs and growth affected. Some 6,500 jobs were lost in the period following FMD. The gap between Dumfries & Galloway and Scottish GVA per capita has widened since 2001 and the local figure was only about 70% of the Scottish level by 2002 (Source : South of Scotland LMI Annual Report 2004)
- Jobs growth since however has seen above average increases compared to the rest of Scotland in particular in Education, Health, Consumer Services, Public Administration and Construction.

### 3. Economic Strategy 2003-2008

- The local economic strategy for the area identifies 3 overarching issues which threaten the ability of the region to achieve its economic vision: a) demographic change, b) lack of diversity, critical mass and capacity and c) low levels of productivity. Continuing levels of high agricultural dependency, given the changes faced by the sector, are also creating a sense of uncertainty
- Since the vision for the area sees the region as “...*the Natural Place to Live, Work, Visit and do Business...*” the role for tourism and business development linked to land use, integrated rural development and celebration of natural resources is seen as vital

### 4. Barriers to Success.

The 5 Year Strategy and the local Community Planning Partners have identified a series of perceived barriers to social, economic and sustainable success. These are summarised below :-

- Transportation Infrastructure
- Water supply and Sewerage Capacity
- Broadband Access/ availability
- Housing availability
- Demographic changes/population decline
- Impact of Changes in Agriculture
- Changes in EU Funding regimes
- Peripherality
- Critical Mass

### 5. Policy Directions.

A variety of policy changes are beginning to or will impact very significantly on the future direction of rural economies/communities. These changes are being driven at various levels but significantly at :-

- **the EU Level** : CAP Reform, Regional Policy Reform (including Leader+), Rural Development Programmes, Competition Policy and State Aid Reform
- **the UK Level** : interpretation of all the above but in particular Regional Policy and CAP/Rural Development
- **and the Scottish Level** : the City Region concept of economic-spatial modelling and the further interpretation, regionalisation and roll out of the above two bullet points at the Scottish level.

Any one of the issues set against the above bullet points is worthy of full consideration in itself and each can be shown to have an

anticipated impact on rural economies/communities. **Cumulatively** the changes which will flow from these shifts in policy direction will undoubtedly be intense and not necessarily positive, particularly since many of the changes will roll out over the same time frame (ie post 2006 when EU programming periods come to an end).

## 6. The City Region Concept.

- The City Region concept has its more recent roots in the EU driven *European Spatial Development Perspective* and implies an approach to spatial planning not traditionally focussed on in UK planning and economic policy terms. Spatial planning can provide a sometimes refreshing perspective on social, economic and environmental issues and the responses needed to inform policy direction and solutions.
- The model however does have shortcomings when one attempts to impose a city region based spatial mapping at say at Scottish level. In the case of Dumfries and Galloway for example, the question has been anecdotally posed “ ... is our city region based on Belfast or Carlisle...?” The answer is probably both, with bits thrown in for Glasgow, Edinburgh and even Newcastle.
- There is some concern in rural areas across the UK however that the City Region concept is being “high-jacked ” to argue urban preference and achieve higher levels of policy attention and resources. The Cities Review undertaken by the Scottish Executive provides a new policy framework and comes with considerable levels of resource allocation. While the Cities review has much to commend it in terms of its policy thrust, the features ascribed to the cities as drivers of economic growth and investment could equally be identified as the roles of the small/market town in the rural economy. The difficulty is that there has been no equivalent focus on the changing role of the market/small town and certainly no resource allocation to assist their economic identity crises, aging infrastructure, crumbling fabric and market failure difficulties. Every effort must be made however to avoid a rural-versus-urban debate. It is critical that the contribution to be made to Scotland’s competitiveness by both urban and rural areas should be maximised and more work has to be done on ways of facilitating the dynamic between urban and rural economies.
- The Environment and Rural Development Committee has identified that “...it is difficult to examine expenditure on a cross-cutting theme such as rural development...” and goes on to recognise the contributions required of several ministers and departments. The Scottish Executive’s focus however on “...improving prosperity in rural Scotland ...” is to be commended. Options as to how to address issues such as this are being pursued by DEFRA south of the border and they have established a Modernising Rural Delivery regime with a focus on issues such as rural deprivation, rural

exclusion and sustainable rural communities through a current Rural Funding Review set to examine some of the existing 100 funding schemes covering rural areas.

- In Scotland the process of addressing such matters could be greatly enhanced by adopting the principles and processes of Community Planning. While this cross-agency/cross-cutting approach is still in the relatively early stages of development as a policy tool, it is clear that where applied, it can ensure better joined-up delivery. Scottish Executive funding streams require to be made more flexible in order to address strategic issues identified at local level departments should be encouraged to show creativity in seeking to address local issues such as capacity building for rural businesses, assistance to market/small towns and developing the economic benefits to be derived from the environment. This could perhaps be achieved by Scottish Executive Departments adopting Community Planning principles and practices and exploring the possibilities of contributing to some local Community Planning processes.

## **SUBMISSION FROM FIFE RURAL PARTNERSHIP**

### **Introduction**

Fife Rural Partnership (FRP) was established in October 1996. The overall aim of the Partnership is the alleviation of rural disadvantage and the promotion of rural regeneration.

### **Context and Approach**

FRP has found that the range of rural deprivation and expertise required in promoting sustainable communities is such that it cannot be tackled by one organisation alone. The Partnership approach has been to identify issues of concern to local communities and then to support multi-agency responses. This has maximised resources and co-ordinated effort.

FRP has learned that it is sometimes difficult to identify relevant cross cutting targets and to assess how achievement against those targets can be measured, especially where other Services and Departments are responsible for Service delivery.

In a rural context, it is people, not areas, that suffer disadvantage and this can render an area-based approach inappropriate. The experience of FRP is that such an approach cannot challenge the fundamental processes that structure disadvantage.

Many of the elements which embrace the quality of rural life (and rural disadvantage) may be intangible, so it follows that many deprivation indicators of life in rural areas will also be intangible.

Measurement of performance must focus on outcomes for people, not outputs from services e.g. in considering transport it is necessary to identify what activities are made possible for which groups, rather than the number of vehicles operated or bus passes issued. A qualitative approach is therefore required incorporating a degree of cross service, cost benefit analysis. FRP has piloted this approach by proofing policies and strategies of its member agencies e.g. Housing Services, Transportation etc. The Committee may wish to consider a similar approach.

This may include: -

- Reporting mechanisms, cycles, and measuring performance.
- Raising the profile of Rural issues in National Service Planning and Community Planning
- Further clarifying the role of the Environment and Rural development Committee in relation to the other Scottish Executive Committees and National Organisations that support Rural communities

The main function of the Environment and Rural Development Committee in proofing National Policy may include: -

- Whether there will be any significant disproportional impacts in rural areas;
- Assess what these impacts might be;
- Consider what alterations or compensations need to be made to fit rural circumstances.

### **Aims of rural communities**

The evidence gathered so far by the Inquiry indicates a degree of commonality across rural communities in the perceived barriers to rural development i.e. transport, housing, access to services and the economy.

Fife Rural Partnership acknowledges that the most vulnerable groups in society are those least able to access quality service provision. They face barriers caused by lack of information, isolation and distance and cost. Those most affected, are people on low income, older people and young people. It could be argued that these are all subjects that cannot be addressed using solutions that are successful in urban areas. The policy gap lies in the identification of those factors that compounds those inequalities when they occur in a rural setting.

### **Current policy and funding**

#### **Transport and access to services**

Access to affordable and appropriate Transport underpins most of what we are seeking to achieve as a Partnership. There are gaps in transport services that affect quality of life, employment prospects and health of all age groups in rural communities. It is unreasonable to expect commercially operated services to fill these gaps and the burden of meeting needs falls on Local Authorities and the Voluntary Sector. It is not clear what role the new Transport Agency will have in identifying or meeting these needs. Responsibility for the operation of the National Concessionary Fares Scheme will transfer to the Agency but there appears to be no mechanism proposed for how the impact of this very substantial budget will be planned for or monitored at either Local Authority or Scottish Executive level.

Put simply, users will be guaranteed a bus pass with no clear responsibility for ensuring that either a suitable service will be made available for them. This is an example of a policy that works well in urban areas but fails to address rural inequality. The Committee may wish to consider the remit and budget of the new Transport Agency, to enable it to plan and deliver sustainable and appropriate transport that meets the needs of rural communities. In addition, the committee may also wish to consider supporting the diversification or expansion of local voluntary schemes to provide services in rural communities

## **Economic development**

The key issues that have been identified by Fife Rural Partnership are:

- The loss of traditional industries and the continuing threat to traditional jobs which remain.
- The limited range of training and employment opportunities for young people who are disadvantaged by the lack of provision of quality experiences in rural areas.
- A major barrier to education, training and employment, the lack of appropriate transport infrastructure.
- The fragility of the rural economy and the dependency of local people on rural businesses. There are obvious links here to housing policy, transport planning, local planning, out-migration and demography.
- There should be more coherent provision and marketing of rural areas as potential viable business sites. Increased information on grant aid and funding should be more readily available.
- Information and support for local entrepreneurs is required especially sole proprietors. Financial and on going support should be continued for at least three years.
- Support for initiatives aimed at developing local advantage in particular trades or area specialisms.
- A need to maximise the potential of “city regions” for rural areas, environmental development, eco-tourism sites and nature conservation so that local communities will experience the benefit.

The Committee may wish to consider how these issues can be highlighted and further promoted on the agenda of local and national policy makers and funders e.g. supporting local enterprise companies to connect key service providers, to roll out “City Regions”

## **Renewable Energy**

FRP acknowledges the potential offered by renewable energy both for economic and environmental benefit. These benefits include increase in skills, increase in household income, education and training opportunities and cheaper local heating schemes. Community involvement and acceptance in renewables in rural areas is paramount to their success. The Community Renewables Initiative devises renewable energy projects that suit their locality and that communities can benefit from.

Their work covers a range of geographical locations from remote rural areas to market towns, farmed landscapes to villages, cities and their edges.

Rural communities require initiatives that promote and assist developments that are: -

- Environmentally sensitive
- Have support of all stakeholders
- Appropriate to the circumstances of the locality
- Link to other diversification and regeneration schemes

This could mean environmentally sensitive developments such as: -

- Solar roofs, biomass and wood heat schemes, farm waste schemes, small sensitively located wind turbines and ground heat pumps.

These developments could be located in schools, hospitals, offices, shops, farms, community halls and housing developments.

The committee may wish to consider resourcing initiatives via pump priming/start up grant to allow rural communities to maximise the potential available from renewable energies'.

### **Access to Services.**

Fife Rural Partnership acknowledges that the most vulnerable groups in society are those least able to access quality service provision. In a rural setting, people face barriers caused by lack of information, isolation, and distance and cost. Services such as transportation, local shops, banks, Health, post offices and petrol stations are a major concern for people in rural Fife. There is a major problem in communications and in information dissemination. This is often perpetuated by: -

- The perceived close connection between country-town and countryside.
- The idea that poverty and exclusion is overwhelmingly an urban problem.
- The idea that the only response to the geographical concentration of services in larger centres is to make transport to those centres easier
- The fundamental question for most Service providers in rural areas is whether to take people to services or services to the people.

The Committee may wish to consider a change in direction, taking out services nearer to the customer, where the policy is being delivered in an unsatisfactory way. Identifying new methods of service delivery that make economic and social sense.

Challenging and putting pressure on organisations producing unacceptable service levels.

Supporting the provision of **some** services utilising new technologies that overcome geographical isolation i.e. "Smart Communities"

Supporting and making resources available for sharing of facilities and the use of movable and out-reach facilities.

Development of a Rural Service Standard akin to DEFRA's model.

Fife Rural Partnership wish to thank the members of the Environment and Rural Development committee for the opportunity of participating in the inquiry for 'Securing a future for rural communities'

Norma Graham 1<sup>st</sup> June 2005  
Fife Rural Partnership

## **SUBMISSION FROM THE HIGHLAND COUNCIL**

### **SUMMARY**

The Council is pleased to accept the Committee's invitation to appear and welcomes the opportunity to enter dialogue with the Executive on rural development to achieve better integration between national and regional approaches. This statement reflects views and issues that have been identified by the Community Planning Partners in Highland and includes comments on the need to –

- Continue to develop more sophisticated analysis and typologies of communities,
- Give greater weight to rural needs in the allocation of resources, through GAE and specific funding,
- Focus on small towns and accessible rural areas as important drivers for rural development.

### **1. THE CONTRIBUTION OF RURAL COMMUNITIES**

1.1 As briefing papers to the Scottish Parliament have identified "rural" Scotland is diverse and makes a significant contribution to economic, natural heritage and the quality of life of the country as a whole (SPICe Briefing 03/48 – June 2003.) There is also growing awareness of the importance of more sophisticated analysis of, and policy responses to rural development (SPICe Briefing 05/10 Mar.2005).

### **2. DEFINITIONS OF "RURAL" AND "URBAN"**

2.1 The SE rural/urban classification is useful in beginning to recognise the characteristics of different communities in Scotland. The prospects for development of different rural communities will require a more sophisticated analysis of their needs and circumstances. In Highland the Partners have been working over a number of years to develop more refined analysis of "fragile areas" – communities in decline. The Partners doubt that there can be a single definition or data set that can measure the range of different circumstances and conditions of island, remote rural, small towns and hinterlands, Cities and "City regions" (SE Economic Linkages Report, 2005). The WBA Partners welcome the Committee's focus on small towns and accessible areas as a gap in community and economic regeneration policy. This development should not be at the expense of measures to address the needs of remote rural areas. As indicated below policy responses need to include specific measures that address the particular needs of different remote and accessible rural communities.

### **3. MEASURING DISADVANTAGE**

3.1 The Partners recognise and welcome the significant improvements to the Scottish Index of Multiple Deprivation that identifies small areas of disadvantage in Highland recognised locally but not picked up in previous Indices. However, the WBA remains concerned about the Executive's continued reliance on a single Index of Deprivation that attempts to measure concentrations of multiple deprivation based on a poverty analysis. In urban areas the combination of indicators is seen as having a "multiplier" effect, contributing to the degeneration of areas. Disadvantage in rural areas is dispersed and needs to include indicators that SIMD does not attempt to collect, e.g. the balance of inward & outward migration, demographic changes,

housing pressures, community confidence, local economic indicators, employment opportunities within travel to work areas, childcare provision and rudimentary public transport. Such combinations can have a similar “multiplier” effect in rural areas, leading to declining confidence and sustainability. The fragility of remote rural areas and potential of small towns requires additional and more sophisticated approaches to measurement and response (Shucksmith, 2003; Bryden, 2005).

3.2 Critically, analysis needs to include qualitative data on capacity, infrastructure and need for development through engagement of communities and Partners as has been done in developments such as Fragile Areas, Initiative at the Edge, Social Inclusion Partnership, Working for Families, etc. (Rural Policy Typology Research, 2005)

#### **4. POLICY RESPONSES**

4.1 The Highland WBA Partners “mainstream” service provision tries to respond to the needs of rural areas. They make particular efforts in education, health and social care, transport, economic development, to respond to the needs of smaller communities. As indicated below (para. 5), they are often constrained by resource distribution methods that fail to recognise the needs of rural areas. They are also involved in a number of policy initiatives that seek to address the needs of rural, small town and city regions.

4.2 These include –

- Involvement in a range of EU Programmes aimed at strategic and local development, such as development of the Small Towns Network Initiative involving 12 communities with INTERREG Northern Periphery Programme support (para 7),
- Development of Initiative at the Edge Programme within Highland and other rural development initiatives,
- Management of the Social Inclusion Partnership Programme from 1999 – 2005 developing thematic and area-based approaches to tackling disadvantage experienced by young people (now Community Regeneration Fund).

4.3 Support is also provided to community and voluntary organisations in navigating the increasing range of government and non - governmental funding sources. There is increasing concern about short term, project based funding and capacity for communities to pursue longer term, sustainable outcomes.

4.4 The Council considers that there is a need to review national Planning Advice Notes to better reflect the importance of small towns and accessible rural areas and the variety of relationships that exist within City regions by developing the typology framework described in the recently published Rural Typologies Research (Scottish Executive, 2005) The Council is inviting the Highland Wellbeing Alliance Partners to join them in a review of rural development issues and to develop a typology of communities and policy responses, to be conducted with the UHI PolicyWeb beginning in Autumn 2005, building on the work done defining a “fragile areas” typology.

## **5. ALLOCATION OF RESOURCES**

5.1 In work conducted for 5 local authorities, Pion Economics concluded that deprivation measures currently used in resource allocation are, at best, unlikely to be capable of reflecting both urban and rural deprivation and, at worst, may misrepresent the manifestations of rural deprivation (Pion Economics, (Aug. 2000). This may result in rural areas experiencing two forms of “resource deprivation”, in the allocation of specific funding and in relation to GAE with lower expenditure being interpreted as lower costs and secondary indicators allocating resources away from such areas.

5.2 A further Report, commissioned by Highland and Argyll & Bute Councils has identified that the key services of education and Social Work cost an additional £10.7m to deliver in supersparse areas and that this can only be done at the expense of other services. The bulk of this, almost £9m, is on Education. About £8m of the shortfall comes from savings on other services and the rest from Council Tax payers.

5.3 The application of SIMD to the distribution of SE funding illustrates the effect that the poverty and areas based approach can have. For example, the distribution of Community Regeneration funding was “weighted” (33%) to the Community Planning Partnerships with the highest concentration of multiply-deprived data zones. As a result the WBA will receive approximately £150,000 p.a. less CRF funding than it would have had a level playing field operated. We would argue that the larger urban partnerships have economies of scale in the use of such funds. (It is ironic that the Guidance on CRF prioritises the 15% most deprived areas in Scotland when no rural data zones fall into that category.)

5.4 The application of SIMD has caused a dramatic reduction in the Supporting People funding to Highland Council (£2m over two years) with serious consequences for the stability of existing services and endangering vital planned projects.

## **6. CLOSING THE OPPORTUNITY GAP TARGET**

6.1 The contradictions in policy and resource allocation are illustrated by the announcement of Rural Service Priority Areas (RSPA) by the Minister for Environment and Rural Development with the aim of improving service delivery in rural areas. The designation of the areas has been based on the SIMD, despite the reservations about its limitations and the work done in identifying fragility. In contrast with CRF, the RSPA designation was “stratified” to ensure equal numbers of designations in the Scottish Enterprise and HIE areas (otherwise the majority would have been HIE), and there is no additional funding behind it.

## **7. SMALL TOWNS AND ACCESSIBLE RURAL AREAS**

7.1 The Highland Council has a strong track record of supporting community-led regeneration initiatives in freestanding “urban” centres, such as Fort William, Portree and Wick. These centres are vital service points helping to anchor population and economic activity in extensive fragile and remote rural localities, yet as small towns they often fail to qualify for support programmes and associated funding. Their future health and vitality is essential to the prospects of the adjoining deep rural hinterlands.

7.2 This model is paralleled by development over the last decade of the Small Towns initiative which networks a cluster of 12 communities situated between

Golspie and Nairn based on mutual support and voluntary self help principles (see Annex 1). This particular network comprises many of the small towns located within one hour's driving distance of the city of Inverness (a somewhat more restrictive half hour travel criterion is applied by the Executive's current urban-rural classification). Indeed the network includes Inverness on the fundamental premise that the roles and functions performed by the capital of the Highlands are inextricably linked with those opportunities available to the smaller satellite communities of the city-region hinterland. This collaborative model builds on European traditions and the principles of poly-nucleation outlined in the European Spatial Development Perspective which challenge the competitive market processes driving increasing centralisation of retail, other private and many public services which continue to be withdrawn from small towns in the UK.

7.3 Our trans-national partners in Finland, Sweden and Iceland face acute difficulties in stabilising the decline of many rural settlements given the increasing breakdown of the Scandinavian social welfare consensus, the need for modernisation of service delivery and less well-developed voluntary tradition. This work is supported by core funding from the Council and three LECs with generous 50% intervention from the INTERREG Northern Periphery Programme. Our experience underlines the intrinsic inter-dependence of the whole network of towns, the stimulation of learning and sharing between key volunteer groups in communities, and the corresponding need for stronger spatial awareness in regional policy-making. In our view, the 'regional' part of the city-region concept needs stronger focus in future programmes to foster more balanced development.

7.4 The project's main ingredients such as the Small Towns Forum/Charter, local visioning exercises, shared Project Officers and Community Chest seed-funding demonstrate the progress that communities can make with quite modest supplementary support. However, they also illustrate the gap in existing central funding streams for public realm and building stock improvements as well as the need for greater clarity in policies towards relocation and distribution of key services across City-regions. Current proposals from Historic Scotland to establish the Historic Environment Regeneration Fund is a welcome opportunity to target significant resources to the backlog of works needed to restore the physical heritage of selected small towns. However, this contrasts with the steady retraction of match funding support for town centre refurbishment and regeneration by the HIE network which is marginalising the ability of the Council to implement quality environmental schemes to help invigorate local economies and community confidence. Most certainly, Scotland has signally failed to put in place a programme such as the English Market Towns Initiative with its coherent if limited single town regeneration model.

7.5 The significance of accessible rural areas in Highland is readily demonstrated. There are at least 25 communities in Highland falling in the 1,000 to 20,000 range, home to 84,000 people, and comprising almost 40% of Highland's total population, higher than the Scottish average (taken from the SE PAN52 small town definition & GRO 2003 population estimates). Using the Executive's Rural – Urban classification of Small Towns based on the narrow range 3,000 to 10,000, the Highland population still exceeds 58,000 people, 28% of the total population and double the equivalent Scottish figure. However, there are issues arising from these, essentially arbitrary, classifications. The Scottish classification (3,000 to 10,000) is much more constraining than that used in England. For example, there are concerns that the threshold will exclude many distinctive former Burghs in Highland and elsewhere in

Scotland with populations of less than 3,000 (and several indeed where population might fall below 1,000 inhabitants), but which are significant local service centres (e.g. Fortrose and Cromarty). Elsewhere, there are former industrial centres and dormitory communities with populations greater than 10,000 which also share many 'small town' characteristics.

7.6 There are issues to be addressed regarding definitions, thresholds and strategies linking accessible rural areas and city region policies within the EU Spatial Development Perspective (1999) and EU Regional Policy.

## **CONCLUSIONS**

The Council welcomes the Committee's focus on Accessible Rural Areas though there are issues to be resolved in terms of definitions and thresholds. They recognise the need to consider a range of community regeneration and development needs in rural areas which capture deprivation, fragility, equality and access to services, development pressures and constraints, in approaches that engage with communities and Partners. However, they are concerned about –

- Lack of consultation and involvement of Community Planning Partners in the development of Scottish Executive initiatives,
- Inconsistencies in SE approaches to rural development, for example in the Community Regeneration Fund, Rural Service Priority Areas and Initiative at the Edge,
- Focus on arbitrary "area based" rather than a range of responses including functional sub-regions, thematic or community of interest approaches.

The Council and its Partners have considerable experience in working with communities in remote rural and accessible areas. Highland has developed some trans-national linkages in these matters and is also working with other Councils under the COSLA Small Towns Taskforce banner. They would welcome further dialogue with the Committee in exploring these issues further.

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ANNEX : Extracts from the INTERREG NPP Small Town Network Proposal Paper by Highland Council, 2002

This project seeks to encourage the regeneration of networks of towns using a 'hands-on' approach. It focuses on the need for '*bottom-up*' planning, with each town seeking to advance through the work of voluntary groups drawn from the local business and community sectors. Progress in participating towns can be benchmarked from their differing starting positions on three broad dimensions. Shared project officers will facilitate and service the local volunteer groups. Includes a 'community chest' of seed finance that the local Initiatives can draw on to kickstart modest priority projects of a social, economic or environmental nature. Local interaction and trans-national dissemination will be promoted through a Towns Forum and dedicated web-site.

The Council and its partners are concerned to identify ways and means of fostering small town regeneration. This reflects a longstanding deterioration in the population size, age structure dependency and economic productivity of such settlements, itself often a result of centralisation of key services. That has arisen partly from 'market forces' and profit-maximisation in sectors such as retailing. It also reflects the ongoing reorganisation of many public services such as health care and public administration where the provider agencies are seeking operational specialisation and economies of scale. These circumstances are most pronounced in remoter peripheral areas, but can also affect settlements in close proximity to regional centres. A cycle of marginalisation and decline can leave 'failing' communities where critical shortages of 'social capital' impair the scope for self-improvement and revitalisation.

Earlier NPP projects diagnosed these conditions across the Northern Periphery and considered the experiences of a cluster of Highland town Initiatives. These have been revealed as a series of processes, supported with a 'toolkit' of actions, methods and programmes capable, it is hoped, of wider application to other small towns. The Council and its partners are keen to build upon and extend this work. Safeguarding the future for the residents of small communities in the Northern Periphery has never been more difficult or necessary to achieve if we are to retain a sustainable population base, productive economy and sound environmental management. It is an enduring need and ongoing process that requires continued effort. Our approach is practical and rooted in the belief that energising and empowering local community and business interests is fundamental to creating lasting change for the common good. Circumstances of market and public failure also create scope for the development of community enterprise or 'third sector' businesses which we intend to explore.

The above principles form a positive platform for practical community regeneration work which we see as central to the future of the Northern Periphery as a vibrant and successful part of Europe. They provide a shared agenda for regional agencies and local groups. They require active citizen involvement because this underpins the formation of 'social capital' and then nurtures it to reinforce a strong sense of community. A confident community can then invoke self-help, set its own goals, prioritise its own needs and mobilise its own resources. It can draw inspiration and help from its neighbours and the wider network. It can influence business, draw upon that sector's commercial acumen, and where necessary (in circumstances of 'market failure') set up community enterprises. It can petition and campaign for appropriate assistance from local, regional and national government. These

agencies can in turn bring vital expertise and support but should also become more open and attentive to local community and customer feedback. Such considerations are important as the Council and local partners seek to roll out the over-arching Community Plan for the Highlands and to exercise the new statutory power of 'community initiative'. Our trans-national partners recognise that the symptoms of retrenchment are common across the Northern Periphery and that successful remedies for community regeneration can also be truly trans-national. We aim to work in concert to demonstrate those beliefs.

We aim to support progress in participating towns by benchmarking their starting positions on three broad dimensions as shown in the attached diagram. In each case we look to encourage greater confidence and local ownership of the future, and to chart each community's achievements as it progresses. A cycle, or more properly, a *spiral* of improvement is the objective with each town at different starting points and seeking improvement at its own comfortable pace. The new project will aim to resource this process of change by the appointment of shared project officers to facilitate and service the local volunteer groups. It will also establish a 'community chest' of seed finance which the local Initiatives can draw on to kickstart modest priority projects of a social, economic or environmental nature.

A key finding of the IMFTS project has been (first) the need for individual communities to 'fix' their own distinctive identities by drawing strands from their unique histories. Towns represent a huge cumulative investment put together by the collective efforts of many previous generations of citizens. They comprise a rich heritage of cultural, architectural, functional and organisational assets. Highlighting and honouring this past can help instil 'pride of place' and stimulate local projects which draw on that particular history. However, successfully rekindling the sense of 'who we are and where we came from' is not *per se* a satisfactory coping strategy for community development. It can indeed foster introspection and isolation.

It must be linked (second) with an appreciation of local potential and future opportunities, cultivating an openness to change and particularly a willingness to embrace those facets which are capable of exploitation for the community's future wellbeing – building a shared sense of 'where we want to be'. This vision can be teased out by a variety of community planning tools including polls, surveys and interactive 'games' from which a priority action plan can be distilled by the community Initiative. Whilst such analysis can help build stronger, more confident and vibrant places, again it does not guarantee a successful outcome. Such a 'beacon' settlement can be a powerful role model for neighbouring communities, but it may also become a magnet drawing in and diverting investment and experimentation which then reinforces the under-performance and decline of nearby towns.

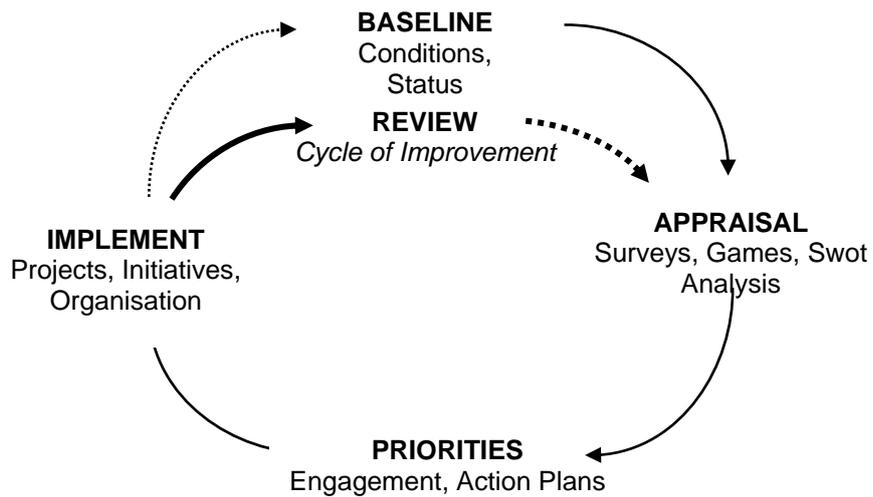
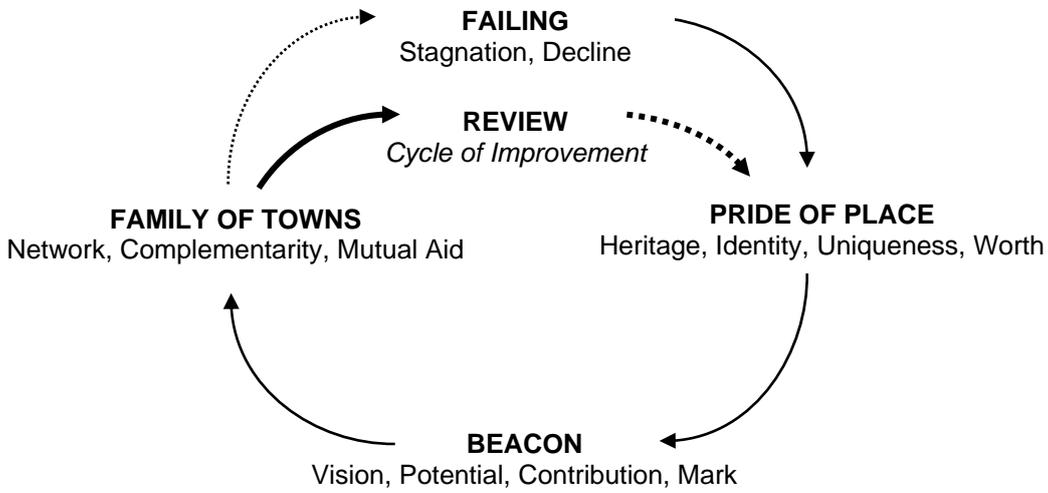
The (third) and arguably most important dimension for securing regeneration is therefore collaboration and co-operation within a regional context. Only by building links between communities can the necessary lessons and pre-conditions for improvement be transferred. Experiences, good and bad, can be shared, developed and built upon. Different options to fit different conditions can be experimented with, because one solution does not necessarily match all circumstances.

A major achievement of IMFTS has been to foster such a network by helping to create a sub-regional forum for the local Initiatives. This is becoming a *milieu* for the

exchange of good practice and an antidote to the occasional disruptive forces of competition and resentment. Differences can be distinguished and honoured, commonalities checked and celebrated, bonds built up and reinforced. In the new project, this Forum will meet on a regular quarterly basis and proceedings will be carried on a dedicated web facility. It will also become a virtual Forum where trans-national partners can contribute, and topical questions or issues can be aired and solutions or suggestions of best practice shared on-line.

We plan to extend our existing network of seven to twelve or so towns located around the Inner Moray Firth. The communities centred on the Kyle of Sutherland (Lairg, Bonar Bridge and Ardgay) are bypassed and feel increasingly marginalised. Population is declining in numbers whilst increasing in dependency, and local unemployment rates are amongst the highest in the Highlands. Other settlements would fill 'gaps' in the existing network or represent a logical extension as regional travelling times reduce due to improving communications – our aim will be to see other communities to come into the network during the life of the project. Experienced towns will help mentor newcomers to the cluster. We also wish to explore more closely the role our regional capital, Inverness, plays in the wider constellation of towns. This would make a distinctly European spatial planning contribution (currently omitted) in the ongoing Cities Review work in Scotland, and assist the formative working of a new City Partnership.

# SMALL TOWNS – PLACE, PROCESS & PROGRESSION



## **SUBMISSION FROM PERTH AND KINROSS COUNCIL**

### **General Background – Perth & Kinross Strategy**

1. Perth & Kinross Council's approach to working with partners to deliver joint projects to accessible rural areas is firmly based on its Community Planning framework. The Council has established a Perth and Kinross Economic Partnership which includes representatives from all relevant public, voluntary and private organisations. A dedicated Agricultural Forum meets on a quarterly basis and feeds into the Community Planning process. An agreed strategy and action plan is in place.
2. The areas designated as "rural" is the local authority area (all Perth & Kinross excluding Perth itself) which covers a large geographical area (5,311 sq km). Its characteristics are:
  - the population is projected to increase at a rate of 2.02% between 2002 and 2018, in comparison to the projected Scottish decline of 2.36%.
  - 14% are employed in agriculture and food and drink sectors
  - 79% of the workforce are employed in the service sector

### **Rural Development Facilitators Project**

4. In early 1999 Perth & Kinross Council, in conjunction with Scottish Enterprise Tayside (SET) and Angus Council, identified the need for a dedicated resource to develop and implement specific economic development projects and initiatives to address rural issues in Tayside. Two Rural Economic Development Officers were appointed for a period of 3 years from 4 May 1999 to 3 May 2002.
5. This pilot project was extremely successful and, following successful application by Angus Council for European funding, the Tayside Rural Development Facilitators Project was created. Funding contributes to the cost of two officers and also provides seed corn funding for projects that will enhance the capability of rural businesses and communities to jointly identify and develop opportunities that will contribute to their economic and social infrastructure. The Project began on 1 July 2002 and is due to complete on 31 December 2005. It is an excellent example of effective joint working across local authority boundaries.

### **Initiatives Developed by the Council and Partner Organisations**

6. Initiatives which have been developed over the last few years have included:
  - a) **Agriculture**

Whilst Perth & Kinross was fortunate in not having any cases of foot and mouth disease, the challenges faced by the industry in recent years have had a detrimental effect on agricultural and related businesses. These have resulted in changing agriculture employment patterns with the number of full-time workers declining (both employed and family). Part-time hired workers have also declined whilst declining farm incomes have resulted in lower profit levels insufficient in most cases to support personal drawings and investment in the

business. Under the proposed reform of the Common Agricultural Policy, the effects of decoupling will be dependent upon farmers' reactions and responses to the removal of support/production link. Modulation and the single farm payment mean that Perth & Kinross farmers will have to take advantage of the Rural Development Regulation to develop new business opportunities.

Farm diversification is essential and we have worked with SEERAD and our Partners in delivering Farmers Workshops. The following have been achieved:

- 12 have received advice/training from the Business Gateway
- 6 have proceeded with diversification projects
- 3 have projects in the development stage
- A total of 2 f/t and 2 p/t new jobs have been created and 6 f/t and 4 p/t safeguarded.
- A further 1 f/t and 3 p/t new jobs and 2 f/t and 1 p/t jobs will be created/safeguarded once the 3 development projects are implemented.

Whilst these outputs may appear relatively small, it must be remembered that the creation and retention of rural jobs can have a much greater impact on the economy than a similar number in an urban area.

## b) **Forestry**

Perthshire's native woodlands are a key multi-purpose resource in the development of a sustainable rural economy and contribute to the environment and economy in many ways. The industry has in recent years suffered a similar decline to agriculture.

This decline has resulted in no investment in infrastructure in recent years whilst prices are at their lowest point for 50 years. The strong pound and competition, mainly due to competition especially from the Balkan states, have compounded these difficulties.

It is important to develop this local resource and recent initiatives have included:

- (i) **The SCOTTISH WOODfair** – an annual national event run in partnership with The Forestry Commission Scotland and Scottish Enterprise Tayside – it is a showcase and a business networking opportunity for small to medium enterprises involved in *any* aspect of Scottish timber throughout the “wood chain” from tree nurseries to wood product manufacturers. Its overall aim is to promote – to the trade and public alike – the availability, versatility, and attractiveness of timber and wood products. The WOODfair has just completed its fourth year with the number of exhibitors rising from 28 to 73 during the four year period. The Partners involved are currently looking at how this event, which is attaining greater status within the industry, can be developed and enhanced.
- (ii) **Breadalbane Initiative For Farm Forestry** – This is a farmer-led public/private partnership. The broad aims are to enhance the environmental and economic value of existing and new woodlands on farms, to add value to a wide range of woodland outputs and to increase the economic and social value of woodland by integration of management and activities within and between farms via co-operative measures. Local, practical initiatives like this are essential if we are to sustain our rural economy.

### c) **Community Economic Development**

Rural communities have a substantial contribution to offer the local economy. Many, especially women, are involved with rural enterprises and farming businesses and are actively engaged with their local communities but still feel under-valued. In addition, rural families are constantly seeking ways of earning additional income but feel constrained by local conditions. Others lack confidence and the necessary skills to find employment or to diversify. A series of rural women seminars were piloted and this is now run nationally by LANTRA.

In order to address the wider developmental issues, The BIG Idea (Business Idea Generator) was designed for Perth & Kinross's rural business community. It helps find new and profitable sources of income. The format challenges the way people think about the changes that are occurring in the countryside, and in farming in particular; and it provides the knowledge and tools to take advantage of these changes.

Three successful Workshops were held in Comrie, Blair Atholl and Kenmore which have helped participants to evaluate different business opportunities, expand on any ideas they might already have and to find the help and resources locally to put the idea into practice. Outputs include the bringing together of 3 businesses who together went on to undertake training on how to get the best from exhibitions and who also developed joint promotional material. Another group of 5 businesses worked collaboratively to produce promotional literature to market their businesses and to attract more tourists to their area.

### **Issues Facing Accessible Rural Areas**

7. In its response to the Executive's consultation on a proposed 'Green Jobs Strategy', the Council has identified considerable potential for 'green' jobs in renewables (wood fuel in particular), tourism/agriculture and recycling within Perthshire. Some of the current issues are:

(i) **Wood Fuel** –The Council is in the final stages of developing a major Education PPP initiative involving six schools. This includes a new-build Breadalbane Academy and Crieff High School and potential bidders were asked to include costings for the provision of heating by the use of wood chips. However, there are difficulties in obtaining grant funding towards the capital costs of providing the required infrastructure and purchase of capital equipment. As these buildings will be erected under the auspices of a public and private partnership, the preferred bidder would not be permitted to apply for funding from the established funding bodies. The local authority could apply but this would not be practical as they would need to take ownership and maintenance of the equipment, thus defeating part of the benefits of a PPP by the reduction in risk to the Council.

Representations have been made to Executive Ministers on this and we have been informed that a review of the SCHRI (Scottish Community & Housing Renewable Initiative) is underway. It is hoped that a positive outcome will be arrived at which will enable the PPP school developments to use wood fuel as this would create a sustainable local market.

- (ii) **Affordable Housing.** This is a major concern throughout rural Scotland. As stated previously, the population in Perth & Kinross is projected to increase at a rate of 2.02% between 2002 and 2018, in comparison to the projected Scottish decline of 2.36%. This, together with the difficulties already facing rural areas (ageing population, inability to provide jobs and suitable accommodation to retain young people and to attract fresh economically active newcomers, the rising cost of housing), is an area of growing concern for Perth & Kinross. It is of particular relevance to Highland Perthshire as this issue has been discussed by the Council and it has been brought to the attention of Perth & Kinross Agriculture Forum on several instances. People in employment have had to leave the area due to lack of housing and new people cannot afford housing. This is detrimental to the sustainability of local areas and will also result in an inevitable reduction in local services.
- (iii) **Developing the Food/Tourism Product.** The food and drink sector is of crucial importance in terms of economic output for Perthshire. The creation of Perth Farmers Market, the first of its kind in Scotland, has gone some way to bringing local suppliers and consumers together. We are also holding the first Berry Festival throughout Perth and Kinross in July. Assistance is required in how to find real supply chain solutions, how to find customers, managing the change required to become more market focused. Farmers have, rightly, been encouraged to convert to organic status but many who have done so are unable to find sufficient markets for their products.

Furthermore, the food and drink sector is becoming increasingly more aligned with the tourism sector. With the re-launch of Eat Scotland (previously Taste of Scotland) the tourism industry is recognising the growing importance of the food and drink sector in attracting additional tourists. This obviously presents a tremendous opportunity for Perthshire which is renowned for its quality produce.

- (iv) **Migrant Workers.** Perth and Kinross is renowned for its soft fruit industry. This has declined in recent years, but is beginning to increase again as people recognise the health benefits of berries. Traditionally, pickers were from Glasgow, Dundee, Perth and Fife but today the majority are Eastern Europeans with accommodation being provided on farms. However, it is becoming increasingly difficult to provide suitable accommodation for such a growing population and migrant labour is not confined to these industries. We need a better understanding of the local issues and trends. Public sector partners have come together to fund a study into these issues in Tayside.

(v) **Developing the Local Community**

Perth and Kinross Council are of the view that effective partnership working is essential. Unlike urban conurbations, rural communities rely more heavily on public organisations and the private and voluntary sectors. Examples of projects successfully undertaken using this approach have been mentioned where the skills and knowledge of relevant agencies were used. An excellent example of partnership working is the approach taken by Atholl Estates in Highland Perthshire who have provided business workshop units and affordable housing. The

Council, through community planning, has prioritised certain rural areas such as Kinross and Eastern Perthshire for particular attention. This area based approach targets funding and examples have included business land provision and a visitor centre feasibility study. This approach is essential to secure rural development. The market by itself is not sufficiently robust. The Council with its Partners is developing local area approach to development.

**(vi) Provision of Water and Sewerage**

Many villages and rural towns do not have access to public sewage systems. The developer then has to install a private system which must meet certain exacting standards set out by SEPA which adds significantly to the costs often taking houses out of the affordable range. Many rural areas which are serviced by Scottish Water are at capacity and Scottish Water do not have funds to expand, therefore the opportunity to develop is lost in these areas. Scottish Executive's Homestake programme helps to a certain degree but many people can't afford even this. The Rural Home Ownership Grant is capped at £100,000 and needs to be increased as it is impossible, in Highland Perthshire at least, to provide a reasonable sized house for this amount. Urgent action by the Executive is required.

**CONCLUSION**

8. The significance and contribution of our rural industries cannot be underestimated both in local, national and international terms. It is essential that we identify ways of addressing the difficulties which lie ahead in adapting to our changing environment. It must be recognised that, whilst many of these difficulties are common to both urban and rural areas, the approach required to address them differs significantly in rural areas. Partnership working by its very nature means that the pace of developing and managing change is slower. More assistance, patience and 'hand-holding' is required recognising the difficulties in transport communications, the lack of confidence and economic and business skills. A more imaginative, creative and flexible response to working in partnership in rural areas is required to enable us to respond to local expectations and meet the needs of local communities. Community planning provides the framework – we must now focus on joint action.

## **SUBMISSION FROM THE SCOTTISH BORDERS COUNCIL**

The Scottish Borders faces a number of major challenges:

- Improving the age balance of the Borders population;
- Adding value to existing industrial sectors, (especially textiles and agriculture);
- Diversifying the economic base to high-growth / knowledge economy businesses;
- Providing a sustainable future for the area's small towns;
- Improving the capacity of public institutions to deliver high quality services;
- Sustaining development and investment funding to the local economy after 2006.

The Scottish Borders Council is currently investing in services and is working with partners on common issues around infrastructure investment and the relationship with the city-region. Three inter-related concerns for the Scottish Borders emerge:

- Relationship with the city region
- The future of small towns
- Funding gaps after 2006

### **City Region**

The Scottish Borders has a long and strong relationship with the rest of the city-region. From shared services, (such as fire and police), use of the city by Borders residents for higher education, sport, recreation and specialist services; to daily commuting, (3,500 daily trips to the city and 1,500 daily commuters to the Borders from Edinburgh). In return, the Borders provides the city-region with access to labour, high quality housing at more affordable prices, access to countryside for leisure, sport and recreation, and a growing range of activities that have national reputations, (for example, the River Tweed, Borders historic homes and gardens, Borders towns, Glentress Forest mountain biking and long distance footpath / cycleways and equestrian facilities). Together these provide the city-region with many solutions to its growth and quality of life needs as set out by the 'Edinburgh City Vision – Building a Better Edinburgh,' (2003). That vision highlighted constraints through traffic congestion, pressures on the green belt, high house prices and commercial rents, and restrictions on labour market availability.

The Borders boasts high educational achievement levels and a strong entrepreneurial tradition and its companies enjoy high quality workforce and environment, with high company survival rates and high levels of export. However, the working population is ageing, integrated school, FE & HE needs to be developed, young people are leaving the area for higher education and often not returning, public transport and community facilities are limited, there is a

growing shortage of affordable homes, GDP levels per head are low, the economic base is still dependent upon a narrow range of industries including tourism and agriculture, with an over-dependence on manufacturing, (textiles, electronics and food). Land values in parts of the Borders remain low.

We must avoid over-heating the city economy and destroying the very qualities that make it an attractive proposition for business success. Thus the city hinterland, including the Borders, must be included and play its part in the strategic development of the city-region and by so doing, achieve regeneration and economic success which is essential to its own needs and to better meeting the current and future needs of the city-region. The recently launched Edinburgh city-region brand presents a city-centric Vision, yet there are opportunities to see the city-region providing critical mass through clusters of complementary settlements, large and small.

In conclusion under this section, policy and funding support must truly address the issues of the city hinterland and support its regeneration to better meet the aims of the national economy and the economic, social and environmental needs of both the city-region and the surrounding accessible rural regions.

### **Small Towns**

During September 2004, Scottish Borders Council hosted a COSLA / South of Scotland Alliance (SOSA) conference on 'Small Towns Under Threat.' This highlighted the vacuum in Scotland of policy support and the lack of clear responsibility within the Scottish Executive, (SE) for towns under 20,000 population. This is in contrast to the Cities Review, the support for remote rural areas and the English Countryside Agency model under the 'Market Towns' Initiative.

If the range 2,000-20,000 population is used, then a third of Scotland's population lives in small towns. Whilst the SE uses a range of 3,000-10,000 population to define a small town, this reduces the combined percentage to 17% of Scotland's population. Nevertheless, there is a vast range of towns covering mainland and island seaports, market towns, former mining settlements, edge of city and new town developments, that do not receive any notable support or recognition for their economic, social and environmental roles in relation to city-regions and beyond.

Whilst market towns exhibit many of the same problems of cities, these needs often go unseen and unaddressed. Indeed, the use of the Scottish Index of Multiple Deprivation can work to skew resources to the cities. At the above COSLA / SOSA conference therefore, it was agreed that evidence of need should be compiled which the Scottish Borders Council has commenced. Evidence from a representative survey of building conditions suggests that today there is a backlog of some £260M of defects in the condition of all the Borders town buildings. A separate survey suggests an additional £5.4M is needed on just a sample of five Border towns to address defects in the public realm.

Whilst we are now beginning to see, and are supporting the emergence of local approaches to address local concerns, (such as community development trusts), the scale of the problem far outstrips the capacity of local bodies and councils. Left unaddressed and with current resources, there is no doubt that the scale and cost of these problems will grow, with detrimental impacts upon tourism, the economy, environment and communities concerned. In turn this will not support the city-region or the growth of the national economy and represents only the beginning of a structured assessment of problems facing our small towns.

Small towns exist both as tight-knit clusters around city-regions and as freestanding service centres further afield. The European Spatial Directive, (1999) acknowledges the relevance of collaborative working between specialised networks of towns and there appear to be many opportunities in this approach. We need to shift small towns from their historic and, (in the light of competition from large stores) often failing role of each providing basic consumer services, towards that of providing higher added value services. Small towns can provide a range of services which would complement the reputation and attractiveness of the city-region. However, there needs to be greater recognition that support is needed to help local entrepreneurs to achieve that shift. Moreover, there should be a sense of urgency to do so before our small towns are wholly transformed into residential dormitory settlements bereft of local services and jobs. The recent SE research report on the 'Economic Linkages Between Small Towns and Surrounding Rural Areas in Scotland', (2005), whilst limited in some respects, highlights that growth in the towns is a prerequisite for sustainable surrounding rural areas. As yet, there is no specific policy or funding stream which targets economic development in these areas. In England, since the publication of the 'Rural White Paper' (2000), there has been clear responsibility from DEFRA / the Countryside Agency, and more recently the Regional Development Agencies, for action in market towns as a tool for rural regeneration and community engagement.

In conclusion under this section, there is a need to clarify SE responsibility for small towns; to support further research into the economic, social and environmental viability of small towns, (akin to the 'Market Towns Healthcheck process in England') and to acknowledge the known size of the problems facing our market towns. We believe that small towns urgently deserve a Review, to complement the support given to remote rural areas and the £90M Cities Review. Data needs to be at a fine scale to overcome the obscurity created by the use of current national indices. The creation of a resource base to help restore, adapt and position the competitive edge of small towns is urgently required.

### **Funding Gap**

There is growing concern over the increasing size of the funding gap to local authority areas that will emerge after 2006. Changes to European Structural Funds look likely to significantly reduce funds for business development and

infrastructure, tourism, community development and regeneration. It is anticipated that both the South of Scotland Objective 2 and Lowland Scotland Objective 3 programmes, (from which the Borders has received £28M and £7M respectively), which provide funding for a wide range of economic development projects, will be substantially reduced and if assistance focuses on R&D the Borders will suffer disproportionately because of the structure of its business base. The future of Leader + funding is unclear. Currently worth over £2M, the programme is a key to achieving enhancement of the environment and cultural resources of the Borders. Support for four Councils for Voluntary service and the Scottish Borders Rural Partnership will cease under the demise of Objective 2, significantly reducing support for community development activities.

The review of Regional State Aid, (RSA) by the European Commission is also likely to remove Assisted Area status from the Borders after 2006. Without RSA gap funding to developing companies will greatly reduce, eliminating help for larger firms and reducing aid limits for small and medium sized enterprises. Currently about a third of the Borders is eligible for support under Regional Selective Assistance and commitments are currently valued at £7M.

Changes to the Common Agricultural Policy could reduce support for agriculture and the rural economy. Support under the First Pillar is estimated to be worth over £50M to Borders farmers, but there are uncertainties about funding levels under the Single Farm Payments. Whilst the Second Pillar offers opportunities, restrictions in the budget for any Scottish Rural Development Plan would limit monies available for Leader + and wider support for rural development.

There is a risk that the UK review of Less Favoured Farming Areas could reduce the coverage of this policy support and with it the support for cattle and sheep, especially relevant to hill farmers. Three quarters of the Borders is covered by this support.

Funding support for afforestation under the Locational Premium is likely to be reduced by over 50% and is thought likely to stall all future planting in the Borders, at a time when the Water Framework Directive is demanding closer attention be given to the riparian margins and the role of farm woodlands in catchment management.

Whilst funding to Scottish Borders Council will be reduced from the SE at source by 2% annually, other funding reductions appear likely from all our partners. Scottish Enterprise's increasing focus on city-regions and priority industries needs to be complemented to also address the economic priorities of rural areas. Visit Scotland have indicated funding cuts for 2006/7 over and above the loss from the EC Objective 2 programme and ERDF funded posts. Scottish Natural Heritage funds for the Borders have been reduced, (it is unclear for how long). NHS Borders is reviewing its part in the National Framework for Change. Communities Scotland, reliant upon the Scottish Index of Deprivation, (SID) can offer the Borders only limited support.

Restrictions in Lottery funding, changes to priority and use of the SID are reducing support for community and voluntary groups in the Borders, currently worth in excess of £6M a year. Lottery support for five Healthy Living Centres – a key plank of health improvement for deprived areas in the Borders - will cease in 2006.

In 2003/4 and 2004/5 the Borders received no support from the Cities Growth funds. £22M is allocated for the Edinburgh City Region over two further years. In the latest round of funding, Scottish Borders Council is seeking support for three key priority schemes: 1) the development of Galashiels as a key transport interchange, including town centre improvements; 2) the creation of a property acquisition and incentives programme to further the enhancement and redevelopment of the town in relation to the Waverley railway proposal and 3) the creation of a support fund for the implementation of the railway.

Over eighty Borders settlements are currently constrained by lack of sewerage and / or water infrastructure. This is delaying development necessary to both the Borders economic and social vitality and to the economy of the city-region. Sites approved for the provision of affordable homes are similarly constrained. This matter has been raised with Scottish Water during various consultations and remains a concern in relation to delivery of forecasted and planned housing needs. Reliance on Developer Contributions under S.75 Planning Agreements is unlikely to always resolve such problems and would be likely to either reduce or eliminate contributions for education and affordable housing needs and the provision of local facilities, including play and recreation sites.

In conclusion under this section, there are significant funding gaps emerging in all support sectors. Whilst work is under way to address changes in service provision and the support given for community / business interests, it seems unlikely that the same level of environmental, community, or economic activity can be maintained by the public or community / voluntary sectors in the foreseeable future. Infrastructure constraints continue to slow the contribution of the Borders to the city-region economy.

## **SUBMISSION FROM SOUTH AYRSHIRE COUNCIL**

### **1. Background to the Response**

Outside of the main urban settlements, around 23,000 people, or just over 20 per cent of South Ayrshire's population, live in small rural communities or on dispersed farms. The majority of these (over 85%) live in "accessible rural areas" within a 30-minute drive of the main urban settlements of Ayr, Troon and Prestwick. These areas have been the subject of a recent detailed examination by the Council of the population's service needs and the extent of deprivation, as part of the initiative by the Scottish Executive Environment and Rural Affairs Department to identify Rural Service Priority Areas (RSPAs). Three datazones in South Ayrshire have been designated RSPAs.

### **2. The Service Priorities of Accessible Rural Communities in South Ayrshire**

As part of a public consultation exercise on the priorities in the draft Community Plan for South Ayrshire, a series of 15 focus groups, involving members of the public drawn from the South Ayrshire 1000 Panel, were carried out in February 2005. Through these it has been possible to see that the priorities for rural residents differ little from those in urban areas. At the top of the list of rural residents were i) employment creation and ii) access to locally-based health facilities. Next in importance were iii) ensuring a safe environment, iv) combating drug and alcohol abuse, and v) reducing poverty.

### **3. The Policy Priorities for Rural Areas in South Ayrshire**

A detailed examination of the level of deprivation experienced in rural South Ayrshire tends to bear out the priorities identified by the local community. While the evidence is that levels of deprivation experienced in the rural areas are similar to those in the urban parts of the Local Authority, there are three distinctive issues that stand out and which require targeted policies to address them. The first is employment opportunities. In the rural areas these appear to be less good and as a result more people are self-employed or have withdrawn from the labour market. The latter tendency is especially true for women in these areas, with just under 19 per cent having stated that they were permanently ill or looking after a family, compared with only 16 per cent in the main towns. The second issue is access to services, both public and commercial, which remains an intractable problem. Finally, the third is the issue of affordable housing. Each of these is addressed in more detail below.

#### *3.1 Limited Job Opportunities*

The nature of employment available in the rural areas is strikingly different from that in the non-rural areas. In rural South Ayrshire, apart from agriculture (7.8%), the dominant areas of employment are either manufacturing (24.9%) or the public sector (30.8%) according to the 2001 Census. Perhaps the surprising observation is that

employment in manufacturing is much more important in the rural areas of South Ayrshire than in the urban ones. This is probably a reflection of the fact that other jobs, such as those in the retail sector, finance and communications, have replaced the declining employment opportunities in manufacturing in the non-rural areas. In contrast rural areas still remain dependent on traditional industries.

More significantly, many of the jobs available in the rural areas are less skilled and lower paid. According to the 2001 Census, there are fewer managers and professionals and more lower-paid manual workers in rural areas. As a result average earnings would appear to be 5 to 10 per cent less in the rural than in the urban areas of South Ayrshire. With prices, according to the Rural Scotland Price Survey, in these areas being 7 per cent higher than in the non-rural areas, in terms of buying power this implies that average incomes in rural South Ayrshire are 11 to 16 per cent lower than those in the non-rural areas. According to the Scottish Household Survey around 35% of people in South Ayrshire earn £10,000 p.a. or less. CACI Paycheck (2004) information shows that just under 30% of the population have an annual income of less than £10,000. People on this level of income cannot afford to purchase property, including RTB resale properties.

The inference of all this is that there is a need to attract new employment opportunities to the rural areas of South Ayrshire. However, linked to this is a need to improve the overall level of skills of the workforce in these areas. According to the 2001 Census, not only is there a higher proportion of the working-age (16-74) population without formal qualifications (32.4% as against 27.0%), but significantly, there is a much lower proportion with HND or degree-level qualifications. In 2001, only 23.5 per cent of the population had gained the equivalent of an HND or degree in rural South Ayrshire, compared to 27.7 per cent in the non-rural areas

### *3.2 Access to Services*

The second major issue for rural areas is access to services. Although distances to key services in rural South Ayrshire are comparatively small compared to the Highlands, access to services is still an important issue for many rural households in the area, especially as nearly a quarter of rural households do not have a car according to the 2001 Census. Even for those households who own a car, access to key services in rural areas is more restricted. According to the Scottish Neighbourhood Statistics, the percentage of households within a 5-minute drive time of key services, such as a primary school, a doctor, a post office, a general store and a cashpoint, vary from 66 to 89 per cent in rural South Ayrshire. By comparison in urban localities, the percentage is always greater than 97 per cent. However, for rural areas, these averages do not mean much. If we examine issues of service access using a micro-scale geography, it can be seen that households in some areas experience quite acute problems of access. For about a quarter of rural South Ayrshire, the average drive time for all of the key facilities exceeds 15 minutes.

### *3.3 Access to Affordable Housing*

Reports by a number of organisations, including the Rowntree Foundation, on housing in rural areas have raised concerns about the availability of low-cost affordable housing for young families. Certainly, the 2001 Census indicated that in rural South Ayrshire there was evidence of so-called "hidden homelessness", with a higher tendency for "adult" children to continue living at home with their parents.

This suggests that young adults found it more difficult to rent or buy themselves homes in these areas. There was also evidence from the Census returns to suggest that in rural South Ayrshire a smaller relative supply of affordable homes had caused families to stay put and not move, when family size increased. Certainly, the rural areas of the Local Authority appear to have a disproportionate supply of more expensive houses, as evidenced by distribution of the Council Tax bands for properties.

#### **4. Issues with Regard to Policy and Funding – Some Local Experiences**

##### *4.1 Problems in Targeting Policies*

Addressing the needs and service priorities of the rural community has proved to be more difficult than in urban areas. In the first place, poverty and deprivation in rural areas tend to be more “invisible” than in the urban settlements, both because they are much more dispersed than in the main towns and because some of the poverty is “disguised”. Whereas, self-employment in urban areas tends to be associated with high household incomes, the converse is true in the rural areas according to work conducted by Strathclyde University. As such, the high incidence of self-employment in rural South Ayrshire may hide a significant degree of underemployment. In a study undertaken last year in South Ayrshire on the distribution of households claiming Council Tax and Housing Benefit, mapped by unit postcode, it became apparent that there were significant pockets of poverty in rural areas, which were not being revealed by the Scottish Index of Multiple Deprivation, which uses a more macro-scale geography.

Added to this, our experience in South Ayrshire is that rural areas are less homogeneous socially and economically than non-rural areas, so that it is not possible to employ uniform policies for addressing the problems of these areas. In particular, within South Ayrshire, it is possible to distinguish at least three ‘groups’ of rural areas. In the North are communities (Symington and Dundonald) with a relatively diversified economic structure and, because of the proximity of the A77, have relatively good access to services. In the centre and West, the rural areas are dominated by old mining communities (Annbank, Mossblown and Tarbolton) that formed part of the former Ayrshire coalfield. Finally, in the south are the predominantly farming communities (Barr, Straiton, Colmonell and Ballantrae), comparatively remote from the main service centres in the region, and including former mining settlements (Dailly). Each of these requires different types of solution to address their problems.

##### *4.2 Tackling the Issues*

###### 4.2.1 Job Creation

As indicated earlier, at the top of the stated priorities of rural inhabitants is job creation. However, attracting new jobs outside of the Troon-Ayr area has proved difficult, especially, as the road network to south of Ayr is in need of upgrading. The limited nature of the road network in this area has been a restricting factor in securing the return of the Open Golf Championship to Turnberry. Equally, although improving, there is still a lack of high-speed internet links in the rural areas as well. Together these factors make it difficult to entice new businesses to set up. This has necessitated innovative approaches. One has been to promote community-based initiatives, such as the Ballantrae Rural Initiative Care in the Community, which has both improved the local provision of domestic and personal care for the disabled and

elderly and created new jobs in the care sector. Another Ayrshire-wide approach, being considered as part of the Ayrshire Joint Structure Plan, is to move from the traditional policy of attracting firms to the area and instead to focus on attracting owners of small businesses through building the type of home that attracts them. Clearly, such a strategy rests on the belief that small businesses are likely to be less “footloose” than larger firms and so inclined to stay. However, it is recognised that this development can only be successful, if the infrastructure is put in place to provide business support to small firms in rural areas. At the moment, too many of the financial and other support services that small businesses need to access are concentrated in the main urban areas.

#### 4.2.2 Improving Access to Employment and Training Services

Attracting employment, however, is only one side of the coin. One of the key issues is to ensure that people in the rural communities are able to take up the jobs created. With the skills base in terms of formal educational qualifications being weaker in the rural areas, providing opportunities to retrain and acquire new skills is important. Therefore, in the southern areas of the Local Authority, the South Carrick Open Opportunities Project has been providing careers guidance and flexible learning opportunities to rural communities. Since its inception over 1300 people have been assisted in various ways. However, as demonstrated by an initiative begun in 1999 by the Social Inclusion Partnership in Girvan to tackle poverty in the town and the surrounding rural areas, even more dramatic benefits can be achieved where an integrated approach to tackling access to employment is adopted. The original project began as an attempt to assist people to move from benefit dependence to employment. Dialogue with the local community showed that three issues needed to be simultaneously tackled. The first was to improve transport links from the rural areas, so that people without cars could get into work. This was achieved through an innovative project, called Travel Connections, based on using subsidised taxis. The second was to provide more child care facilities to allow women to work. Finally, the third strand was to provide opportunities for re-training and upgrading skills, which was addressed by encouraging the local FE college to open an annex in Girvan some 25 miles from Ayr. The scheme has been fairly successful. In its first two years, around 30 people in the rural hinterland were helped back into steady employment. However, the costs of sustaining the scheme are high, with all three strands requiring on-going subsidy. In the case of the transport element, charges to users have only covered about 12 per cent of the running costs, with the rest being funded by the Scottish Executive and South Ayrshire Council.

#### 4.2.3 Improving the Supply of Affordable Housing

Both the Ayrshire Joint Structure Plan and the South Ayrshire Local Housing Strategy recognise that there is a need to increase the supply of affordable housing, including rural areas. The 2001 Census showed that home ownership in rural South Ayrshire was lower than in the urban areas. Added to this, because the relative supply of social housing, including Council housing, was lower as well, more households were dependent on the private rental market. In response to these problems, South Ayrshire Council is reviewing its policy on Council house sales. Many rural settlements are recognised as ‘Pressured Areas’ and permission is being sought to suspend the ‘right to buy’ for Council housing for up to five years for new tenants. At the same time, it has accepted that there is a need to change the presumption in planning in rural areas against development and, while ensuring any development is consistent with the need to protect the environment, to adopt a more flexible approach to planning proposals in these areas.

## **5. A Partnership with the Executive**

While the Council recognises that, in partnership with other public service providers, it can do a lot to assist the development of rural areas, it will only be successful if the Scottish Executive works in partnership with the Councils. In this regard there is a need for a more integrated approach to rural development by the Executive. Currently, responsibility for different aspects of rural development lies with different agencies and departments. Moreover, while funding is being extended to assist rural development, too often it is fragmented under different policy initiatives. Equally, there is no sidestepping the issue that, if the Scottish Executive wants to prioritise development of rural areas, it will have to increase the funding for this. As our experiences have shown tackling the long-standing problems of rural areas is not cheap.

## **SUBMISSION FROM SOUTH LANARKSHIRE COUNCIL**

### **1.0 Introduction :**

- 1.1 In responding to the invitation to present evidence to the above Inquiry, South Lanarkshire Council very much welcomes this opportunity to contribute to the ongoing debate surrounding the challenges faced by “accessible “ rural areas within Scotland. With an extensive rural hinterland equidistant from both Glasgow & Edinburgh, South Lanarkshire Council has considerable, first hand experience of being increasingly caught in the “eligibility” gap between those policies/programmes aimed at remoter rural areas & those policies/programmes targeted solely on city-regions. Much of rural South Lanarkshire is classified as “accessible”(refer Map 1) &, as such, the Council is well-placed to comment on the implications of this emerging trend of “polarisation” which - if left unchecked - could have major consequences for the rural areas in question.
- 1.2 Against this strategic background, therefore, South Lanarkshire Council very much endorses the view of the Scottish Executive & others that time is now ripe to examine new approaches to policy design & funding programmes within rural areas generally. Before exploring this theme in more depth, however, this paper – in addressing the terms of reference of the Inquiry itself – will focus on 3 key aspects viz to
- provide an overview of the challenges/issues facing rural communities within the existing local policy context as articulated by the South Lanarkshire Rural Partnership
  - highlight certain policy/funding issues in respect of rural South Lanarkshire from a national & regional perspective; &
  - offer some insights/suggestions into the future role & direction of policy/funding mechanisms to ensure a more equitable approach to the needs of “accessible” rural areas.

### **2.0 “Accessible” Rural Communities within South Lanarkshire : An Overview :**

- 2.1 South Lanarkshire Council administers an area extending to 177,000 hectares stretching from Rutherglen in the north (a mere 3 miles from Glasgow City Centre), to Elvanfoot 50 miles to the South, and from Dolphinton in the east to Drumclog (by Strathaven) in the west. With a population of 302,216, South Lanarkshire is the 5<sup>th</sup> largest authority in Scotland. Contrary to popular belief, South Lanarkshire has an extensive & diverse rural area where agricultural & former mining communities exist side by side. Large parts of the rural area appear very attractive, but there is a great deal of hidden disadvantage & the strong likelihood of further agricultural decline. Isolation from services, job opportunities & activities that are taken for granted in more urban areas is a problem faced by many in our rural communities, and exacerbated by the lack of public transport and local service provision.
- 2.2 In South Lanarkshire, there are over 50 settlements in the rural area ( defined by the Council as comprising the whole of the former Clydesdale District Council plus 3 wards of the former East Kilbride District Council area); 50% of which have a population of under 500. There are 4 settlements with over 5,000 residents & they

account for 49% of the rural settlement population. An oft quoted statistic to describe the rural area relative to South Lanarkshire is that 20% of the population live in 80% of the land area.

2.3 As noted on Map1, South Lanarkshire has a range of “accessible” rural communities experiencing different economic conditions due to the quality of their transport links, their distance from large population centres, their physical attractiveness/level of amenity & the history of their industrial base. This has led to a complex socio-economic mix within the settlements themselves. Some of them enjoy economic opportunity although it may not be fully realised as a result of barriers – including the ability to organise on a community level. Others suffer from the effects of serious economic & wider social decline, whilst also suffering from the same lack of community capacity building. In some other cases, rural communities have lost their economic reason for existing, for example, mining. For others the changes in the agricultural sector threaten economic activity & employment both in farming and in supporting industries.

2.4 As part of its commitment to addressing these diverse rural issues, the Council together with its partners in the South Lanarkshire Rural Partnership (SLRP) have adopted “Reviving Our Rural Areas”; a strategic document which provides a broad framework for developing the rural economy within Lanarkshire as a whole. In an attempt to “drill down” the local policy response against the background of a changing rural economy, a typology of “accessible” rural communities has already been agreed which effectively classifies local settlements under 5 key headings. Viz

- *Urban Shadow Areas* : these include the countryside around the main towns for example East Kilbride & Hamilton which have close links with the urban conurbation. Key issues include continuing pressure on the green belt allied to opportunities for promoting new business growth on account of access to good transport links/labour supply.
- *High Amenity Areas* : these include the market towns of Lanark (pop 8200), Carluke (pop 13300), Biggar (pop 2200) & Strathaven (pop 7800) which benefit from being near relatively good transport networks & an attractive rural setting. Here the main issues are rising house prices, the seasonal effect of tourism industry & limited opportunities for physical development.
- *Commuter Settlements* : Locations such as Law, Blackwood & Kirkmuirhill have all witnessed a growth in private housing and as a consequence provide an opportunity to encourage new residents to use local shops & services. A key issue here, though, is the potential growing gap between households in better-paid employment & low-income households.
- *Areas with a Low Economic Base*: A number of settlements like Forth, Douglas & Rigside have lost their traditional industries as the economy has changed over the past 50 years and all fall within the top 15% SIMD index. Typically, ex-mining areas, such settlements have a high proportion of people living in public rented sector. Demand for these properties has dwindled and there is an increasing evidence of an over-supply of social rented housing. Low demand relates to a number of factors including unpopular house types, population decline , poor transport links together with a lack of local facilities/job opportunities.
- *Scattered, Relatively Small Settlements* : These include small villages such as Abington, Leadhills & Crawford within South Clydesdale which are vulnerable to

outmigration, providing few employment opportunities other than in agriculture & small scale tourism industries.

- 2.5 Collectively, such a typology has helped the SLRP partners including the Council to devise & invest in a range of policy initiatives/projects tailored to the specific needs of otherwise diverse rural communities. In practice, this agreed policy framework has provided a clear & strong focus against which partnership budgets (including the LEADER + Programme) can be realigned & prioritised as part of an integrated approach to rural regeneration.

Notwithstanding this progress at the local level, much closer links need to be fostered across the broad range of government policy & funding initiatives to ensure that the needs of “accessible” rural areas are not marginalised in the future. Before suggesting how best to achieve this in practice, however, it is important to highlight to the Inquiry certain funding anomalies at national & regional levels that undoubtedly contribute to the emerging policy gap between support for city-regions on the one hand and support for areas with “supersparsity” of population on the other.

### **3.0 Policy/Funding Issues within South Lanarkshire : A National/Regional Perspective:**

- 3.1 Geographically, South Lanarkshire is located within the heart of Central Scotland; an area which – historically – has been associated with heavy manufacturing. In perceptual terms, this has given rise to an image of a densely populated industrial area; an image which has survived the demise of the industries themselves. A consequence of this has been that - at the local authority level – national attention has been largely focussed on the needs/problems of its urban areas. Equally relevant is the fact that the Council (unlike the 7 other authorities invited to give evidence at this Inquiry) is designated a wholly urban authority; a designation which, until recently , has had subtle yet significant implications in both policy & funding terms.
- 3.2 As a result of both perception & boundary definitions, therefore, rural South Lanarkshire has previously lost out in many authority-wide rural policy initiatives launched to combat deprivation/social exclusion, simply because it has been “invisible” in terms of its eligibility in comparison with more densely populated, metropolitan authorities. This “rural invisibility” also results in agricultural and tourism businesses not being regarded as “key sectors” by the LEC within the Lanarkshire economy, whilst in rural regeneration terms they have a pivotal role to play in revitalising the rural economy. In addition, it has not been possible until recently for smaller rural communities and/or businesses to provide the critical mass required to participate in the larger mainstream funding programmes.
- 3.3 Rural South Lanarkshire faces a range of anomalies in accessing external funds, mostly relating to eligibility. Encouragingly, some such anomalies have been addressed already by the Scottish Executive. For example, following intense lobbying by the Council & the South Lanarkshire Rural Partnership, the Minister for the Environment & Rural Affairs, Ross Finnie MSP, agreed to ensure that the definition of “rural” would not structurally discriminate against areas which were part-urban and part-rural. The eligibility of the whole of Scotland to apply for Leader+ funds enabled South Lanarkshire to take advantage of this programme, whereas the original Leader and Leader II programmes were confined to wholly rural only

authorities. The impact of the SLRP Leader+ Programme to date has highlighted the breadth of partnership activity which can be stimulated through this bottom up approach focussed on developing community led activity in the rural area.

- 3.4 On the other hand, certain difficulties remain which undoubtedly hinder the successful regeneration of “accessible” rural areas within South Lanarkshire.
- 3.5 As part of the West of Scotland Structural Funds Programme area, for example, rural South Lanarkshire has been caught in the “eligibility gap” between funds aimed at rural areas and funds targeted on urban communities. In the West of Scotland Structural Funds Programme area, funds aimed at “increasing economic and social cohesion in the region” are available across both the Objective 2 Core eligible area, where highest concentrations of urban deprivation are to be found, and in the “Transition” area, the remainder of the territory. These funds have to be targeted, however, and in the West of Scotland Programme the areas targeted have –in practice - been Social Inclusion Partnership (SIP) areas, of which there are none in the rural area. As a result virtually none of these funds have been spent outwith the urban SIP areas, despite the problem being identified before the Programme was launched and despite commitments to “a fair and equitable balance between urban areas and rural areas”. By comparison, both the East of Scotland and South of Scotland programmes appear to deliver a more reasonable spread of eligibility and therefore regeneration funds within their respective areas.
- 3.6 It is to be hoped that in the 2007-2013 Structural Funds period, Programme Management arrangements will ensure that an equitable balance is achieved throughout the whole of Lowland Scotland
- 3.7 Eligibility anomalies within “accessible” rural areas like Clydesdale, however, are not confined to European sources. Scottish Executive funding for village halls, for example, actively discriminate against much of rural South Lanarkshire where Council-run village halls are excluded from accessing the Local Capital Grants Scheme under the Rural Challenge Fund. It is a historical fact that village halls in such areas despite being established as a community-led facility have typically ended up being run via the Council largely due to the lack of capacity building/social capital within the communities themselves. Council-run village halls are often the focal point of rural life within individual communities but are currently also unable to qualify for Big Lottery funding. On a positive note, however, Council-run halls in most rural locations now enjoy rates relief which brings them into line with independently-run facilities.
- 3.8 The issue of equity & balance also affects Lottery funding; the other key source of non-governmental external funding. The Lottery distributors’ “Fairshare” Initiative recognised the imbalance in funding levels between different areas, predominantly targeting urban communities. There still remains a pronounced variation in Lottery funding distribution within rural areas, however, where, for example, the Highlands & Islands have enjoyed funding equivalent to - on average - £778 per person compared with £217 per person in Southern Scotland & a mere £189 per person in rural South Lanarkshire over the life of the National Lottery. Clearly the reasons for such disparities within rural areas are both complex & manifold. Suffice it to say, however, that further research should be commissioned by the Scottish Executive to shed light on the assertion that the lack of community capacity activity is a major factor contributing to the relatively poor performance of “accessible” rural areas in securing lottery funds .

#### **4.0 New Policy/Funding Directions within “Accessible” Rural Areas : Some Suggestions:**

- 4.1 Funding anomalies apart, the rural policy agenda will undergo significant change as a result of the review of the Common Agricultural Policy (CAP) & the post 2006 plans for EU Structural Fund programmes. This will see a shift of policy support for many aspects of rural development from Structural Funds to measures funded through the Rural Development Regulation (RDR) under Pillar 2 of the CAP reform.
- 4.2 The draft EU RDR contains many of the proposed changes in support for rural development requiring greater co-operation by all those involved in the rural agenda. This will entail a greater focus & emphasis on wider rural development of all sectors within “accessible” rural areas as rural South Lanarkshire.. Area-based strategies & the LEADER + approach will become key elements within all Rural Development Programmes. In the Scottish Executive context, this will result in a shift of responsibility for aspects of rural development support eg LEADER + from the European Structural Funds Division to the Environment & Rural Affairs Department (SEERAD).
- 4.3 Although this policy shift in favour of a more bottom-up, inclusive approach to rural regeneration will be most welcome, it needs to be accompanied by more comprehensive policy reform to ensure better “joined up” thinking at the local level. In particular, consideration should be given to “pooling” all the existing Scottish Executive’s rural funding initiatives (eg the Rural Challenge Fund, Rural Voices,, the Rural Communities Transport Fund & Rural Futurebuilders Fund to name but 4) with a view to integrating them better within the emergent RDR programme. At the risk of over-simplification, the administration of these competitive, challenge-type funding streams are currently somewhat dislocated from existing LEADER+ structures & this is an issue that needs to be addressed to avoid an ad hoc, piecemeal approach in the run up to the RDR itself.
- 4.4 In a similar vein, policy consideration ought to be given to widening the role of LEADER + structures embedded within the Community Planning structure, to enable them to develop a more systematic approach to all regeneration activity within their respective rural areas. In the same way that Community Regeneration Partnerships oversee the development, implementation & monitoring of urban regeneration, LEADER + structures should adopt a ROA type approach based on a robust SIMD methodology and linked to local economic strategy to ensure activity is focussed on developing areas of greatest opportunity.
- 4.5 Criticisms that area-based indices of deprivation are inherently biased in favour of urban areas have now been rendered largely redundant with the publication of the latest SIMD 2004 indices which are based on more comprehensive data. The logic for re-applying the SIMD 2004 methodology as a basis for mapping the scale & incidence of deprivation in rural areas is, therefore, technically strong and one that ought to be considered prior to establishing the RDR. From the perspective of the Parliamentary Inquiry, such a fine-grained, objective analysis would not only highlight priorities for action but would also better inform both policy formulation & resource allocation within rural areas generally. As a matter of some urgency ,therefore, the Scottish Executive should be asked to co-ordinate an analysis of deprivation across all rural areas based on SIMD 2004 results as a precursor to future policy/funding directions linked to the RDR.

- 4.6 Finally, another new policy direction linked to the rural deprivation debate & worthy of further investigation is the role that small market towns can play as a focus for efforts in revitalising their respective hinterlands. Experience elsewhere, most notably in England, has demonstrated that small rural towns can act as catalysts in regenerating the local rural economy. Enthusiasm for an equivalent initiative in Scotland is growing as evidenced by last year's national conference organised by the South of Scotland Alliance. Progress is encouraging & to date CoSLA's Rural Affairs Committee has been instrumental in setting up a Small Towns Task Group to investigate matters further. Essentially, the aims & objectives of the Small Town Initiative are closely akin to the principles behind the roll-out of community planning at a local level involving an inclusive, bottom-up partnership approach to rural regeneration. Like elsewhere, the challenge facing South Lanarkshire is to ensure the integration of coherent rural policy with effective service delivery on the ground in responding to the changing needs of individual communities.
- 4.7 Intrinsic to all these new policy suggestions is engaging local people at the heart of the decision-making process. Encouraging active community engagement is pivotal to the future delivery of regeneration activity within rural areas. Ultimately, to be successful, "accessible" rural areas need to mobilise all available resources (human & financial) in a way that is targeted at areas of greatest local opportunity otherwise the policy/funding gap referred to in this Inquiry between city-regions & the more remote rural areas will undoubtedly continue to widen and deepen.



## **SUBMISSION FROM STIRLING COUNCIL**

### **1. INTRODUCTION**

- 1.1 Stirling Council welcomes this opportunity to provide evidence to members of the Environment and Rural Development Committee

### **2. SETTING THE CONTEXT**

- 2.1 The Stirling Council area has a population of 86000 and covers 2200 square kilometres. It is one of the fastest growing areas of Scotland with a forecast population growth of 9.1% between 2002 and 2018. As well as the City of Stirling and its immediate surroundings it includes a number of long established settlements ranging from former mining villages to towns and villages serving much wider rural areas as well as visitors (Dunblane, Doune, Callander, Killin, Aberfoyle, Killearn and Balfron). Rural Stirling covers 90% of the Council land area and contains nearly one- third of its population.
- 2.2 A large part of Rural Stirling falls in the 'remote ' category. However, a significant proportion is classified as 'accessible rural'. It is our understanding that the Committee's focus at this stage of its deliberations is on the latter. As far as Stirling is concerned this includes areas that look to both Glasgow and Stirling. A small part of the area lies within the boundaries of the Loch Lomond and Trossachs National Park.
- 2.3 The evidence presented here will draw upon a number of findings relating to the economy of Rural Stirling and, more particularly, that part of the area within a drive time of 30 minutes of a settlement of 10000 population or more. As well as some general background on the local economy we will draw upon some specific evidence highlighting the types of issues facing local businesses and communities. This empirical evidence will be drawn from the Stirling Business Panel, research undertaken on business property requirements and issues highlighted through local community planning processes.
- 2.4 We will provide evidence of the wide range of issues facing Stirling's rural businesses and the communities they serve. We will highlight that, although many of these issues face urban as well as rural businesses, different solutions are required in rural areas to reflect the particular nature of rural businesses as well as the barriers they face in terms of accessibility and resources. We will demonstrate the value communities place on being at the centre of vibrant local economies capable of providing jobs and decent wages. Finally, on work done through local

community planning, we will suggest that the local determination and skills exist to do something about improving local economies. What is required is a framework of support that facilitates and enables this transformation.

- 2.5 Local agency responses to the rural economy are co-ordinated through the Community Planning partners economic development strategy and action plan for the Stirling area, *Making Stirling Work*. Both this and the Forth Valley Local Economic Forum's economic strategy highlight the importance of the rural economy to the overall prosperity of the area.
- 2.6 Stirling has benefited from funding through the Executive's Cities Review and Cities Growth Fund initiative. Its position within the City region debate is less clear cut with Scottish Enterprise priorities focused on Scotland's four largest cities. At the same time the Loch Lomond and the Trossachs National Park Authority has just published its draft National Park Plan. This is likely to be used as a framework for investment by the Scottish Enterprise network. There is a danger that the part of Stirling that is the focus of the Committee's attention will be squeezed between priorities focused on Scotland's City Regions and the National Park
- 2.7 Here are some key points about Stirling's rural economy:
  - A high dependence on seasonal employment with high levels of part-time, temporary and self employment
  - A high number of visitors placing pressures on rural roads and other infrastructure
  - A housing market dominated by owner-occupation and very low levels of affordable housing
  - A predominance of employment in the service sector with most jobs in retailing, hotels and catering, financial and business services and the public sector.
  - Manufacturing employment (7%) is relatively more important in Rural Stirling than Stirling as a whole. This is particularly so in those parts of rural Stirling nearest Glasgow and Stirling itself
  - Employment in the primary sector is low and declining
  - There is polarisation of employment from high earning commuters working in Glasgow/Edinburgh to lower paid workers employed in the area's hospitality and retailing sectors
  - High levels of entrepreneurship, with one of the highest levels of new business start-up in Scotland

### **3. STIRLING BUSINESS PANEL**

- 3.1 The Stirling Business Panel is a 500 member representative sample of the Stirling business community. Set up by Stirling Council and Scottish Enterprise Forth Valley it is a mechanism that highlights issues facing local businesses.
- 3.2 The Panel has been surveyed each year for the last three years. The initial survey looked at skills issues, the second at priorities for the regional and

local economic development strategies and the third at the provision of business support services. A common theme throughout the surveys has been to identify the critical success factors for businesses or barriers to expansion being faced by them. The surveys have highlighted that rural businesses, no matter where they are located, face particular issues in relation to:

- Access to broadband
- Capital investment in infrastructure (roads, transport, property)
- Poor transport links including access to public transport
- Assistance in expanding or relocating
- Access to skilled staff

3.3 The broadband issue also features as an output of the Community Future's work detailed below. Following representations from the Aberfoyle Traders's Association, SEFV and LEADER+ provided support for a pilot project that developed a satellite broadband system for Aberfoyle to explore new ways of addressing this issue. An evaluation of the project demonstrated that the main benefits were improved efficiency particularly in regard to responding to customers. Some of the participating businesses experienced cost benefits and increased sales as a result of the pilot project. We, therefore, welcome the Executive's priority in encouraging the roll-out of broadband services.

3.4 Business Panel surveys have also highlighted that rural business support needs are similar to those experienced by urban based businesses. These are:

- Training in generic business skills
- E-business training
- Financial management
- Employment and company law

3.5 The key skills development issues for businesses are in the core business skills of marketing, selling and management. Considerable efforts have already been made by Stirling Council to address these issues and this work is ongoing. At the same time businesses are recognising skills gaps in making best use of ICT and the role it can play in E-Business. Also high on the list for businesses is legal advice on employment and company law: this is driven by ever increasing legislation and red tape which businesses of the scale in question (predominantly micro-businesses) find it difficult to respond to.

3.6 Where there is likely to be a particular issue for rural based businesses is in their ability to access such services partly because of distance and availability but also as a result of the smaller size of the businesses concerned and the resultant impact on activity as a result of taking up training opportunities. One approach we have found helpful in addressing this issue has been a 'Job Rotation' initiative allowing a short term skills

and resourcing gap to be filled on a temporary basis whilst training was undertaken. The challenge is to take pilot programmes of this type and find the necessary mainstream funding to deliver them on a wider basis

#### **4. BUSINESS SPACE**

4.1 The Council and Scottish Enterprise Forth Valley have recently commissioned research into business space provision throughout the Stirling area. Conclusions relating to Rural Stirling are as follows:

- Rural property development is important to ensure sustainable rural communities, social inclusion and to limit the need for commuting
- It is difficult to quantify specific and measurable demand in rural areas and a supply led approach should be viewed as an acceptable method of intervention
- There is a need to promote higher value industry within the rural economy to diversify from the existing low skill/low wage tourism and retail focus.
- Planning policies have a key role to play in making this happen
- There needs to be a more proactive approach to the use and redevelopment of existing property for business uses.
- A more holistic approach is required in rural areas bringing together housing, employment, skills, access, transport and environment

4.2 The importance of business space was also highlighted in a survey carried out by the Rural Stirling Economic Partnership in 2001. The research emphasised that there is a latent demand for workspace within the rural business community. One fifth of businesses indicated that their existing premises were unsuitable for their needs. Nearly half of the businesses with growth ambitions stated that their premises would not meet future needs. The survey also revealed that nearly 50% of the farmers questioned had a non-agricultural income and that there was potential within the existing supply of redundant or underused farm buildings to satisfy part of the wider demand for workspace.

4.3 The issue for us all here is how do we support the addition of business space in an environment where market provision is weak or non-existent and where planning policies are sometimes perceived as not being helpful.

#### **5. LOCAL COMMUNITY PLANNING**

5.1 As part of its approach to local community planning Stirling Council established a 'Community Futures' initiative based on harnessing the energies and enterprise of Stirling's communities. Community Futures is a local community planning and development programme that aims to assist communities address issues that affect their areas. The approach has now been taken up by the Loch Lomond and Trossachs National Park Authority and, as a result, each Community Council area in rural Stirling now has a

local Community Plan. These detail a list of issues and opportunities within each area and an Action Plan to take this forward.

- 5.2 The local economy featured as a priority in virtually all the Plans developed within that part of rural Stirling on which the Committee is focussing. Specific actions included:
- Development and support for local business networks
  - Provision of business space
  - More local employment opportunities
  - A diversified business base
  - Improved communications
  - Local Infrastructure support including shops and village halls
  - Tourism and visitor management development
- 5.3 The Community Futures initiative has emphasised the wealth of skills and willingness to engage available in Stirling's rural communities. The Council and other partners are working with local groups to assist in delivery of these ambitions. LEADER+ funding has been vital in helping to deliver projects. The Council has also established a small capital fund to aid delivery. However, others are dependent on large-scale injections of funding that are not currently available to agencies in the area.

## **6. CONCLUSIONS**

- 6.1 Empirical research and the structure of the local economy has demonstrated a number of points:
- Economic objectives including the creation of additional job opportunities, are a priority for Stirling's accessible rural communities
  - Policy initiatives supported by the Executive and local partners are not realising the full potential of Stirling's accessible rural areas
  - Problems and solutions are interlinked and should be addressed in an integrated way
  - We believe it is worth further exploring the link between investments in Scotland's 4 main cities, other large settlements, accessible rural Stirling and areas like the Loch Lomond and Trossachs National Park.
  - Many of the issues facing rural businesses and communities are similar to those faced elsewhere. However, solutions need to be tailored to the particular circumstances of the rural economy.
  - Support for sectors needs to be widened to reflect the particular opportunities and strengths of rural Stirling. This should include a focus on downstream activities relating to primary industries as well as sectors serving local communities and visitors
  - Difficulties in overcoming infrastructure issues, including the provision of business space, are affecting local business growth and community development.
  - Programmes such as LEADER+ have played a key role in delivering community led projects aimed at increasing economic opportunity.

<b>SSI Title and No:</b>	The Common Agricultural Policy Single Farm Payment and Support Schemes (Scotland) Amendment Regulations 2005						
<b>Laid Date:</b>	13/05/2005	<b>Responsible Minister:</b>	Ross Finnie				
<b>SE Contact:</b>	Brian Endicott, SEERAD, 46546						
<b>Standing Order:</b>	10.4, Subject to negative procedure within 40 days.						
<b>RECOMMENDATION</b>							
<b>Lead Committee:</b>	Environment and Rural Development		<b>Other Committees:</b>				
<b>Clerk Contact Room &amp; No:</b>	Mark Brough, 85240		<b>Clerk Contact No:</b>				
<b>Reason:</b>	This instrument replaces SSI 2005/143 further to Commission regulation EC/606/2005 which introduces additional flexibility for land eligibility.						
<b>Time Limit for Parliament to Deal with Instrument</b>	21/06/2005		<b>1st SLC Meeting</b>	24/05/2005			
			<b>SLC reporting deadline</b>	02/06/2005			
<b>Lead Committee To Report By:</b>	13/06/2005		<b>*Other Committees To Report to the Lead Committee:</b>				
<b>SSI Attached</b>	X	<b>Draft Motion Attached if Required</b>		<b>Date Motion and Designation Form E-Mailed to the Bureau</b>		<b>Laying Clerk Advised of Designated Lead Committee</b>	

\* 10 days before the lead committee reporting date. "Other" committees may wish to negotiate timing of their report with the lead committee.



**Subordinate Legislation Committee**

**Extract from the 22<sup>nd</sup> Report, 2005 (Session 2)**

**The Common Agricultural Policy Single Farm Payment and Support Schemes (Scotland) Amendment Regulations 2005, (SSI 2005/257)**

1. The Committee asked the Executive for further information about the oversight in becoming aware of the publication of Commission Regulation EC 606/2005 which led to the breach of the 21 day rule. The Executive has provided further information on the steps taken to ensure that it was kept informed of the likely date of adoption of the relevant EC Regulations. The Executive indicated that it normally receives early intimation of EU legislation from Whitehall colleagues. Given that this channel of communication appears to have broken down in this instance, the Executive accepts that it ought to have been more proactive in ensuring it was aware of the publication of the measure.
2. The Executive also provided the Committee with some background on the information it provided to farmers in advance of the change in law being introduced. **The Committee notes the information provided by the Executive and draws it to the attention of the lead Committee and Parliament for information.**

## **APPENDIX**

### **The Common Agricultural Policy Single Farm Payment and Support Scheme (Scotland) Amendment Regulations 2005, (SSI 2005/257)**

#### **On 24 May 2005 the Committee asked:**

1. The Subordinate Legislation Committee today considered the above instrument and seeks an explanation of the following matters.

2. The Committee notes the explanation provided in the letter to the Presiding Officer for the breach of the 21 day rule and asks the Executive for further information in relation to the reasons for the delay with these regulations, particularly in relation to the Executive's awareness of the adoption and publication of Commission Regulation (EC) No. 606/2005.

#### **The Scottish Executive Rural Affairs Department responds as follows:**

1. The Executive was aware in February 2005 of the proposal to allow two 10 month periods from the EC Commission Management Committee for Direct Payments. The Executive took an active part with a representative in Brussels for the meeting on 18 February at which this development was discussed. It was known at that time that the amendment to the EC legislation was intended to be retrospective so as to apply from 1 January 2005. There was however no guarantee that the final form of the amendment would reflect this discussion, and it was known that there would be a significant delay before the EC Regulation discussed at that meeting would be adopted and published in the Official Journal of the EU. The Executive took further proactive steps at the end of March to check the position on what was agreed and further details were obtained direct from Brussels, however there was no progress on the adoption of the EC Regulation at that time.

2. Usually the Executive receives early intimation through UK channels via the UK Permanent Representation to the EU in Brussels and the Whitehall Department for Environment, Food and Rural Affairs. In this case, this intimation did not follow on from the adoption of the measure, and the fact that the measure had been adopted was discovered in the course of ordinary discussions with colleagues in the other UK administrations. We entirely accept that the Executive should have been more active in checking for the publication of the measure directly and not relied on the usual channels, and this is the oversight referred to in the Executive Note.

3. We note the Committee's concerns about informing farmers of the change. The Executive was also concerned about the position of those who might have been unable to take advantage of the facility. That is why the Executive took the decision to write to all producers on 8 April to explain the change in the EC Regulations, set out the procedures for applying and making clear the basis on which the change would occur. It was a difficult decision to make this flexibility available but the timing was such that Scottish producers would otherwise have

lost the opportunity offered by this change. The amendment, therefore, regularises the position for that reason.

4. The Committee also discussed other concerns about farmers who may not be paid as much as they were previously. Whilst the Executive are conscious of the concerns of specifically agri-environment scheme participants on this basis, we are not aware of such concerns in relation to the effect of this particular SSI.