

ENVIRONMENT AND RURAL DEVELOPMENT COMMITTEE

Wednesday 22 June 2005

Session 2

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ENVIRONMENT AND RURAL DEVELOPMENT COMMITTEE 19th Meeting 2005, Session 2

CONVENER

*Sarah Boyack (Edinburgh Central) (Lab)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*Rob Gibson (Highlands and Islands) (SNP)
*Karen Gillon (Clydesdale) (Lab)
*Alex Johnstone (North East Scotland) (Con)
*Richard Lochhead (North East Scotland) (SNP)
*Maureen Macmillan (Highlands and Islands) (Lab)
*Mr Alasdair Morrison (Western Isles) (Lab)
*Nora Radcliffe (Gordon) (LD)

COMMITTEE SUBSTITUTES

Alex Fergusson (Galloway and Upper Nithsdale) (Con)
Janis Hughes (Glasgow Rutherglen) (Lab)
Jim Mather (Highlands and Islands) (SNP)
Jeremy Purvis (Tweeddale, Etrick and Lauderdale) (LD)
Eleanor Scott (Highlands and Islands) (Green)

*attended

THE FOLLOWING GAVE EVIDENCE:

Aileen Bearhop (Scottish Executive Environment and Rural Affairs Department)
Helen Betts-Brown (Scottish Council for Voluntary Organisations)
Stuart Black (Inverness and Nairn Enterprise)
Stephen Boyd (Scottish Trades Union Congress)
Sandy Brady (Highlands and Islands Enterprise)
Wendy Bullard (Communities Scotland)
Scott Carmichael (Scottish Executive Environment and Rural Affairs Department)
Jonathan Hall (Scottish Rural Property and Business Association)
Professor Philip Lowe (Countryside Agency)
Lewis Macdonald (Deputy Minister for Environment and Rural Development)
Graham McKee (Scottish Enterprise)
Dr Dominic Moran (Scottish Agricultural College)

David Nicol (Communities Scotland)
Professor Mark Shucksmith (University of Newcastle upon Tyne)
Pamela Stott (Scottish Executive Enterprise, Transport and Lifelong Learning Department)
Niall Stuart (Federation of Small Businesses)
Irene Walker (Scottish Enterprise)

CLERK TO THE COMMITTEE

Mark Brough

SENIOR ASSISTANT CLERK

Katherine Wright

ASSISTANT CLERK

Christine Lambourne

LOCATION

Committee Room 2

Scottish Parliament

Environment and Rural Development Committee

Wednesday 22 June 2005

[THE CONVENER *opened the meeting at 10:03*]

Item in Private

The Convener (Sarah Boyack): I welcome members, the public and the press to the meeting. I remind everyone to turn off the sound on their phones. We have received no apologies.

Item 1 is consideration of whether to take item 5 in private. After item 4, which is evidence from the Deputy Minister for Environment and Rural Development on the Natural Environment and Rural Communities Bill, we must decide whether it is appropriate for the United Kingdom Parliament to legislate for Scotland on the matter. I suggest that the committee's view, including the result of any division, be reported to Parliament through the minutes of the meeting, rather than through a formal report. If we agree to do that, it will not be necessary to take item 5. However, if at the end of item 4 we agree that we want to make a full report to Parliament and go into private session so that members can discuss the issue, we can approve our report next week.

This is a slightly unusual situation, because no member has given me any strong feedback for or against the Scottish Executive's proposal and I have not been able to judge colleagues' views. My suggestion would give us some flexibility, which would be great. We may deal with the issue in public, depending on what we agree at the end of item 4. Are members happy with that approach?

Members *indicated agreement.*

Rural Development Inquiry

10:05

The Convener: Agenda item 2 is the third evidence-taking session in our rural development inquiry. Last week, we had an excellent round-table discussion with a large number of members of the public in Brechin, and with key agencies. We got a good in-depth sense of experiences in the Brechin area.

Today we have three panels of witnesses; members have the written evidence that they have submitted. Members should also have a Scottish Parliament information centre briefing on rural policy in Norway, Finland and England to give us international comparators.

On the first panel, I welcome Professor Philip Lowe, who is a member of the board of the Countryside Agency; Professor Mark Shucksmith, who is professor of planning at the University of Newcastle upon Tyne; and Dr Dominic Moran, who is senior natural resource economist at the Scottish Agricultural College. I thank you all for submitting written evidence. We received Mark Shucksmith's evidence yesterday, so members should have been able to print it off or it should be on their desks. We do not take opening statements from witnesses, so we will move straight to questions from members.

Alex Johnstone (North East Scotland) (Con): A theme in the inquiry has been repeated reference to the market towns initiative. Although I have heard from some people about it and have read items about it, I would like to take the opportunity of having on the panel someone who knows a great deal about the initiative to ask what the market towns initiative is designed to achieve south of the border and what it could achieve in Scotland, especially in areas that are not distant from the main centres of population.

Professor Philip Lowe (Countryside Agency): As well as being on the board of the Countryside Agency, I am chair of England's market towns advisory forum. I was keen for market towns to appear in the English rural white paper and for the Countryside Agency to be involved in the market towns initiative. When the regional development agencies were being set up in England—I am in the north-east—I thought about what would get economic planners thinking about their rural economies. I thought that they would never think in a sophisticated way about the challenge of the villages, but that it would be easy to get them to think about agriculture and rural tourism. If someone is sitting in Newcastle, how do we get them to think beyond that city and other major

conurbations? The idea was to get economic planners to focus on market towns.

The next challenge was to get people to realise that market towns, even those of similar size, are quite different from one another and have differentiated local economies. That was the reason for the initiative. The really interesting element of the initiative is that it is necessary for people to think differently about the different needs of each market town. We now have rather sophisticated ways of understanding how they thrive or do not thrive as service centres.

We need to marry what I call bottom-up and top-down initiatives. Because each market town is different, we need to get economic planners to think about the differences and how those should influence infrastructure expenditure and the like. We also need to marshal evidence from below. Market towns should be able to specify their needs and we should work out how to mobilise business and civic leadership and community initiative in the towns, so that they can solve some of the problems themselves. One of the challenges of market towns is to get right the balance between bottom-up and top-down initiatives, so that we neither impose centrally devised solutions on them nor end up with just a wish list from local communities, all of which want an Asda. The aim is for communities to begin to specify and understand their problems and to renew their business, cultural and civic leadership. That is the essence of the programme.

Alex Johnstone: How applicable is that approach in the Scottish context? That might be a question for the other members of the panel rather than for Professor Lowe. Would it contribute generally to rural areas in Scotland or would it be effective only in specific areas?

Professor Lowe: That is an interesting question. England is almost all accessible countryside. In classifying our rural areas, we have abolished the category of remoteness but, if we were to use the Scottish category of remoteness in England, we would be talking about northern bits of the north Pennines and perhaps bits of north Devon, which are really remote in the sense that they are distant from major settlements. All England is city regions and our economic planners are preoccupied with the concept of the city region, so rural areas throughout the bulk of England face the problem—which the committee seems to be addressing—of how to understand their economic needs and requirements as localities within the predominant concern with city regions. Most of what the Countryside Agency has been doing would have little to offer the Highlands and Islands, but I suggest that our experience has a lot of striking parallels with some of the issues on which the committee is focusing.

Richard Lochhead (North East Scotland) (SNP): I have one question for the whole panel and one for Mark Shucksmith. I will kick off with the question for him and then ask the second question.

I know that Mark Shucksmith spent a great deal of time at the University of Aberdeen and that he is familiar with rural policy in Scotland. I ask him to give us a general opinion on the changes in rural policy that have taken place, if there have been any, during the first six years of devolution, and to give us his perspective on how the Scottish Parliament and Scottish Government have responded to rural needs, particularly in supporting rural communities.

Professor Mark Shucksmith (University of Newcastle upon Tyne): That is a difficult question. Policy has become more responsive to rural areas of Scotland in a number of ways, which is largely due to ministers' extra accountability through Parliament to individual MSPs and the committee, but it is difficult to disentangle the effect of devolution from the other changes that have taken place—for example, the common agricultural policy moving towards a second-pillar rural development regulation. There might be some matters on which we have not moved forward as quickly as we were moving before devolution. One such notable matter is housing in rural areas. The change from Scottish Homes to Communities Scotland has, perhaps, moved the focus slightly away from that.

I am not clear what policies exist on the sorts of matters about which Philip Lowe has just been speaking. If there were to be development in such areas, that would be another welcome change.

I am sorry that I am offering a few random points in response to the question—it was a big question. The other area that I should mention is poverty and social exclusion, on which there has been much policy development over the past 10 years. Some of that development took place before devolution and the establishment of Parliament and some of it has taken place since then. There could be more rapid development of policy on that than has been that case. Does that answer your question?

Richard Lochhead: That is helpful. I simply wanted a couple of broad points from someone who has a wide perspective of rural policy in Scotland from many years of academic work.

My general question relates to the fact that, ironically, we will discuss the implications for Scotland of the English Natural Environment and Rural Communities Bill later in the meeting. I note that that bill will create a new integrated agency—to be called natural England—and a new commission for rural communities south of the

border. The committee is keen to learn from what is happening elsewhere, either in England or overseas. Are there any lessons that we could learn from some of the proposed changes south of the border or from other small countries in Europe about how to build up and support rural communities and rural policy? That question is for all members of the panel.

10:15

Professor Shucksmith: As I have started, I will just carry on. I will make two or three points rather than cover all aspects of that and I will leave natural England for Philip Lowe to talk about.

A role such as that which the commission for rural communities will play would be useful in Scotland, because that body will be responsible for rural proofing Government policy. I have long been an advocate of the introduction of such provision in Scotland, although I understand that the minister does that at the moment. I have seen the effects of rural proofing. For example, the Department for Work and Pensions is keen to find out how to make delivery of its services more effective in rural England.

The commission for rural communities will be a rural advocate; it will give voice to the people of rural England. Although members of the Scottish Parliament and MPs in England are very good at representing their rural constituents, there is room for another organisation to play such a role. In Scotland, the rural forum used to carry out that function. The commission will be a non-departmental public body. There are important aspects of the work that it will do that would benefit rural Scotland.

Richard Lochhead asked about other countries. There are lessons to be learned from some of the Scandinavian countries, on which I understand the committee has heard some evidence; I have not seen it, so I am not sure what it says. I am particularly impressed by how the Government in Finland has managed to mainstream the LEADER programme. I know that, in the past, the committee has taken a favourable view of the LEADER approach, which seeks to empower people in rural communities and mobilises them to take charge of their destiny. In a recent report for the European Commission, Finland was held up as an example of full mainstreaming of LEADER. All the rural parts of Finland are now covered by LEADER groups or similar groups, the work of which is supported by a network. Quite a lot could be learned from that.

Professor Lowe: A lot could be learned in the opposite direction. The Government is setting up the commission for rural communities, but my sense is that debate on, and analysis of, rural

disadvantage has been much more strongly focused in Scotland than has been the case in England. It is good that England is poaching one of Scotland's leading academics in the field to come and advise us on such matters.

There is a great deal to learn from how debate and analysis have been conducted in Scotland. In particular, I hope that the new commission will learn from the committee's experience of conducting inquiries in rural areas. If possible, I would like the new commission to get a note from the committee about its experiences of getting out of Edinburgh. We would want to get out of London or Cheltenham to conduct inquiries on the real issues that people face in different rural localities.

As Mark Shucksmith says, as well as the important new focus on disadvantage, the commission will carry forward the rural watchdog role of the old Countryside Agency and the crucial rural-proofing role. We could give you many examples that are relevant to the focus of the committee's inquiry of how rural proofing has been quite effective. For example, rural proofing has ensured that the small business survey in England pursues a policy of parity in dealing with small businesses in both rural and urban areas. It was an uphill struggle, but rural proofing allowed us to push that agenda and get it accepted.

Natural England is a different set of models. Again, one might argue that Scotland is in advance of the English experience in part, because Scottish Natural Heritage brings together nature conservation, landscape and access. It brought together the old Nature Conservancy Council and the old Countryside Commission for Scotland. Those are basically the elements that we are welding together in England, so I hope that we can learn from the experience of SNH.

What is different is that we will weld on to that the delivery arm for all the agri-environment payments under the common agricultural policy. Scotland has not gone down that route, which is the critical difference between the two models. It is as if SNH was given a wodge of cash—money under the second pillar for agri-environment, or less-favoured area payments—and was told to get on with it. It will be interesting to observe how practice develops in Scotland and how it develops slightly differently in England and in Wales. We need structures that will enable us not to say which practice is superior, but what lessons we can learn from each of them.

The Convener: That is a good point.

Dr Dominic Moran (Scottish Agricultural College): I would echo some of those points. Given that our experience is only recent, I would be wary of jumping to the conclusion that we need to reconfigure any institutions in Scotland because

there are many good initiatives on social exclusion and rural services in Scotland. We also have different geography here. The point about rural proofing is a good one and I agree with Mark Shucksmith's and Philip Lowe's points on the Finnish experience of mainstreaming LEADER. There has also been the shift in the second funding pillar and there are institutions that could perhaps play a bigger role, such as SNH; I wonder how SNH will cope with a new landscape and with the potential new responsibility of using pillar 2 cash. If the committee is considering existing institutions, it should cast an eye over Scottish Enterprise's city regions project. How rural a policy is that?

The Convener: We can come back to that question later. That was very well put.

Karen Gillon (Clydesdale) (Lab): I am interested in how successful the market towns initiative has been, not only in developing the market towns, but in developing the rural hinterlands beyond the market towns. There are a number of market towns in my constituency that have expansive rural hinterlands, and it is an area in which we have lagged behind in development.

Professor Lowe: The hinterland effect was the reason why the new Countryside Agency claimed an interest in the market towns initiative. We wanted to consider critically the market towns within their rural hinterlands. We have done lots of analysis, so we know we have to be rather careful, because we have evidence of hinterlands moving away from their market towns. That is particularly the case for market towns that are in the shadow of other major settlements; such market towns' hinterland effect is often eroded. We find that a very mobile population moves into accessible villages, but those people often skip the small market town to go up the settlement hierarchy.

The crucial distinction is not necessarily the incomers versus the established residents; it is often to do with where people work. Typically—this is certainly true in lowland England—people who move into villages do not work in the local market towns, and they shop where they work, so they are skipping up the hierarchy and bypassing the market town to go to a bigger town or the big city, which is where they do their weekly food shopping and white goods shopping.

We were keen to differentiate between market towns. Some nestle well into their hinterlands. They do not take their hinterlands for granted and are pressing all the time to rethink their role because people change their shopping interests. The towns cannot always take for granted a captive market—if the out-of-town petrol station starts selling groceries, the grocery shop might go wonky. All such issues must be considered. There is also general movement up the hierarchy of the

major national retail chains, which is another consideration in how market towns must reinvent themselves.

Even the smallest market towns seem to hang on to what we might call the personal-services element. People continue to use the pub, decent restaurants, hairdressers and barbers. The big growth area in some small market towns is beauty parlours. We do not go to the big metro centres for beauty parlours or saunas—we go local. Even the people in the surrounding villages who do not use the market towns for anything else will still use them for the pub. How do we get market towns to reinvent themselves without competing for white goods shopping or without hanging on to the last branch of a major national retail chain that sells shoes? How do they reinvent themselves as cultural places?

There is also a sense of differentiation because market towns that are in the shadow of major conurbations face different circumstances from those that are distant from such conurbations. Those towns are often quite good at capturing a commuter population while losing the service population.

We need to get differentiated statistics to economic planners so that they can understand the different plights and trajectories of market towns and country towns. We are not saying that one size fits all, or that if a town has a population of 20,000 it must be on a certain trajectory—we need to consider the size, function, geography and economic inheritance of those towns. Market towns that have an industrial history face quite different challenges to those that are natural service centres for former agricultural hinterlands.

Towns must ensure that they generate bottom-up initiatives, new leadership and a renewed civic and business culture. The real risk lies in pulling away decision making from such places. We have done it; we have reorganised local government and pushed decision making from the towns to the regions to Scotland level or up to Brussels. Within that context, the towns had to decide which things still mattered and which could be used to renew civic and, crucially, business leadership so that people understood that the success of their business depended upon the success and vitality of the town. The question is about what we can do to get people mobilised around certain themes. That must include renewal of the cultural identity of the towns.

10:30

Karen Gillon: You mentioned the experience of towns that are in the shadow of conurbations. What advice can you give us on joined-up policy thinking? I will give you an example from my area.

Scottish Enterprise Lanarkshire is financially supporting the regeneration of the former Ravenscraig site, with both a housing development and a very large shopping development. That will have implications not just for the large towns in the area, but for the small market towns. How can the policy join up so that the implications for the smaller communities of big, strategic action become clear? How can the policy be worked through with those smaller communities so that they can regenerate themselves ahead of the impact of the big development that awaits them five years down the line?

Professor Lowe: One of the broad things that everyone at all levels should be thinking about is rural proofing. That is a key concept. We need to think about all scales of that at all levels.

We had a key instrument at our disposal. During the market towns initiative, the Countryside Agency convinced the regional development agencies to think about the smaller settlements within city regions, while getting those smaller settlements to express their own identities and needs through a health check. That was a holistic, bottom-up approach, which aimed to get the market towns themselves to do the health check. That was the central tool that we brought to the table. It is odd that what we, a centralised body, contributed was a bottom-up, holistic way of thinking of towns. We argued that beyond economic development is social and cultural development. We wanted to get beyond top-down notions of infrastructure and other forms of investment.

When it comes to new infrastructure, we should not forget about how market towns will link in. There is a bottom-up sense of social needs and there are issues of social policy and housing in market towns. Without knowing about the specific context in which you operate, it seems to me that the issue is to do with mobilising the communities themselves around carrying out such a health check. The great thing about our health check was that it covered social, economic and cultural aspects. It got people thinking about housing and employment needs. It was not just an opportunity to whinge or produce a wish list; it was means of getting people to think holistically about the distinctive needs of their town, its trajectory, what they could do for themselves and how they could present that to regional economic planners. *[Interruption.]* As members can see, I have a helper with me. I do not know why they send the monkey all the time; they should use the organ grinder more often.

We went in for market town partnerships, which were joint initiatives between the Countryside Agency and regional development agencies and involved selecting certain market towns that had

come through the health check. We then began to identify clear investment needs. If such an approach is not taken, there is always the risk of ending up with some rather inappropriate investment being imposed on towns by regional development agencies—the equivalent agency in Scotland is Scottish Enterprise. It is all about the bottom-up and top-down elements.

The Convener: That is interesting. Mark Ruskell is whispering in my ear that what you describe sounds like community planning, or what we think community planning is about in Scotland. There are some interesting parallels. Although we are using a different set of words, we are still thinking about holistic approaches that take into consideration a town's character, rather than simply categorising somewhere as, for instance, a small town with fewer than 10,000 inhabitants, which will therefore need X, Y and Z.

Your comments strike a chord with some of the evidence that we took in Brechin. It is not just about a shopping list or a wish list; it is about how we think that we will be able to work with and place demands on different agencies. It is interesting to examine the area using a different set of words, while maintaining a similar policy intention. It might be that we have not been taking as rigorous an approach—perhaps that is where the gap lies.

Professor Lowe: The health check tries to cover the economy, infrastructure and services, as well as the traditional elements of community planning. It is really difficult to get local groups to get their heads around the issue of economic development. The RDAs are preoccupied with economic development, but local people are preoccupied with schools, other local services and housing. We must ensure that we marry up those sets of concerns and that people begin to understand that the viability of their town is set within a broad economic context, so that economic issues, rather than just improved local services, begin to feature on their wish list.

Rob Gibson (Highlands and Islands) (SNP): I want to follow up on the points that were made about Scotland's geography and on the question of bottom-up development. Finland has 19 regional councils and 432 municipalities, and Norway has 19 counties and 434 municipalities. Those countries are the same size as Scotland, but we have 32 all-purpose authorities—nothing else. The decision-making process for many of the municipalities in Norway involves fewer than 5,000 people. A town with a secondary school and its feeder primaries has the potential to control basic services—such towns do not just do the community planning; they carry it forward by having the decision-making powers to do so. That is the context.

In his submission, Dominic Moran says that it is difficult to identify public spending categories, because they are complex

“and existing classification of spending maps poorly onto the areas targeted by the committee.”

Surely the best way in which we can make a big difference now is to recommend that we have regional planning, including macroeconomic planning, and local planning at municipality level, so that rural areas—both those that are close to big towns and those that are more remote—have a model that allows them to take decisions.

Professor Shucksmith: Yes.

Professor Lowe *indicated agreement.*

Dr Moran *indicated agreement.*

Rob Gibson: I rest my case. How do we move from the current position to that potential model? Should we do so through Government assessment of how money is spent on transport, for example? Should we recognise different models of measurement? At the moment, we have Scottish transport appraisal guidance appraisals that usually point to more road development, but Mark Shucksmith's submission shows that, for people in more accessible areas and in more remote rural areas, transport is the biggest problem that they face. The solutions to that problem must be built into Government policy. Does he have any recommendations for us on the matter?

Professor Shucksmith: I return to your earlier point, with which we agreed. You asked how we get from the current position to the model that you described. There have been different experiences in the different Nordic countries. I think that I am right in saying that Norway has retained a very localised decision-making structure, whereas Sweden has a structure of rather larger decision-making units. Although in Sweden and Finland decisions about planning and Government intervention may be made at a slightly higher level, in the past 10 to 15 years both countries have been very effective in developing village movements, in which control is at village level. They have managed to draw on various resources to achieve that. The Swedish village movement is a network that has supported villages with national Government money. Both countries have drawn on LEADER programme funding and structural funds money, under objective 6. As a result, with regard to the process of how we get from here to there, we might be able to learn more from Sweden and Finland than from Norway, which has happily continued with the model of localised control.

We face a real problem with transport. Everyone would like public transport to be the answer; however, research that we have carried out in all

parts of rural Scotland shows that, apart from very particular circumstances such as those in Lewis, where there is a linear settlement pattern and everyone lives on a bus route, private transport is the key factor in opening up opportunities, giving people access to services and jobs and so on.

Some years ago, we and the Joseph Rowntree Foundation carried out some research in England—not Scotland—that showed that, among young people, access to transport was substantially structured by social class and gender. For example, children from middle-class families were able to take their driving test and to get access to a car two years earlier than children from working-class families. Moreover, the daughters in a family took their driving test and got access to a car two years later than the sons in a family. Such gender and social class elements illustrate how certain young people are being disadvantaged at an important time in their lives when they are trying to get their first job and earn some money, perhaps to set up a home and to begin to live independently. That situation could be addressed very practically by bringing driving lessons into the school curriculum. That would ensure that learning such a skill was not dependent on individual means; instead, because of its great importance in a rural context, it would be available to everyone. Beyond that are all the usual initiatives, such as community buses and subsidised taxis that the committee will be well aware of and which play an important part for different age and social groups.

Professor Lowe: Mr Gibson has put his finger on an important set of issues. On the location of decision making and government, the United Kingdom must have the largest units of local government—indeed, Scotland must have the largest in the world. However, such a system takes decision making away from the locality.

One must acknowledge that, particularly in city regions, one needs local decision making that feeds effectively into regional decision making. After all, people in city regions lead very complex lives and do not necessarily conform to highly circumscribed views of where they should live, shop, go for their recreational activities or whatever. As a result, decision making at local and regional levels must be sympathetic to each other.

In the UK, the problem is not that we have more empowerment at a local level and find it difficult to relate that to decision making at county or regional level. Indeed, compared with all other parts of the developed world, the UK's imbalance clearly goes the wrong way.

Mr Gibson mentioned transport. I must say that rural areas in English city regions give the impression of being quite prosperous and highly mobile communities. As a result, we need tools of

analysis and intervention that are sensitive to the question of what life in such areas is like for people who are relatively poorly off or immobile.

10:45

Mark Shucksmith also touched on the issue of transport. To return to the theme of market towns, when people are badly in need of social transport it is best to think about access to the services that they need in their local major settlement. Regardless of whether we are talking about public transport or the different forms of community transport, that is best done at the local level of planning and analysis. We need to consider the needs of the elderly, who often have limited mobility, and of women who are left on their own and do not drive, as well as those of the young.

The other issue that is emerging at local level is housing. I sense that that is probably a problem in Scotland, as it is in England. In areas of relative prosperity and mobility, there is a real problem of the local housing needs of people on modest incomes.

Rob Gibson: I do not want to stray into the issue of housing, which we need to consider in its own right, as we are all perfectly aware of the problem. I want to stick with the issues of decision making and transport. Does Dominic Moran have anything to add?

The Convener: I will take a final comment, but not a follow-up question, as two other members have questions. I intended us to finish taking evidence from this panel 10 minutes ago.

Rob Gibson: The evidence is interesting.

The Convener: I know. If members are prepared to stay here until 1 o'clock, we can keep going.

Dr Moran: I will assist you. I am not sure that we are getting to the heart of the question. There is a paradox in relation to spatial scale and decision making. I can only cop out and say that it sounds like an issue into which we in Scotland need to conduct research.

Rob Gibson: You are playing the convener's game by keeping your answer short.

The Convener: I am being serious. Two members who have not yet had an opportunity to ask questions would like to do so. I want us to keep moving, so that we can take evidence from the other panels.

Maureen Macmillan (Highlands and Islands) (Lab): This has been a most interesting discussion. In my view, one of the elephants in the room is the common agricultural policy and how much support we should continue to give to the primary industries of forestry, agriculture and

fishery. What role do those industries play in small towns in accessible rural areas? From Dominic Moran's expression, I see that he has strong views on the matter. There is a view that, with CAP reform, we should move support from primary industries into communities and small towns. People wonder what balance is being struck between the money that is paid to farmers near a town and the investment that is being made in the town.

Dr Moran: I must be careful about what I say here. The member is right. We can speculate about the many things that we could do with pillar 2 money that would inject growth into industries other than agriculture and natural resource primary industries. I sense that there is a debate to be had on the issue. My only caveat is that the committee should remember a more intangible part of its remit. I note that the inquiry is concerned with the prosperity of rural areas. I do not want to be flippant, but prosperity can be defined by a large number of factors. It is not just about jobs and growth. Those are important objectives on which the committee must keep an eye, but CAP money does things other than fill farmers' pockets. It may do that, but there is no getting away from the fact that farmers have a role to play in ensuring rural prosperity. They dominate the geography in some parts of Scotland.

Professor Lowe: In accessible rural areas, the significance of agriculture to local economies is much less than it is in remote rural areas. We were keen to see whether it was possible to reconnect elements of local farming to market towns. We had quite a lot of studies done on the relationship between the money that goes into farmers' pockets and the places where that money is spent. To be honest, not much of it tends to get spent in the local market town.

A much more successful picture emerged with some market towns that were beginning to reinvent themselves as local food cultures, with some farmers diversifying into niche products and with something by way of a local food processing culture developing. It helps to have one or two restaurants with a good reputation, as such reputations can drive a town forward. There are two or three shining examples of how they have driven local economic renewal in market towns with the attributes that I have described, which have redefined themselves as places for food tourism with a food culture, keeping alive a set of small shops dealing in certain speciality foods. It is about re-linking the prosperity of those towns with a sense of an alternative future among farmers in the surrounding areas who are interested in farmers markets or in diversifying into certain niche products. It is a strategy—albeit not a universal one—that can apply to some market towns in certain contexts.

Professor Shucksmith: The money that comes from the payments made under the common agricultural policy and the money that we all spend on the higher prices that we pay for food as a result of the CAP could be more effectively used in a way that does not necessarily make farmers worse off, although it depends on which areas of support for commodities we are talking about. Some of that money could be released for measures of the sort that we have been talking about and for building the capacity of communities to link up and develop their own answers, in the way that the Finns are doing. That means more money for the LEADER programme and more money for rural enterprises and agri-environment purposes. That approach need not necessarily do a great deal of damage to farmers' incomes. It depends how it is done and where the restructuring of the common agricultural policy takes place.

The Convener: We picked up on that in our report on CAP reform and rural diversification. It is useful to be reminded of that.

Nora Radcliffe (Gordon) (LD): Any decision making must be underpinned by information. Would the panel like to comment on the sort of information that is available, on the ways in which we organise and treat it and on whether we are effective in doing that? Do we have the right information and are we using it in the right way? Where might there be gaps? I am thinking not just about information on how we make decisions but about information on how we measure how successful those decisions have been.

Professor Lowe: Sitting in England, I feel that there is too much information. You could ask all sorts of questions about the subject, but I feel that we have gone from a real shortage of information to an absolute surfeit of information. We can get detailed printouts on local economies and we can identify in detailed ways very small pockets of rural deprivation, for example. The critical thing is to have intelligent information that will be useful to decision makers.

I can give you an example of a debate that we have been having. In England, we have a sort of rural economy indicator, which was supposedly driven by gross domestic product. For local rural economies, however, we do not have GDP data. If we had, they would not be all that meaningful. Such economies are too open, and people and resources come and go everywhere. The Department for Environment, Food and Rural Affairs fell back on measures of earned income, but we argued that it should not concentrate on earned income partly because, in many rural areas, the majority of household income is not earned income.

In the economy of Cumbria, for example, most household income is made up of non-earned income from pensions, investments and small businesses, so earned income is not a useful guide. We pressed DEFRA to use a measure of gross disposable household income, which would offer a much more meaningful way of understanding what goes into rural households, given that we cannot use GDP. However, the issue can become awfully techie—people fall asleep.

The committee needs intelligent information, rather than data. The least that the committee should expect from its inquiry is to get a sense of the intelligent information that you need if you are to ascertain how public money is invested and how effective that investment is. Information about social exclusion and disadvantage is also crucial, as is information about prosperity. You need to know which bits of your bailiwick are prosperous and growing and which are declining. It is for you to demand that information, rather than become swamped in data.

Professor Shucksmith: We have discovered that there is little information across Europe about where CAP money goes. We carried out a project last year—the findings will be published shortly as a book—in which we considered which regions benefit from CAP spending. The European Commission seems unable to identify to whom the money goes beyond the national level. That is a clear gap in information. I suspect that there is better information on Scotland, but if we want reform throughout the European Union we must have information for the whole of the EU.

I can identify a second gap. Much of our information on social exclusion and trends in household income is derived from large surveys, which tend to have few respondents from north of the central belt—the surveys are British and do not bother to go further north. However, the problem is being addressed and I understand that a number of surveys are boosting their sample north of the central belt, so it will be possible to consider effects in rural Scotland in that area. However, because those data were not collected in the past we do not have the time-series data.

We recently considered rural Scotland's data needs in a project with the Macaulay Land Use Research Institute—we published a number of papers from the project this year. I was responsible for part of the project, which considered how information could be provided usefully to people who try to make things happen in their communities, which is important if we want to empower rural communities as a central part of a rural development strategy. We asked what people would find useful. Of course, everyone had thought that the project would be about something

different, such as how we might combine one geographical unit with another, how we might organise data and which models we should use, but people on the ground wanted processed information, rather than raw data. They wanted three or four pages that described what was happening to their area and which perhaps included extracts from the census and other statistics, in the way that information used to be laid out at the beginning of a local plan. Perhaps we should hang on to that approach, which is more empowering.

11:00

Dr Moran: Nora Radcliffe's question was about information and evaluation, which is a key issue. I concur with what Professor Lowe said earlier, in that there are an awful lot of data in Scotland. If I was forced to put my finger on something—I happen to be examining the matter at the moment—I would say that information about the demand for and impact of rural services is patchy. There is a lot of qualitative information on what can be delivered, but there is less quantitative information about what people want in relation to the quality of services and their ability to access them.

More important, in Scotland, where there are sparse populations, what trade-offs would people make? What would they give up to have more of something else? People will make trade-offs. They do not want everything and are willing to make sacrifices because of the choices that some of them make to live where they do. That is an anecdotal example.

Evaluation is more difficult to tackle, be it the evaluation of the outcome of your work or of any rural policy. What do we mean by rural proofing and how do we measure it? How do we work out whether we have rural proofed something and got a rate of return, when we are dealing with lots of intangible outcomes? That raises questions about what intelligent information is, what indicators we are working with and what we are measuring prosperity with, about which you need to be really specific.

This might only be my paranoia, but I sense that, in Scotland, you do not get any growth from investment in rural Scotland. You only get growth in cities. Scotland is all about throwing money at development agencies, because to do anything else delivers a poorer rate of return. That view is damaging. It is easy to throw money at conventional forms of investment, measure the return and state that everything else is underperforming. I have noticed that in the past couple of years. That raises the question of how we measure success. The Treasury has tools and we have our own evaluation tools but, when it

comes to the committee's remit, they are quite weak. You are clutching at straws in some respects. It is worth facing up to that.

The Convener: I thank the three witnesses for being prepared to expand on their written submissions. I think that they will be able to tell that there has been great interest in the session. I have let it go on longer than planned.

Professor Lowe: I am sure that our commission for rural communities could learn from your peripatetic experience of conducting inquiries. Would it be all right for our officials to approach your clerk to learn the lessons of that experience?

The Convener: Absolutely. The reports of the meetings of our first visits around Scotland are already on the web. The Brechin meeting is also on the record. We are more than happy for you to talk to us about our findings—our report will be out at some point in the autumn. We are glad that you are interested. We are keen to develop the exchanging of best practice and information, which is partly why we commissioned the research on what is happening in England, Finland and Norway as comparators. That allows us to stand back from Scotland and see what other people are doing and experimenting with.

Rob Gibson: Could we have the papers on the work with the Macaulay Land Use Research Institute that Mark Shucksmith mentioned, so that we can feed them into the evidence for the inquiry?

Professor Shucksmith: Yes. I will give them to the clerk.

The Convener: That will keep people busy over the summer.

I suspend the meeting to let the next panel come in.

11:03

Meeting suspended.

11:06

On resuming—

The Convener: I welcome our second panel of witnesses. We have Graham McKee, who is senior director of network operations at Scottish Enterprise; he is accompanied by Irene Walker, who is director of rural relations. We have Sandy Brady, who is director of strategy for Highlands and Islands Enterprise; he is accompanied by Stuart Black, who is the chief executive of Inverness and Nairn Enterprise. We also have Wendy Bullard, who is director of the area office network for Communities Scotland; she is accompanied by David Nicol, who is the Inverness

area director for Communities Scotland. I thank all the witnesses for being with us today. We have their written submissions, so I will hand over to committee members.

Mr Mark Ruskell (Mid Scotland and Fife) (Green): One point that struck me from the previous panel's evidence—and from previous evidence-taking sessions in the inquiry—is the need to develop community capacity to deliver bottom-up development of rural communities. How should we do that? What elements are essential to drive bottom-up development in communities? I am not sure who to start with, given the fact that we have a luxury of witnesses. Could we start with Scottish Enterprise?

Graham McKee (Scottish Enterprise): I am happy to start. One of the key elements is leadership. Scottish Enterprise is very much of the view that the community planning framework gives us an opportunity to address bottom-up rural development and there are many examples of that approach in Scotland at the moment. However, leadership is important to make it work and we have found that there is a need to do something about rural leadership. We are responding to that need; we have a rural leadership programme that our colleagues in Scottish Enterprise Dumfries and Galloway operate on behalf of the Scottish Enterprise network. That programme, which is proving useful, selects potential leaders from the rural scene, educates them, trains them, introduces them to the concepts of networking and shows them how the institutions work. That is paying dividends.

It is important to fit into national and wider policy, so it is important that the rural work that can be done to bring communities together through community planning is complemented by a national framework. That is why we have high hopes that the new rural development plan will provide structure and an overall umbrella for the work in which many organisations such as Scottish Enterprise are engaged.

Sandy Brady (Highlands and Islands Enterprise): Over the years, Highlands and Islands Enterprise has had quite a lot of experience with capacity building in some sparsely populated rural communities, as well as more accessible ones. Capacity building remains important and we have to keep refreshing it, because we cannot build capacity and then take support away from communities. Capacity building has worked particularly well when funds have been available to allow small communities to try things out.

Initiatives such as the LEADER programme that was mentioned, and community economic development with European support, have been important in capacity building, because they allow

people to focus on doing things rather than talking about doing things. Land reform and community ownership buyouts have been important events in galvanising communities to think about the future and to make changes that will last for a generation or so. That is an important part of allowing rural communities to progress, but we must keep refreshing it. Some small communities have experienced burn-out, when community leaders who have been heavily involved for a couple of decades in capacity building and doing things reach the stage when they look for younger people to join the effort and to take over.

Wendy Bullard (Communities Scotland): To Communities Scotland, the principle of community engagement and involving local communities in decision making is key—we probably all agree about that. The question then arises of how that is developed. A load of tools is available and new measures are being developed. Recently, national standards for community engagement were launched through Communities Scotland and were given ministerial support. That set of standards helps communities to develop their ability to engage in decision making and helps statutory organisations to examine how they should engage communities—it deals with both sides.

Other initiatives in which we are engaged include those that allow people to try things and not just to talk about them—that picks up on an earlier point. We have small funds, one of which is the seeing is believing fund, which helps local groups to do that—to look at models that other people have developed and to think about how they might use them in their environment for their own situations. It is a question of helping people to find their way through the range of support to something that suits them.

Irene Walker (Scottish Enterprise): One way in which we can achieve such development is through local enterprise companies. We have the ability to identify and share best practice. That can be done in one local enterprise company area by merely speaking to one town that has a community initiative and leaders. Sharing that information with a neighbouring town or one at the other end of a region inspires confidence. Similarly, a scheme such as Stirling rural community futures under community planning has succeeded because it has brought the community and funds together, so that people can bid to access funds.

Mr Ruskell: My follow-up question is about whether a formal framework is needed to develop some of that capacity and best practice throughout Scotland. At the moment, the approach seems ad hoc. Is that the best way of sharing best practice and sharing what works to build capacity?

Wendy Bullard: I return to a previous point. The national standards for community engagement will help to develop such a framework. People will be challenged to ask whether they are using that set of standards. For example, around community planning tables, people will need to consider whether they use such standards effectively. Something is in place, so the situation is not as ad hoc as it may appear to be.

The Convener: We would be interested in seeing the standards. It is difficult for us to know exactly what you are talking about without your explaining it in depth. The committee might be interested in whether other organisations could develop such standards.

Stuart Black (Inverness and Nairn Enterprise): If national standards were established, local flexibility would need to be ensured, so that good practice could develop locally. I return to Irene Walker's point about local enterprise companies. We have run several training programmes for community leaders and community activists and a range of material is available on our website for communities to access. A range of practice is developing locally. If too much of a national one-size-fits-all approach were taken, it might stifle local creativity.

11:15

Maureen Macmillan: In accessible rural towns, particularly attractive ones, there are housing pressures due to the second home market and to the fact that commuters want to buy houses in such towns. That puts pressure on the inhabitants of the town and sometimes resentment builds up. How can we address those problems? I imagine that not only Communities Scotland but the other agencies have a view on that.

David Nicol (Communities Scotland): In accessible rural Scotland, and throughout Scotland, there is an incredibly complex mix of local housing pressures. Each area has its own mix, which might be different from that in the area next door. The Executive's response is to require local authorities to develop housing strategies to meet housing demand in their locality across all tenures. Those strategies have considerable influence on the direction of Communities Scotland funding and the make-up of that funding in each locality. In some areas, the approach might be to fund the provision of housing for affordable rent, but elsewhere it might be to facilitate home ownership.

There are also examples of local work in which intermediaries work with communities to help them to consider their specific needs and identify solutions. We find time and again that lack of access to land can be a barrier to the development

of suitable housing arrangements, but sometimes the community itself can identify land that is available and capable of being developed. One example of that work came out of the rural partnership for change project that operates in Highland Council. Highlands and Islands Enterprise, Highland Council and Communities Scotland are funding the Highlands Small Communities Housing Trust to work with communities and identify solutions, which will then be brought into the framework of the local housing strategy.

We have been able to direct funding to such work. It is a bit like the Heineken effect; in the past, we were criticised for concentrating our investment in larger population centres and not getting out into the more rural areas. Our approach during the past two or three years has been for a proportion of our activity, particularly in the Highlands, to reach out into smaller settlements to meet the pressing housing needs in those localities.

Sandy Brady: I endorse that. Following on from "A Smart, Successful Scotland", part of our strategy is about more people living and working in the Highlands and Islands. That is not just about the city of Inverness, Elgin or the big settlements. It is about trying to make the towns and villages in the region bigger and busier. The evidence shows that people are willing to move to those areas but that housing remains a constraint. That is true in a number of sectors, but it is particularly true in relation to first-time buyers and affordable housing. With Communities Scotland, we are trying to open up that market in some of the smaller settlements and in the countryside.

Maureen Macmillan: What is the relationship between the enterprise companies and Communities Scotland? When the smelter was built in Invergordon, a huge amount of housing went up for the incoming workers. Can we do that on a smaller scale? Do we still do that? It seems to me that the enterprise companies and Communities Scotland have been split apart and that there has not been any joined-up thinking on the matter. Are we getting back to joined-up thinking?

Wendy Bullard: There is a lot of joint working at the local level between local enterprise companies and the area offices of Communities Scotland. Such working takes place at the community planning table, but there is also bilateral joint working to consider priorities. There is also joint working at the national level between Communities Scotland and Highlands and Islands Enterprise and between Communities Scotland and Scottish Enterprise. In both of those relationships we are developing memorandums of understanding, which will help to establish how we

work together at the national level. Much progress has been made in bringing us closer together and much good work goes on locally.

Graham McKee: I endorse that. Good progress is being made on the memorandum of understanding, which should be available soon.

Sandy Brady: The memorandum is close to being finalised and enshrines matters on which we have been working in partnership during the past few years.

Stuart Black: As well as working with the housing development fora locally, we work closely with housing associations such as Albyn Housing Society and Cairn Housing Association in the Inverness area. We have a good practical working relationship as well as a theoretical one.

Mr Alasdair Morrison (Western Isles) (Lab): I am delighted to hear that a partnership between Communities Scotland and Highlands and Islands Enterprise is being fostered, because that will serve the greater good of communities.

Sandy Brady and Stuart Black know that the population of the Western Isles has increased for the first time in generations. The submission from HIE is peppered with references to housing, technology and transport links, and land reform was mentioned earlier. In the concluding paragraph, HIE says that much of the progress that it, Western Isles Enterprise and other enterprise agencies have made has been realised by

“applying development measures consistently over a long period of time.”

The enterprise agencies are to be commended for doing that. On which issues will you focus during the next decade or 15 years? It is obvious that matters such as housing and technology are of fundamental importance.

Sandy Brady: We launched our version of “A Smart, Successful Scotland” last week, which is entitled, “A Smart, Successful Highlands and Islands”. The document sets out a number of our longer-term aspirations for the area. The first and most important of those is to raise the population from roughly 435,000 to around 500,000. Rural areas such as the Highlands and Islands have the capacity to increase their populations. Rural communities are underpinned by larger populations in our cities, towns and crofting townships, which are more vibrant if more people live in them.

An increase in population is a key aspiration and to achieve it we must create employment that attracts people to the area or the conditions that are needed to encourage people to come and start businesses—Highlands and Islands Development Board started doing that many years ago. The

approach increasingly requires a joined-up effort to ensure that the transport, water supply and housing infrastructure is in place to enable people to come to the area. We remain optimistic that we can create the right conditions and it is becoming increasingly attractive to live in rural Scotland. For example, we have been directly involved in broadband and we hope that by the end of the year there will be 100 per cent availability, so that even the smallest communities will have access to broadband. That is important if we are to encourage people to do business in the most remote parts of the Highlands and Islands and to be linked to the rest of the world.

Mr Morrison: This might be an unfair question, but where do transport links appear on your list of priorities? Some people would dearly love the Highlands to be a desert in which everyone must pedal or paddle.

The Convener: Perhaps the witnesses could focus on accessible rural towns and communities, which is what we are considering in our inquiry.

Stuart Black: We set out clear priorities for investment in the Inverness area in relation to local accessibility. We are involved in projects with First ScotRail to introduce more commuter services from the south from January 2006. We are undertaking work on the A96 corridor and we hope that the A96 will be upgraded to dual carriageway as far as Inverness airport. We would like there to be a rail link to the airport. Such a link could be provided for about £0.75 million, which compares very favourably with other airport link projects in Scotland.

Rob Gibson: I asked the previous panel of witnesses about people’s rights to make decisions at the most local level. Witnesses on this panel talked about the use of intermediaries to speak to communities and the setting of national standards for community engagement, which seem to be imperialist, top-down approaches. If initiatives such as community regeneration funds, social inclusion partnerships, the initiative at the edge programme and rural service priority areas had been designed by the communities that they affect, would they have been set up in the way that they were?

David Nicol: That is one of those questions that are best answered with the help of a crystal ball. However, the initiatives that you mention are framed in a way that enables the communities to shape how they operate. I think that the initiative at the edge is an excellent example of a project in which communities are supported to build up a vision of how they want to develop and the agencies have to work with the communities to help them to achieve that.

I am sorry if the language that we used earlier implied that we were taking an imperialist approach; the real approach involves a bottom-up approach meeting a top-down approach, which is designed to provide a framework and opportunities for engagement. The bottom-up part is designed to help communities to engage in the framework.

Wendy Bullard: If my reference to national standards of community engagement gave the impression that I was talking about a one-size-fits-all approach, I would like to ensure that you are not left with that impression. I meant to imply simply that people across the country should be examining how they can engage communities and that there are certain factors that everybody should be aware of. A huge range of community groups were engaged in putting those national standards together; they were not simply developed by officials who did not engage with local people.

Sandy Brady: One of the most striking things about the Highlands and Islands remains the incredible diversity that can be found across communities in the area. If you examine what has happened in some of those communities, you can see that bottom-up, local views on what will work are usually the best and the most appropriate. The spectacular case of the buyout of the island of Gigha is an excellent example of what can be done. In Gigha, almost through an accident of history, the people in the local community found themselves in a position to take greater control of their destiny. What has been done there in the past three or four years is testimony to the fact that a bottom-up, local approach will work if the correct conditions can be created. National agencies have to be involved and national funding has to open the door, but if the community can walk through that door you will end up with the best form of locally rooted development.

Graham McKee: There is an opportunity to apply fine-grain economic development that must be accessible to people at a family or small-community level. I know that the committee recently visited Brechin. A good example of what I am talking about in that area is the Angus glens initiative, which is extremely micro in terms of economic development. It uses the powers of Scottish Enterprise, the local authorities and the LEADER project and does a lot with them. A lot can be done with a fine-grain approach. There are plenty of examples of that across the country and we hope to develop them.

Irene Walker: There are many starting points, such as the community councils and other organised groups that have some responsibility for local decision making, especially in relation to planning. Many of the town initiatives that have come about since the establishment of Scottish

Enterprise, such as the small towns initiative in the 1990s, ensured that the community came forward, that people's views were captured and that those views informed community planning. There is a framework by which communities' views can be teased out.

Rob Gibson: The model of community buyouts, such as that in Gigha, means that people have control over their destiny at the most local level. However, although community councils have responsibilities, they have no power to do anything. They can be consulted, but they cannot take decisions because, unlike Gigha, they have no income. The fact is that some schemes try to give people a chance to decide what is good for them but give them no real means to make local decisions.

The Convener: I will assume that that was a comment rather than a question.

11:30

Richard Lochhead: Further to Rob Gibson's point, I have a question, which I am happy to direct to Scottish Enterprise rather than to everyone on the panel. When we speak to local communities about bottom-up developments, we are often told, "If only we had our own budget in this town or village. We have lots of ideas about what we want to do but, first, we do not have any cash and secondly, applying for money to put these ideas into practice takes ages."

Given the bureaucratic processes involved in identifying one funding stream from the scores that are available to organisations—local government and European funding streams, for example—is there a case for taking a bit more of a risk and devolving budgets to local communities? Is the debate not about people taking control of their own destiny? Is that not what we mean by "capacity building" and all such phrases?

Graham McKee: That debate is on-going and has some way to go. Factors such as how the CAP and the rural development regulation pan out come into play, but the general picture is that we have many mechanisms in place at the local level.

In rural economic development, it is important that we see not only the fine grain and the bottom-up developments, important though those may be. As an organisation, Scottish Enterprise is tasked with the larger responsibility for overall economic development, so we deliberately go out to apply the philosophy of "A Smart, Successful Scotland" to the whole of Scotland, including urban, semi-rural and rural Scotland. In our business development, skills and learning and place development functions, we deliberately apply that approach consistently across the country.

However, 15 per cent of our financial resources go on rural projects, rural companies and rural customers. On a full-time equivalent basis, we have 200 people who are involved in rural work. Like Highlands and Islands Enterprise, we also have our local enterprise companies, which are able to interpret "A Smart, Successful Scotland" in a locally sensitive and appropriate way. We need to bear in mind the fact that all those things form part of the mix.

The bottom-up approach and fine-grain work are important, but we need to see that in the round. Many things need to be done at the level of the company work, skills and learning work and place work that we engage in. We also need to ensure that we apply the same rigour to such issues throughout the country.

However, that is not to say that we are unable to tweak our work substantially in rural areas. Although Scottish Enterprise pushes for higher-impact projects across the board, we safeguard the challenges of rural areas. For example, in our investment planning and in our property and environment work, we reserve an element of funding specifically for rural areas. We have seen the fruits of that approach in the Ettrick riverside development in Selkirk, as well as in several other places.

We take a similar approach in our work with company development, which is absolutely fundamental to what Scottish Enterprise tries to do. As our overall approach is based on company growth, we carefully ration out our precious manpower resource so that face-to-face time with companies is provided by and large only to those that will achieve certain growth parameters over the subsequent three years. However, we modulate that by allowing a substantial number of companies to qualify for that account management approach, even though they are not quite at that level of growth potential, if those companies are in locations where their existence could be crucial. That might be a small town or—as is often the case—a rural location. We ensure that we have the capacity to give such companies extra support where that is justified.

My answer to your question is that, yes, such issues are important, but we need to see the matter in the round, given that we are talking about an organisation that needs to apply a lot of resources on a functional and national basis for the benefit of both rural and urban areas.

Irene Walker: Richard Lochhead has described a situation that I recognise from experience as something that happens in the early stages of a community initiative or when members of the community first come together, either for the good of the small town or for a specific purpose. In my experience, people move on from that desire to

want the money and to take their own decisions as relationships with agencies grow and as they get to know those who have responsibility for business development and land renewal.

By working out the grand action plan for what is happening in their place they often become keen to be responsible for aspects of it. For example, Dalbeattie has an events programme and there they have homed in on the advantages of mountain biking. Although they have been happy to recognise that the tourism organisations and the enterprise company can provide the investment in the cycle routes, they do the promotion and the publicity and have a budget themselves. We have also been able to put LEADER money in there. As I say, I recognise what you describe in the early stages, but as groups mature they develop an understanding that everyone has a role to play and that certain organisations are best placed to deliver certain aspects.

Karen Gillon: Forgive me if my experience in Lanarkshire makes me slightly sceptical about the picture that Graham McKee paints—especially about the provision of consistent support across the piece. That is not our experience. In Lanarkshire, resources are skewed towards the Ravenscraig project. That will have a disproportionate effect on the towns in the area, which will suffer. No subsequent investment is coming to those towns from Scottish Enterprise. In fact, the converse is the case: very little money is available for such development. You will forgive me if I am sceptical at this point about the economic benefit to my constituency. Small developments are taking place, but financial and infrastructure investment and the building of units is not taking place in the small towns in the way that it is in the urban parts of Lanarkshire and that has a disproportionate effect on my constituency. In a Lanarkshire context, I do not recognise the picture that Graham McKee paints. The situation that he outlines may be the case in a Highlands context, where there is a predominantly rural authority, but where there is a predominantly urban authority with a rural hinterland there is a problem.

Graham McKee: I accept that such challenges emerge in a location where there is a particularly large national opportunity, which is what we think Ravenscraig is. It is not a local opportunity; it is a national one. Choices must be made about where resources go, but over the piece and over Scotland as a whole there are plenty of situations where there is a reasonable balance. We must bear it in mind that Scotland is a small country and that we have to maximise and focus on opportunities where there is some scale and where we can achieve things for the benefit of the country as a whole. We must balance that with the needs and contributions of other areas.

I know that my colleagues in Scottish Enterprise Lanarkshire do not make those decisions alone. There are planning issues and an overall approach is taken to economic development through the economic forum in Lanarkshire. Therefore, those issues, which can be difficult, are discussed among a whole range of bodies and the best possible balance is struck. I do not shy away from the fact that difficult decisions must be made about resources.

The Convener: In every evidence session we have discussed the gap between city region planning and remote rural community planning. The only place that we heard of where it sounded like they were beginning to try to break that down was in the Borders where they managed to retain some local character and functionality in retail terms in some of the small towns. Almost everywhere else the push is inevitably upwards. It was mentioned in the previous evidence session that if a gas station is built just outside a town that can fundamentally change the town. If a balanced decision is made to push something up the hierarchy, what happens at the stage below? Does the small town or market town get left to its own devices? What support can it be given to enable it to cope with a change in circumstance that is brought about by public policy, not only by economic forces? That is the gap with which we are trying to wrestle.

Graham McKee: I understand that. It is interesting that you have focused on the issue of accessible rural areas as opposed to the less accessible ones. Scottish Enterprise is embracing the concept of city regions. We are trying to get some serious work done on the matter in respect of both policy and action. The reason for that is that we think that it is important for Scotland, not because it is important for cities. A lot of evidence shows that cities are the engines of the Scottish economy, but the approach is not about the cities per se: it is about building the cake of the Scottish economy. The crucial thing is that we are thinking not about the cities themselves, but about the wider city regions. As part of the development of our thinking, we want to work out what opportunities exist for all the elements of a city region to contribute to something that is bigger than what we have at the moment. In a place such as Edinburgh, that must involve using all the assets, capacity, breathing space, housing and leisure opportunities of a much wider area than the tightly-drawn area within the city boundary. It is clear that there is a place for all the elements of a region in the picture that we build up. We now have the opportunity to work out in spatial terms what that picture might be like.

Let us take an example from the west. As our thinking develops, we need to consider what role the Ayrshire coast can play for the Glasgow city

region and what opportunity exists for the Clyde valley, which is the southern part of Karen Gillon's geographical area of interest. We must also think about the role that Renfrewshire—which is home to a certain type of service industry and has housing and leisure opportunities—can play as part of the whole.

Stuart Black: We have a similar situation in the Inverness area. Inverness is growing quite quickly. At local level, we have worked with a number of smaller towns and villages to come up with new ideas. For example, the town of Nairn, from which there is a lot of commuting to Inverness, is starting to focus heavily on areas such as golf tourism and to run events such as book festivals and arts events. Similarly, Beaully, which is a small place, has focused on specialist retailing and offers activities such as crafts. We have sought to balance working at a bigger level around Inverness with working with smaller communities and towns. Examples of that are the Nairn initiative and our work with the local community in places such as Beaully and Drumnadrochit.

The Convener: That is what we want—practical examples of where the issue is being addressed rather than assurances that it will be thought about later, which I think is a danger.

Nora Radcliffe: Given the mix of the panel, has there been any discussion among its members about the opportunities that housing provision offers as an economic driver? In particular, I have in mind using the opportunities of house building to foster embryo small-scale renewable projects.

The Convener: Has anyone done that yet? Is it on the agenda? Do the members of the panel agree with Nora Radcliffe?

Stuart Black: Your point about construction is important. In the area that I come from, the construction industry is driving much of the local economy—house building is a key part of that economy. Specific skills are required and labour is coming into the area to satisfy the demand for house building.

As regards renewable energy projects, I know that colleagues in other parts of the enterprise network have worked closely with housing associations on joint projects. There is a good example of that in Lochgilphead in Argyll, where a wood-fuel heating system is used. We are looking to import such good practice into our area.

I take the member's point about the importance of the construction sector in driving forward local economies. When people move into an area, that has a positive effect on the construction sector because they often want to extend or modernise their homes, or make other improvements to them. That is important.

Graham McKee: Construction is an important sector. Scottish Enterprise is working on key industries and a team is examining construction over the piece. A great deal of good work is going on—for example, in response to the challenges of Glasgow Housing Association's housing programme.

There are also opportunities in areas such as the Borders, where there is considerable demand for construction skills. We are working hard on how we can provide modern apprenticeships in areas where there might be less further education provision than elsewhere or where colleges might be remote from certain parts of the region. We must consider new approaches to off-the-job training and so on. That applies to engineering and other disciplines as well as to construction. Construction is a good example of an area of challenge and opportunity. As well as tackling it nationally, we must find solutions that suit rural areas, which might be different from those for urban areas.

Irene Walker: The theme is picked up in the work of the Scottish Forest Industries Cluster, which is considering the greater use of Scottish timber in housing and other construction.

Nora Radcliffe: It is interesting that the witnesses have swerved away from the green agenda to what is purely a construction agenda. Can we drag the discussion back to consider how we promote the green agenda?

Wendy Bullard: There are many examples of the use of renewable energy and sustainable building techniques by housing associations, in individual projects and in the private sector. We can provide the committee with details of such work.

Nora Radcliffe: Are sustainable approaches to construction beginning to be mainstreamed?

The Convener: We considered the matter during our inquiry into climate change. There are many excellent examples of sustainable construction, but the approach should be mainstreamed. We have reached a tipping point at which we should be able to offer modern apprenticeships in renewable energy and energy efficiency throughout the housing sector. We are mindful that sustainable construction is being done well, but we would like it to be done everywhere.

I hope that the witnesses feel that we could continue the discussion for much longer, but I must draw it to a close because we must hear from our third panel. I thank the witnesses for coming and for providing written submissions in advance of the meeting, which helped us in our inquiry.

11:45

Meeting suspended.

11:47

On resuming—

The Convener: I welcome our third panel of witnesses. Stephen Boyd is assistant secretary of the Scottish Trades Union Congress; Niall Stuart is the deputy parliamentary officer and press officer at the Federation of Small Businesses; Helen Betts-Brown is the assistant director of rural affairs at the Scottish Council for Voluntary Organisations; and Jonathan Hall is head of rural policy at the Scottish Rural Property and Business Association. Thank you for attending and for your written submissions, which I suspect will spark off quite a few questions.

Nora Radcliffe: Much of the well-being of small and even quite large rural communities depends on voluntary effort. Will the witnesses comment on the many issues that relate to the funding of the voluntary sector?

Helen Betts-Brown (Scottish Council for Voluntary Organisations): I agree that the capacity of a community reflects the amount of volunteering that takes place in the community. When people become concerned about an issue and want to support, continue or reintroduce a service, the skills of the community are built up as a management committee tries to provide the service. People run into difficulties because they have to spend more time seeking funding than they can spend delivering the service.

The network of councils for voluntary service, which support voluntary groups in the geographical areas that they serve, represents an infrastructure that provides support. The councils recently acquired some core funding, but the activities of the organisations that they support are not core funded. Under the national compact that is being rolled out by local authorities in a number of areas, voluntary organisations that are delivering services that the local authority feels are necessary for the community should be being offered three-year service-level agreements. However, that is far from consistent across Scotland and there is much angst among the organisations that are trying to deliver services.

There is an emphasis on full-cost recovery. Having the voluntary sector deliver services is not a cheap option. Using a voluntary management committee is part of capacity building, in that it allows the service to be responsive to what the local town—whether it is accessible rural, remote rural or even urban—sees as its need, rather than having that defined by people sitting in offices. There are serious problems about the on-going funding of voluntary organisations, but the

compact represents a step forward. Where it is implemented and people know that their funding is secure for three years, they do not spend too much energy chasing the next lot of money.

Nora Radcliffe: The follow-up question to that, which I asked previous witnesses, is about how the voluntary sector can integrate with small businesses and the working population. A vibrant voluntary sector can impact quite significantly across other areas, such as the small business sector.

Niall Stuart (Federation of Small Businesses): I would be lying if I said that we had a great deal of expertise in this area. However, it is obvious, for example, that small hospitality and retail businesses benefit greatly from all the festivals that are organised throughout the Highlands and Islands, which are staffed and organised mainly by volunteers. Further, it is important to highlight small businesses' contribution to the voluntary sector through, for example, the sponsorship of local football teams and local events.

You should remember that when small business people get involved in local decision-making structures, such as local economic forums, community planning partnerships and housing associations, they do so as volunteers and that such volunteering represents a cost to them as it entails time away from their businesses. However, it is a demonstration of the fact that they are keen to take part in local decision making.

Jonathan Hall (Scottish Rural Property and Business Association): When people consider public and voluntary sector initiatives, there is a bit of a danger that they might overlook the role of the private sector and businesses in those initiatives. Private sector interests are a part of any community across Scotland. The small businesses, the agriculture enterprises, the retailers in small settlements and so on are as much a part of those communities as anyone is and they should be as engaged in the local decision-making and planning processes as anyone else. By and large, they are the people who create meaningful employment in those areas.

I would not like the committee to fall into the trap of considering only the public and voluntary sectors; it is important that you also consider private sector interests and investment. By and large, grants and so on are only a contribution to an organisation's costs and, consequently, such organisations rely on funding from other streams, which inevitably have to be private sector streams.

Stephen Boyd (Scottish Trades Union Congress): Like my colleagues, I do not have a great deal of expertise in the voluntary sector, but

two general points arise. First, as should be apparent from our written submission, we have some concerns about the quality of employment in rural areas. We have had concerns in the past about the quality of employment in parts of the voluntary sector and we are working hard with the Scottish Council for Voluntary Organisations to address that. I am not involved in that work, but I can find out more about it if the committee is interested.

Niall Stuart talked about representation on local economic forums and local enterprise company boards. When I was at the Highlands and Islands conference of the Scottish Trades Union Congress, it was apparent to me that the delegates were not only trade unionists but were involved in all manner of community activities. They are the people whom we have not thus far managed to get on to local economic forums and LECs. A far more open view has to be taken about who has something to contribute at the local economic planning level.

Rob Gibson: In Norway and Finland, the pattern of land ownership is small and the decision-making processes are therefore quite local. In Scotland, especially in rural areas, land is owned in large units, the exception being the new community buyouts.

We are focusing on accessible rural areas. People feel that communities that are close to cities such as Inverness or Glasgow ought to benefit from having much more of a say in their own affairs and their own use of the land. Should such considerations be an important part of our inquiries?

Jonathan Hall: Over the past five to 10 years, and especially over the past five years, with the land reform debate, with the public sector's embracing of its interests in public good, and with increased knowledge of the environmental standards that we all want, communities' say in the way in which land is used has increased greatly. An individual private landowner cannot simply do what he wants on his land. He might own the title deeds for the land, but he does not own exclusive rights to the use of that land.

The use of the land is dictated by all sorts of regulations and incentives. For example, there are the CAP and forestry grants, and there are community planning issues, felling licences from the Forestry Commission, and so on. It is therefore oversimplistic to say that ownership and ownership alone determines the vested interests in the use of land—far from it. The diversity of ownership in Scotland is increasing all the time. That is happening not only through community buyouts but through, for example, environmental organisations owning and managing land for their own specific purposes.

There are many opportunities for all sorts of interested parties to have a say in the overall use of the land, and 99 per cent of the time the interests are all held in common and they all focus on the same things. There is now a shared responsibility for the use of land. That has not been the case in past generations. Public expectations for the use of land, and public demands, are so great that they cannot be ignored by any individual, and nor should they be.

Rob Gibson: In the Scandinavian countries, there are huge forestry co-operatives. That is a sign of people taking economic initiatives of the kind that we are discussing.

How can people in accessible areas, close to the cities, be treated better? So far, we have placed a lot of emphasis on the more remote rural areas.

Niall Stuart: We are still in the early days of land reform. As you suggest, it has been the more remote communities that have bitten the bullet and taken control of the land. The Federation of Small Businesses is not in a position to say exactly how that has impacted on businesses in those areas. However, it appears that it has been of benefit. When there are local marketing campaigns, when local businesses work together, and when there are community renewable energy projects, all that can have spin-off benefits for the local small business community. I am not sure how such things can happen closer to the big cities.

I understand members' concerns about local priorities and decision making. Our experience in local economic forums tells us that, where there is genuine local input, the results can be for the better or they can be for the worse. In their feedback from local economic forums, some of our representatives say, "This is great. We are really making progress and we have got people working together as they have never done before." That is the impression I have got from Aberdeenshire and Ayrshire. However, in other places, our representatives have said, "We are being cut out of the loop. The agencies are carrying on much as they always have done." There must be a balance between national guidelines and local priorities.

Helen Betts-Brown: Rob Gibson and I were both at the launch of the national forestry land scheme earlier this week. Communities have the opportunities and the facilities to make moves on land. That land does not have to be remote. For example, there could be Ramblers Association access around the periphery of smaller market towns.

Many people have their own ideas about their immediate environment and how the land can be used. Again, it depends on vibrant communities grasping the opportunities. If there is a fiery spirit

in a community, it will thrive because people will pursue it. In frameworks such as the national forestry land scheme, there are opportunities for communities to lease land or take it over. The land does not have to be a big area. It could start as a small area for a children's play park and grow from there. People are dependent on the vitality of their community and on its enthusiasm to know about the opportunities that are there, to grasp them and to make good use of land in the surrounding environment.

12:00

Rob Gibson: Stephen Boyd states in his submission:

"The STUC is comfortable with the city-region approach only in so far as the risk to accessible rural areas is minimised."

Do you think that it is still possible to take decisions in small communities that are close to big centres? How does that affect jobs and so on?

Stephen Boyd: We will have to see how the city region approach develops. We are still in the early stages. We have come across little at the senior levels of Scottish Enterprise that causes us real concern about the way in which it is being taken forward, but we are keeping a close eye on it. I do not have much more to add on that at this stage.

The Convener: It is useful to have that point in the system.

Mark Ruskell wanted to come in on the point about the countryside around towns.

Mr Ruskell: Rob Gibson made a point about social enterprise. There seems to be a huge opportunity here. We have growing interest from accessible rural communities about how they can manage their assets and generate income from doing so. As organisations, they fall into the small business category but they combine that with providing voluntary social activities in the community. They are building up the capacity that is—as we heard—essential to drive change. How is that social enterprise work being supported? Although social enterprise has been developing in Scotland for 15 to 20 years, it still falls between the cracks, in many ways. It is not seen as Scottish Enterprise activity, but nor does it fit well into the voluntary sector development area. How can social enterprise be further developed so that we start to realise some of the exciting opportunities that are presented by the land reform agenda and other areas?

Stephen Boyd: The co-operative development agency will be pivotal. We welcome the agency's establishment, because it is key to the creation of truly sustainable growth in the Scottish economy. We have some concerns about the agency being

placed inside the enterprise networks, because we are not sure that it will be given sufficient profile or resources to do the work that we hope it will do. We cannot be too critical, given that the agency is not up and running yet, but we will look closely at the profile and resources that it gets. It is certainly a huge opportunity to give social enterprise in Scotland a real boost. Again, we will have to see how it develops.

The Convener: Does Helen Betts-Brown want to comment on how the voluntary sector works with social enterprise companies?

Helen Betts-Brown: Yes. It is a fine line that separates voluntary organisations from social enterprises. Many folk would consider them to be part of a continuum, which ranges from voluntary organisations that are run purely by volunteers to organisations that deliver public services. Is a Crossroads scheme a social enterprise or a voluntary organisation? It employs people with considerable skills, who go in as carers. That continuum presents the difficulty—if we consider such an organisation from the point of view of Scottish Enterprise, we see only the end that is concerned with developing income streams and looking at it as a business and we forget the rest of the continuum. The support mechanisms that would enable organisations to develop from the voluntary sector into the social enterprise sector are not well developed. Communities Scotland now has the remit to do that, but I am not clear how agencies are working together to deliver the outcomes that we seek.

Mr Ruskell: I invite Niall Stuart to give the small business perspective, because it is clear that the Federation of Small Businesses looks at the matter from the other end.

Niall Stuart: One or two of our members are social enterprises, but I would be lying if I said that I am an expert on social enterprise. Such a business model is unusual in Scotland and is still fairly young. The co-operative development agency was established only earlier this year, so it has had little time to make an impact or even to develop a way of working.

Every community must realise the advantages and disadvantages of being in a rural area. As much as possible, the disadvantages are mitigated and the advantages are played up. The recreational opportunities and different shopping mix in an accessible rural area that is near a big city have been mentioned. Peebles is a good example of such a place that is close to Edinburgh. People make a day of going there because not only the shops but the recreational opportunities are different from those in Edinburgh. Whether we are talking about traditional small businesses or social enterprises,

people must be aware of the assets in their area and make the most of them.

Jonathan Hall: We should not differentiate too much between a social enterprise and a traditional business interest. Fundamentally, they require the same building blocks, such as resources and infrastructural capacity. By and large, they need a catalyst to drive them, such as abundant enthusiasm that an idea is good and that we want to do it or a clear vision in more formal business planning. Somebody is needed to drive processes forward. I am sure that that is true in the voluntary sector. Someone—dare I use the cliché of a champion?—is needed to take the body by the scruff of the neck, to get matters in gear, to encourage motivation and to access funding sources. That takes much will and dedication and no little patience in this modern age of bureaucracy and accountability.

The Convener: That is a good point at which to leave that topic.

Maureen Macmillan: I want to discuss the opportunities that the renewables agenda creates for accessible rural areas and more remote rural areas. I am conscious that probably everybody on the panel has different thoughts about that, whether in a community setting—Helen Betts-Brown would have views on that—or in relation to the major job opportunities for small businesses from constructing wind turbines and growing biomass for fuel. Are we doing enough to support that? I have the impression of a chicken-and-egg situation. We are all waiting for something to happen and for a bit more support and leadership. The Executive has published a green jobs strategy. Did that help? Did it fill you with confidence?

Niall Stuart: We must be realistic about the part that small businesses will play. The levels of investment to establish renewable energy installations and the barriers to entry are so great that small businesses will be unlikely to enter the market. The opportunities for small businesses are in the supply chain to larger companies, such as Vestas-Celtic Wind Technology, or in taking advantage of very small-scale installations, by having a generator on the roof or a small combined heat and power plant, for example, to drive down the overheads of one business or a group of businesses. We would be kidding ourselves if we thought that small businesses would suddenly become wind generator manufacturers.

The opportunities are in the supply chain and in small-scale plants. We must ready small businesses for the appearance of such plants in the future, so that they know of the opportunity and the skills that they need to tap into that opportunity and to ensure that links have already

been made between big British, Scottish or European companies and local small businesses.

Jonathan Hall: The greatest opportunity that we have is to address the scale of renewables. We should consider larger-scale wind farm developments less. They are capturing the headlines, but we are almost bound to export much of the electricity that is generated by that route. Instead, we should consider renewables in the round more and, in particular, generating heat and transport energy requirements from biofuels and wood fuels—the residues from the forestry industry. That should be done locally, which hits sustainability twice, because items are not transported miles to the market destination.

Again it is a cliché, but it may be possible to create an adequate critical mass in a locality to provide for the heat and lighting needs of a local school, a local hospital or a local community centre. The development might, for example, be a small wind turbine or a combined heat and power plant using woodchip. I believe firmly that scale is the issue when it comes to renewables. The scale must be pitched right to make the scheme add up economically and to make it sustainable in the longer term. If that balance is not right, renewables schemes will inevitably fall apart at some point. It is arguable that the dash for wind power throughout Scotland will not necessarily serve our rural communities particularly well, especially when the landscape changes as part of the process.

The Convener: What one policy change would you make to assist the development of small, community-scale renewables? Everyone agrees that renewable energy is a good thing. From your perspective, and given your business background, what big obstacle would you want to get rid of?

Jonathan Hall: In a nutshell, the big obstacle would probably be planners more than anything else.

As I said in relation to social enterprise, it is necessary to have the other things in place. Infrastructure and resources are required and there must be a catalyst to get separate individuals and separate bodies to work together in a locality. I appreciate that that is much easier said than done, but there is willingness to adopt that approach. It should not be handed down as some sort of target that, by 2020, 40 per cent of renewable energy will be delivered by X or by Y. We do not need to give ourselves such targets; we need to create an environment in which people can go ahead with costed initiatives and projects, deliver energy in a locality and use resources more and more sustainably. That should be done regardless of grand Kyoto targets on carbon dioxide emissions and so forth, which should come about as a consequence of those projects.

The fact that a scheme makes economic, logical and practical sense in the first place should be the driver rather than anything else.

Stephen Boyd: If I had to identify an obstacle, it would probably be the target of 40 per cent by 2020. That target means that the policy focus is very much on large-scale wind developments, because wind is currently the only technology that can deliver capacity. Instead of the focus on meeting the target, the focus from the start should have been on how we maximise the economic benefits for Scotland from the renewable energy industries.

The opportunities could be huge. Last week, 40 jobs were created in Arnish in Lewis to build Pelamis wave energy converters. That is Scottish-owned technology, secured within Scottish industry, which is already being exported to Portugal.

In accessible rural areas there are certainly short-term benefits in the building of wind farms, but there is little by way of long-term job paybacks from wind. The facility with 200 wind turbines that has been mooted for the Clyde valley will be maintained by four people. Those jobs will be of decent quality and are not to be sniffed at, but the long-term economic benefits are probably slight.

If I had to emphasise one issue, I would say that we have to get away from the targets and ask ourselves how we can get the maximum economic benefits from renewable energy. Frankly, I do not think that the green jobs strategy has tackled that issue sufficiently. The focus is on resource efficiency, which is important, but the difficult questions have not been asked about how we can get jobs and long-term economic paybacks from developing the renewables industry.

The Convener: I have inadvertently opened up two huge areas of public policy that are not strictly covered by the inquiry. I will discipline myself and draw the evidence session to a close.

Talking to this panel after the previous two panels has enabled us to follow through some of the themes that were raised earlier in the meeting and at previous meetings. I thank the four of you very much for coming along. Your oral evidence has been very helpful. Thank you also for your written submissions.

12:14

Meeting suspended.

12:15

On resuming—

Subordinate Legislation

Animals and Animal Products (Import and Export) (Scotland) Amendment Regulations 2005 (SSI 2005/278)

Seed Potatoes (Fees) (Scotland) Regulations 2005 (SSI 2005/279)

Seed Potatoes (Scotland) Amendment Regulations 2005 (SSI 2005/280)

Pesticides (Maximum Residue Levels in Crops, Food and Feeding Stuffs) (Scotland) Amendment (No 2) Regulations 2005 (SSI 2005/281)

Registration of Fish Sellers and Buyers and Designation of Auction Sites (Scotland) Regulations 2005 (SSI 2005/286)

The Convener: Agenda item 3 is consideration of five items of subordinate legislation, all of which are subject to the negative procedure. The Subordinate Legislation Committee made no comment on the Animals and Animal Products (Import and Export) (Scotland) Amendment Regulations 2005 or the Seed Potatoes (Fees) (Scotland) Regulations 2005, but commented on the other three instruments. Members have an extract of the Subordinate Legislation Committee's report.

In relation to the Pesticides (Maximum Residue Levels in Crops, Food and Feeding Stuffs) (Scotland) Amendment (No 2) Regulations 2005, I note that there is to be a consolidated approach to pesticides, which I welcome. I found it difficult to evaluate the policy impact of the regulations because the tables in schedule 1 are not accessible to the non-scientist. I hope that a more transparent approach will be taken later in the year.

If members have no comments, is the committee content to make no recommendation on the instruments to the Parliament?

Members *indicated agreement.*

Natural Environment and Rural Communities Bill

12:17

The Convener: The Deputy Minister for Environment and Rural Development and his officials have arrived, so we move on to item 4, which is consideration of proposed United Kingdom legislation. The minister advised the committee that the Executive intends to seek the Scottish Parliament's consent to the UK Parliament legislating on certain devolved matters—[*Interruption.*] I ask members to allow me to continue; we must scrutinise the matter and the minister is here. The Natural Environment and Rural Communities Bill, which is being considered by the Westminster Parliament, contains provisions on cross-border public bodies.

Under the Sewel convention—there is a debate about whether we should continue to use that term—the UK Parliament seeks the consent of the Scottish Parliament before legislating on devolved matters. At our meeting on 1 June, we agreed to consider the bill before the Parliament considers the Sewel motion. We decided to invite the minister to give oral evidence and to seek written evidence from interested parties. Members have copies of the Executive's memorandum on the bill and the written submissions, as well as an extract from the minutes of the Westminster Environment, Food and Rural Affairs Committee, which is scrutinising the bill—I found the extract helpful.

Without further ado, I welcome Lewis Macdonald and his large team of officials—I do not know what questions he anticipates having to answer. Ross Finnie was unavailable today; he is on his way back from Brussels, where I think he attended a meeting of the agriculture and fisheries council. I invite Lewis Macdonald to introduce his officials and make a short opening statement, after which members may ask questions.

The Deputy Minister for Environment and Rural Development (Lewis Macdonald): Thank you. I am accompanied by an unusually large delegation, not—I hasten to add—because of the substance and weight of the matters that we are considering but because of the range of areas in relation to which the bill's provisions will have relatively minor and consequential impacts, which it is important that we should be able to address. Scott Carmichael and Callum Percy can comment on the environmental aspects of the provisions; Aileen Bearhop can comment on the agricultural aspects; and Pamela Stott, who is from the Enterprise, Transport and Lifelong Learning Department, can comment on the provisions that relate to water.

I will quickly go through the impacts of the bill. Clearly, the bill is concerned mainly with matters affecting other parts of the United Kingdom. On the Joint Nature Conservation Committee, in which Scotland is a partner, the main changes in the bill relate to England and to the extension of the JNCC to take in Northern Ireland. Through the Sewel motion, we are taking the opportunity to clarify the basis on which the JNCC advises Scottish ministers and might also lay reports before the Scottish Parliament.

The Sewel motion allows the removal of the word "amenity" from the name of the Inland Waterways Amenity Advisory Council in order to reflect more accurately the role that it now plays in relation to our canals. Its advisory role will now extend beyond amenity to cover other matters such as urban regeneration, freight and environmental impacts, on which it will advise Scottish ministers. We have also taken the opportunity to remove the statutory link between the advisory council and British Waterways, to reflect the fact that the advisory council's primary role now is to provide advice to ministers rather than to the British Waterways Board.

As a consequence of measures that are potentially being taken forward at a UK level, the Sewel motion allows the opportunity to amend the bill to enable British Waterways to sell water to businesses and industry in Scotland, which achieves three aims: it increases commercial activity on our canals; it secures environmental benefits, which will be possible because, as a canal manager, British Waterways is in a strong position to act as a supplier of grey water; and it brings consistency, as British Waterways, which is a cross-border body, already has such powers in England and Wales.

The other measures in the bill, as reflected in the Sewel motion, are relatively minor. The bill creates a power to dissolve existing levy boards and establish new ones in agricultural sectors, thereby avoiding any significant delay in implementing the recommendations that we are expecting to come out of the current review of levy boards, which is expected to be completed in the next few months. UK and Scottish ministers will have powers jointly to abolish such boards or to establish new ones, including one that would cover Scotland alone. Clearly, any such measures will require parliamentary approval and the purpose of the Sewel motion is not to pre-empt the recommendations of the review but to enable them to be carried out.

We are also taking the opportunity to remove a number of obsolete committees from statute across the UK, such as consumers committees, committees of investigation and the Hill Farming Advisory Committee for Scotland, as the purposes

for which those committees were established are no longer relevant or their purpose is being met in other ways.

Among the measures of a minor or consequential nature, we want formally to extend the purposes of national and local nature reserves for wider public enjoyment. Under the National Parks and Access to the Countryside Act 1949, the statutory position is that those reserves are for the study of and research into matters relating to the fauna and flora of Great Britain or the preservation of the same; there is no recognition that they are also used by the public for other things. The measure will not change the use of nature reserves but will formalise the current position.

I think that members will agree that most of those measures are relatively limited in their implications for the general public in Scotland and, in the main, serve only to tidy up or consolidate matters. However, they make administrative mechanisms more efficient, which is the basis on which I commend them to the committee.

The Convener: As I mentioned earlier, we have quite a few submissions from various organisations because we put this matter out to consultation.

Alex Johnstone: I would like to clarify a point relating to levy boards. Out of the five, I am a contributor to three and I am perfectly happy to continue on that basis. My question relates specifically to the function of Quality Meat Scotland, which I understand took on some of the responsibilities of the Scotch Quality Beef and Lamb Association and the Meat and Livestock Commission. Is that interpretation correct? How will that operate? Will the bill affect the arrangements in Scotland?

Lewis Macdonald: The interpretation is correct that Quality Meat Scotland has acquired some of those powers. Aileen Bearhop is familiar with the detail.

Aileen Bearhop (Scottish Executive Environment and Rural Affairs Department): QMS has delegated powers from the MLC; changes were made a couple of years ago. The remit of the review that is under way says clearly that QMS will not change, so the arrangements that are in place will not change as a result of that review. The bill provides the potential for change in the future, but that is certainly not intended at the moment.

Richard Lochhead: We have had several representations about various aspects of the Sewel motion. I will discuss the Scottish Environment Protection Agency's submission before I talk about the submission from the

Scottish Inland Waterways Association. SEPA's submission says:

"It is not readily apparent, from anything in"

part 3

"or other parts of the Bill, what the geographic coverage of, for example, the biodiversity duty or the pesticide control measures is intended to be ... In SEPA's view, it would be undesirable for public bodies in Scotland to be subject to two similarly worded duties for biodiversity, with varying levels of responsibility. Similarly, clarification of the geographic coverage of the pesticide powers is necessary to identify whether they apply in Scotland."

What is your response? It is clear that SEPA has concerns, which I certainly share. Is it necessary to amend the bill?

Lewis Macdonald: I do not think so. My reading of SEPA's submission was not that SEPA had substantial concerns.

Scott Carmichael (Scottish Executive Environment and Rural Affairs Department): I cannot quote chapter and verse, but I understand that those provisions do not apply to Scotland.

Richard Lochhead: Further clarification might be needed, because the committee takes seriously what SEPA says.

Lewis Macdonald: If I recall correctly, SEPA did not say that the provisions applied to Scotland. I think that it was referring to matters that do not apply to Scotland.

The Convener: SEPA's submission says:

"The NERC Bill should therefore make clear that the geographic coverage of this duty does not include Scotland."

The quotation that Richard Lochhead read out relates to that point, which it would be useful to clarify.

Lewis Macdonald: I see the point. In a sense, the devolution settlement is the answer. It is clear that the responsibility for setting a biodiversity duty lies with the Scottish ministers and has been met under the Nature Conservation (Scotland) Act 2004.

Richard Lochhead: Perhaps the committee can reflect on that afterwards.

The second issue on which we have received pretty strong representations is the proposal to establish an inland waterways advisory council, which would basically be the existing advisory body renamed with some other changes. The representations that we have received from the chairman, the membership secretary and a member of the Scottish Inland Waterways Association, among others, are that they do not trust a UK advisory body to look after Scotland's interests and to give the Scottish ministers appropriate advice on relevant matters, because

the body will be based outwith Scotland and it is presumed that its members will mainly be from outwith Scotland and will not be familiar with the Scottish situation, which is distinct from that of waterways elsewhere in the UK.

The association's chairman, Robin Black, says:

"with 2000 miles of waterway to deal with in England and Wales they do not have sufficient interest or knowledge of the Scottish waterway system to devote the time or the effort needed to deal adequately with the situation up here."

He also says that the only effective set-up could be one that is

"constituted in Scotland with members who are fully aware of the Scottish waterways situation, their beauty, their potential and the problems associated with their operation. This is not achievable with an English based body even with a token Scottish representation."

The other people whom I mentioned make similar representations. Michael Coates, who is one of the association's members, says:

"The proposed 'Sewel Motion' would seem further to complicate matters".

He refers to complications in obtaining information from the current UK body, which he thinks will be replicated with any new body, for the reasons that the association's chairman stipulated.

I will not go through all the representations, but they are all similar and I share the concerns that are expressed. Will you respond to those concerns and explain why it would be complicated to set up a Scottish advisory council? Why can we not address the issue in the Scottish Parliament?

12:30

Lewis Macdonald: It is interesting that Mr Lochhead says that he shares the concerns. Members will know that I have experience of receiving advice from the existing advisory body, the Inland Waterways Amenity Advisory Council, from my time as deputy minister with responsibility for transport. If I am not mistaken, I appointed both of the Scottish representatives on the council. The best indication that the council is effective is that, when we consulted a couple of years ago as part of our review of the IWAAC, not a single waterway user group in Scotland argued that the council should be abolished or replaced. Based on my experience of the council's advice as a minister and my observation of the way in which British Waterways carries out its investment in Scotland—the Falkirk wheel is perhaps the most well-known example of that, but there are others in the central Scotland canal network and in the Highlands and Islands—my view is that the advice that ministers receive is pertinent, accurate and helpful.

Although we are decoupling the advisory council from British Waterways, the council will continue to advise ministers on matters that relate to British Waterways. Given that British Waterways operates on a GB-wide basis, it makes good sense that the advice to ministers should come on that basis, too, and that the council should advise us in Scotland and our UK counterparts.

Richard Lochhead: Although most of the submissions that we have had on the Sewel motion are from Government agencies or Government-sponsored agencies, the concerns that I have expressed come from users of waterways in Scotland who have encountered many problems in the past. The committee and the minister should take those concerns relatively seriously. Many people see it as an easy option to allow the UK to legislate on Scotland's behalf on such matters; indeed, some see it as the lazy option. Of course, I argue that, in most circumstances, it is the inappropriate option. We should take the concerns seriously, as they come from users of the waterways.

Lewis Macdonald: I would not suggest that any representation should be taken less than seriously but, for balance and proportionality, I point out that a consultation was carried out a couple of years ago that was open to many people, during which we received no negative comments. Although the representations to which you refer are to be taken seriously, they must be balanced with the other representations that you received and the absence of wider concerns.

Richard Lochhead: I will raise a further point that is referred to in the submissions, but I point out that we are two years on since the consultation that you mentioned and that we are talking about the Sewel motion procedure.

The briefing that we have received—the Executive's memorandum—states that the Executive is sympathetic to the idea of extending the powers of British Waterways

“on the sale of water to Scotland.”

The minister also mentioned that matter in his opening remarks. The memorandum continues that such a measure is

“desirable in order to encourage British Waterways Scotland to increase its income from other sources and decrease its dependence on grant from Scottish Ministers.”

It then states:

“Given the difficulties in the short term of securing this change through Scottish legislation these powers might best be achieved by enactment at Westminster ... although the Committee is asked to note that this presents some complexities for the NERC Bill which are the subject of continuing discussions between DEFRA and Scottish Executive lawyers.”

That sounds slightly messy and uncertain. Will you explain why it would present difficulties to introduce Scottish legislation, which you suggest is possible? Will you also say what complexities such a measure would cause in the UK bill?

Lewis Macdonald: It is important to preface my comments by making it clear that the matter in no way impacts on the decision that the Scottish Parliament made a few weeks ago through the Water Services etc (Scotland) Act 2005 to prohibit access to common carriage by bodies other than Scottish Water, a measure that came into force on Monday.

The Sewel motion is framed in the way that it is to allow for the legislative measures that come forward to be enacted without our having to come back to the committee. It is important that we deal with these matters in as comprehensive a way as possible. I do not know whether Scott Carmichael or Callum Percy wants to comment on where the process has reached at Westminster and how it will go forward.

Scott Carmichael: Are you thinking about what stage the bill has reached?

Lewis Macdonald: Yes, in respect of the potential for amendment at the next stage.

Scott Carmichael: We still do not know what the position will be. My understanding is that it is likely that any amendment will be introduced when the bill goes to the House of Lords.

The Convener: That is why we are keen to flush out the issues now and get a sense of the choices that the Executive has had. I presume from the memorandum that if the matter is not dealt with in the NERC bill, the Executive will have to wait for some time before it can respond through Scottish legislation as nothing is in the pipeline.

Lewis Macdonald: The advantage of using the NERC bill is that it puts the measure in place in different parts of the United Kingdom at the same time. That is clearly desirable for all sorts of reasons. Rather than return to the committee at some future point, given the possibility of amendment of the bill at Westminster, it seems appropriate to encompass the matter within the Sewel motion.

Mr Morrison: I will make a couple of observations. First, I am completely satisfied with the minister's explanation about the preferred legislative mechanism. Secondly, I will take no instruction from Mr Lochhead on the seriousness with which we deal with any item that comes before the committee.

A further observation is that I have never heard such spectacularly parochial attitudes being paraded at a committee. Mr Lochhead has seriously suggested that we can never be advised

by people who happen to reside south of the border, although the Scottish nationalist party consistently and continually cites as examples Finland, Norway and Ireland. The attitude that Mr Lochhead displays is regrettable. I urge the committee to progress the matter sensibly and bring it to a conclusion.

Richard Lochhead: Good scrutiny of a Sewel motion.

The Convener: Hang on. Anyone else? I just have a couple of comments—[*Interruption.*] One at a time, please.

Richard Lochhead: It is a joke.

The Convener: Rob Gibson and then Mark Ruskell.

Richard Lochhead: Pass the Sewel because the SNP is a bad party.

Mr Morrison: Grow up.

The Convener: One at a time.

Rob Gibson: If we want to keep the discussion on an even keel, it should be noted for balance that, as the minister said in a previous statement, we were interested in ideas from England for our rural inquiry earlier. There was a most interesting passage in that discussion, which I hope our friend from the Western Isles was listening to.

The Convener: What is your question?

Rob Gibson: My question is about the minor and consequential amendments in schedules 11 and 12 in relation to nature reserves. I would like to know whether the Nature Conservation (Scotland) Act 2004, which we passed, covers the matter and whether it needs to be covered again by stating that nature reserves are available for more than just scientific purposes.

Lewis Macdonald: The answer is that the matter is not specifically covered. An amendment is to be made to the National Parks and Access to the Countryside Act 1949, which laid out the statutory basis for both national and local nature reserves. It is a minor and consequential amendment, which does not alter matters but simply modernises GB-wide legislation.

Mr Ruskell: I will ask about the JNCC and Scottish Natural Heritage. There is concern among some of the environment non-Governmental organisations that some of the proactive guidance that is being issued by ministers to SNH, for example on control of non-native plant species, could be restricted in some way by the JNCC. What is your view on that?

Lewis Macdonald: I am aware of the concerns that you mention; I understand that they were raised specifically by Scottish Environment LINK in

its response to the committee. I point out that clause 34(2)(a) of the bill restates section 133(4) of the Environmental Protection Act 1990. In other words, it confirms the status quo in respect of the responsibilities of SNH on the one hand and the JNCC on the other. Therefore, I do not think that there is any reason to anticipate that the restatement of the position in the context of the NERC bill and the Sewel motion will alter the way in which those bodies operate. We certainly would not expect to see any change. Of course, SNH is an active partner and participant in the JNCC, and it is important that matters such as the introduction of non-native species are taken into account, given the potential for cross-border spread. That is an important issue, but there is nothing in either the bill or the Sewel motion that should impact on that work in any way.

Mr Ruskell: I want quickly to pick up where Richard Lochhead left off. You say that a consultation took place a couple of years ago and that the Scottish Inland Waterways Association did not recommend any change in the structure of the organisations at that time. Do you have any idea why there has been a shift in the position? Do you have any intelligence about other waterways groups? Has their position changed in the past couple of years?

Lewis Macdonald: Not that I am aware of, and you will note that others have not raised the same concerns as that organisation. To understand better the relationship between the Scottish Inland Waterways Association and IWAAC, it would probably be better for you to speak to the association rather than to me. It is a voluntary organisation that makes representations on behalf of its members. It is clear to me that there are some difficulties in the relationship between those two bodies but, in my experience, that does not reflect any difficulty in the quality of advice or directions that come from the advisory council.

Mr Ruskell: How representative is the Scottish Inland Waterways Association?

Lewis Macdonald: Pamela Stott may have some background information on that. I do not recall having dealt with that association during the time that I had responsibility for canals. My officials may be more up to date on the situation than I am.

Pamela Stott (Scottish Executive Enterprise, Transport and Lifelong Learning Department): The members of the advisory council are appointed under the Nolan rules.

Mr Ruskell: I was wondering about the Scottish Inland Waterways Association rather than the advisory council.

Pamela Stott: I do not know much about the association, to be honest. I think that it is a

voluntary organisation that brings together users of the canal network.

Richard Lochhead: Can we ask the clerks to invite the association to send us a written submission?

The Convener: The association is one of a range of consultees that would be expected to be consulted about any change to the canals in Scotland.

I have one comment to make, having read through the detailed submissions from SIWA. I dealt with the whole range of water organisations when I was a minister. The concerns that have been raised are partly to do with the fact that it has asked a number of questions of British Waterways but has not been given an answer. That has provoked some unhappiness about the relationships and the transparency of British Waterways, which I do not think are covered by the bill. I have read the bill, and I do not think that that is a relevant issue for it, but I wonder whether the minister could get back to us on that.

The response that talks of questions that were asked of the Scottish information commissioner makes it clear that people do not necessarily understand the relative responsibilities of the UK and Scottish authorities. The issue is a lack of confidence about what the relationships are and whether they are working. I do not see how that should be affected by the changes that are proposed in the NERC bill, but it reflects other concerns that people have, which run parallel to what the bill deals with. That is the issue that needs to be looked at. It is perhaps not relevant to consideration of the bill, but it is clearly an outstanding concern.

Lewis Macdonald: As far as freedom of information legislation is concerned, the position is clear. As British Waterways is a cross-border public body, it is subject to the UK Freedom of Information Act 2000.

Alex Johnstone: I have a follow-up question on that. I have read the submissions on the subject and understand the concerns of the people who made those submissions. First, is it true that the issue is not entirely relevant to the substance of the bill that we are discussing? Secondly, could that or similar problems be dealt with in the structure of the bill at a later date?

12:45

Lewis Macdonald: In answer to your first question, those concerns are not pertinent to the central matter of the bill. The bill will remove the restriction on the range of areas on which the Inland Waterways Amenity Advisory Council can advise ministers. Currently, the council's name

implies that it advises only on amenity issues, although in practice it provides advice on a range of matters. The bill will simply formalise the existing situation; it will bring about no practical change in the council's work.

It is worth noting that British Waterways has set up a British Waterways Scotland group, which comprises representatives of a range of users of Scottish waterways and provides the advice to British Waterways that used to come from the advisory council, which advises the Executive. That is a sensible development. Moreover, in a situation in which the advisory council advises ministers and the British Waterways Scotland group advises British Waterways, if a voluntary body or individual is not happy with the response that they have received, they will be able to complain to Hilary Bainbridge, who will shortly become the waterways ombudsman. The questions that have been raised are of interest, but they are not directly pertinent to the bill. If people have concerns they can use the existing mechanisms to take them forward.

Nora Radcliffe: Will you confirm that the bill contains no provisions that set out what will ultimately happen to levy boards? There is a degree of nervousness about the matter. Will you confirm that the bill will simply give ministers the power to act after there has been consultation and discussion and a report has been produced?

Lewis Macdonald: That is absolutely right. There is nothing in the bill that would determine or influence the decisions that we make. It might well be that for most sectors, GB or UK-wide boards will continue to represent the best basis on which to operate. The bill will simply give the Scottish ministers the power to continue the current system or to have Scotland-only boards, depending on the outcome of the review. The bill simply contains enabling provisions to allow the Scottish ministers to make provision on the matter, which we will do in the usual way.

The Convener: Richard Lochhead asked about the bill's coverage in relation to SEPA's submission. Clause 98 clarifies the extent of the bill's scope and should reassure members about the matters that he queried. I can circulate a copy of clause 98 to members, if they want one.

I note that gendered language is still being used. I remember making a point about that to UK ministers four years ago, but the bill talks about the appointment of a "chairman". Any opportunity to convert UK ministers to the use of gender-neutral language, such as we use in the Scottish Parliament, would be gratefully received. We are required to consider the equal opportunities implications of proposed legislation, so we should not let the matter pass.

If there are no further comments, I thank the minister and his officials for answering our questions. The committee must decide how to proceed. If we are content that there should be a Sewel motion, as is proposed, we need not produce a separate report, because we can communicate our views through the minutes of the meeting. However, if we want to make a substantive comment on the bill, we should make a formal report to the Parliament. There is scope to do that next week. Members have a paper from the clerk that sets out issues and marker points that we might want to include in a report. However, before we get into the detail of the matter and given our scrutiny of the bill in committee, is the committee content that a Sewel motion on the bill be lodged in the terms that were put to us this morning?

Nora Radcliffe: Yes, but with the proviso that if the bill is substantially amended and changed out of all recognition, it should come back to us. However, I do not expect that that will happen.

The Convener: Mark Brough's paper suggested caveats that we can consider.

Rob Gibson: Do we need to report to the Parliament on the matter that we are discussing?

The Convener: Yes. That is the purpose of this discussion.

First, we have to decide whether we are happy with a Sewel motion. If we are not happy, we will have to go down a different route when considering the kind of report that we will put together.

Mark Brough suggests a few caveats in his paper. We should consider any impacts on devolved matters and whether we might want amendments to the UK bill; we should consider whether there should be a Sewel motion or whether it would be more appropriate to have a separate Scottish bill; and—as Nora Radcliffe has just suggested—we should seek an assurance from the minister that, if the bill were substantially amended during its passage through the UK Parliament, the Executive would inform the committee, would return to the committee for a further question-and-answer session, or would lodge a further Sewel motion.

Karen Gillon: We have learned of a potential amendment and have heard an explanation for that. I assume that there would have to be another Sewel motion if that amendment were accepted.

The Convener: Which amendment?

Karen Gillon: The one that could come from the House of Lords.

The Convener: On the British Waterways issue.

Lewis Macdonald: The Sewel motion encompasses that.

The Convener: So the issue will be included in the motion that we will vote on.

Nora Radcliffe's suggestion is sensible; we would want the minister to report to us if anything new came up. Karen Gillon's point has been answered. We will be taking a view on it when we take a view on the Sewel motion.

There was dissent earlier when I asked whether there should be a Sewel motion, so we will have a formal vote.

The question is, that there should be a Sewel motion on the Natural Environment and Rural Communities Bill.

FOR

Boyack, Sarah (Edinburgh Central) (Lab)
Gillon, Karen (Clydesdale) (Lab)
Johnstone, Alex (North East Scotland) (Con)
Macmillan, Maureen (Highlands and Islands) (Lab)
Morrison, Mr Alasdair (Western Isles) (Lab)
Radcliffe, Nora (Gordon) (LD)
Ruskell, Mr Mark (Mid Scotland and Fife) (Green)

AGAINST

Gibson, Rob (Highlands and Islands) (SNP)
Lochhead, Richard (North East Scotland) (SNP)

The Convener: The result of the division is: For 7, Against 2, Abstentions 0.

Do we wish to send a formal report to Parliament or are we happy with having raised the issues in committee? Nora Radcliffe has suggested that, should there be substantial amendment to the bill during its passage through the UK Parliament, the minister should report back to the committee to allow us to consider the matter further. That is a sensible proviso. Are members happy?

Members: Yes.

Richard Lochhead: We should report to the Parliament to raise some of the issues that we have discussed.

Nora Radcliffe: But it is all in the *Official Report*.

The Convener: We have a choice. We can go away and produce a report that picks up on issues that we have raised, or we can simply submit the *Official Report* of this meeting to the minister. The minister has made assurances on the record and we would expect him to keep to them. Do you think that we should write a separate report? Members have raised issues and they will be recorded in the *Official Report*. If members are happy for us to do so, we will attach the *Official Report* as part of our formal report to Parliament next week.

Richard Lochhead: Asking the minister questions is an important part of scrutiny. However, we have also received information from people who use the waterways, but we have not had those people before the committee. The whole system of scrutinising Sewel motions is clearly inadequate. It would have been useful to have those people before the committee.

Karen Gillon: But—

The Convener: Please. One person at a time.

Richard Lochhead: I am not arguing with the vote; I am just putting my views on the record.

There has been discussion of new powers for the British Waterways Board, or a change in its existing powers. The Scottish Parliament has not scrutinised that adequately either, despite the fact that we all accept that the waterways are very important to Scotland. The Government even has its own canal strategy. The committee has not had an adequate opportunity to scrutinise those issues on behalf of the Parliament.

The Convener: Okay, you have recorded your dissent.

I do not hear support in the committee for having a separate report. I read the mood of the committee as being that we are happy to use the *Official Report*, which will have picked up on all the different representations that have been made to us. We have sought clarification from the minister and members have taken a view and voted. Does anyone want to challenge that? I am happy to put it to a vote. Are members happy that we submit the *Official Report* of this meeting to the Parliament, along with our other comments?

Karen Gillon: For the record, I resent Mr Lochhead's suggestion that the committee has not scrutinised the Sewel motion adequately. He has made similar suggestions on previous occasions. If Mr Lochhead is unable to scrutinise a matter, that is his responsibility. I am content that the committee has scrutinised the bill adequately. The committee has voted and decided on the motion on the basis of the evidence and reassurances that we received from the minister. I resent the implication that we take such decisions lightly.

The Convener: The *Official Report* will record that, after considering the issues in a question-and-answer session, seven members voted in favour of the Sewel motion and two voted against it. We will submit that record of our meeting to the Parliament. We will also seek the minister's reassurance that any substantial amendments that are made to the bill by the UK Parliament will be reported back to us for our further consideration.

Lewis Macdonald: I am happy to do that, convener.

The Convener: That is now on the record, which will be included with our report.

We have completed our business for today. I remind members that our next meeting will take place at 2 pm next Tuesday, not Wednesday.

Meeting closed at 12:56.

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