

SCOTTISH RURAL GATHERING
CONNECTING RURAL SCOTLAND – PROMOTING RURAL GROWTH
Perth Race Course
Friday 25th September 2009

Over 280 representatives from rural Scotland were welcomed to the 1st Scottish Rural Gathering by Ken Rundle, Chairman of the morning session.

MORNING SESSION CHAIRED BY KEN RUNDLE

Scottish Agricultural College

Ken highlighted a number of reports and studies which demonstrated that Scotland would benefit from an enhanced and effective rural network. In the coming years Ken identified a number of issues including food and energy production, tourism, and environmental protection, which would all impact on rural areas. Difficult decisions would need to be taken in the future and it was important that rural communities had the opportunity to make their voices heard to help influence this decision making.

He felt that it was vitally important that rural communities develop effective networks, identify the key issues affecting rural areas and provide clear and unified messages to policy makers and parliament.

Ken stressed the importance of making the most of the networking opportunities from the day and encouraged delegates to make links, follow up with people and exchange ideas.

SPEECH BY RICHARD LOCHHEAD MSP

Cabinet Secretary for Rural Affairs

Cabinet Secretary thanked everyone for attending the Gathering and assured delegates that rural Scotland is close to the heart of the Government.

He went on to state that a large part of what makes rural Scotland unique and special is its people, with rural communities forming a thriving part of our modern society. He highlighted the launch of an online community in April through the innovative National Rural web site www.ruralgateway.org.uk , which had received over 30,000 visitors since its launch.

In addition to increasing networking opportunities he wishes to see a step change in local rural development with communities coming together in person, to learn from one another and to spread ideas and promote good practice, starting today with the Rural Gathering and spreading out across the country in the months to come with a further 20 regional events.

Looking at challenges and opportunities he highlighted that:

- population in rural areas has been growing, with a 5.3% increase in remote rural areas compared to 0.7% for other parts of Scotland;
- there is a sustained high level of volunteering in rural areas at 47%
- some 76% of people in rural areas think their area is a good place to live
- there are higher levels of self employment and family businesses

Looking ahead he highlighted a number of challenges including:

- tackling climate change
- growing the economy
- maintaining the fabulous landscapes and biodiversity of rural areas

He went on to explain some of the Government's policies to tackle these challenges which include:

- Climate Change (Scotland) Act 2009
- reducing the tax burden on small businesses
- freezing council taxes for a further year
- accelerating capital spending projects
- setting up a Town Centre Regeneration Fund

The Government is also looking to remove bureaucratic burdens. Under Scotland's Environmental and Rural Services (SEARS), there are co-ordinated efforts across nine public bodies to ease regulatory demands.

The Food & Drink sector provides vital employment and income for rural economies and Government wishes to work with the sector to enhance the reputation of, and guarantee the authenticity of Scotland's produce. Cabinet Secretary announced that the Government was funding a seminar to be held on the 2nd December at Perth Race Course to highlight the

benefits of Protected Food Names. He urged all food businesses and communities to champion local produce.

Despite the recession, the weak pound has created opportunities to encourage tourism, with 2009 seeing a 3% increase in spend from Overseas Visitors and a 4% rise in visitors from the UK and he highlighted the success of the Homecoming Campaign and involvement by local communities as a major contributory factor to this year's positive tourism figures.

The Cabinet Secretary then spoke about community empowerment and his belief that Scottish people can, and should, take an increased role in tackling the issues that affect our nation. Empowering communities is not just about plans but about real world issues, and getting people to share collective talents, creativity and determination in order to harness the energy in the community to tackle difficult issues.

He then went on to describe how community ownership of assets can in many cases be an exciting product of local development, and how the Government is keen for communities to have the opportunity to develop renewable energy projects and highlighted support available from the Community Renewable Energy Toolkit and the Community and Renewable Energy Scheme. More generally he highlighted the number of rural communities taking charge of their futures by using the right-to-buy provisions and also through community woodlands.

Changes are also being made to the Scotland Rural Development Programme (SRDP), based on the review undertaken earlier in the year. This will enable community projects in the spring 2010 funding round onwards to apply for up to 90% funding. He stated that he was keen to use the SRDP imaginatively and creatively to drive further community empowerment and is also looking at increasing the proportion of LEADER funding which can be made available for communities.

Cabinet Secretary then highlighted a number of other rural services including:

- **Broadband** was highlighted as a vital service for every Scottish household and business and he advised that any rural communities that are disadvantaged in terms of broadband speeds may be able to secure funding for their own community broadband projects
- £146m will be spent on **affordable housing** in rural Scotland which will deliver 1,300 new houses in rural communities
- The **Road Equivalent Tariff** is having a very positive effect in getting more visitors to the Islands, which has gone hand in hand with the upgrade of the A830 Mallaig Road

In concluding, the Cabinet Secretary asked delegates to work with the Government to articulate a shared vision and strategy for rural Scotland and stated that the people of rural Scotland have a massive contribution to make through entrepreneurship and community spirit and what was needed was to work together to identify how the Government can best support that spirit.

QUESTIONS TO RICHARD LOCHHEAD MSP

The Cabinet Secretary responded to several questions from the floor:

Daye Tucker asked: There are many routes for food production, does the Cabinet Secretary agree that food production does not need to be based on scale or land?

Cabinet Secretary responded: As a nation we need to get a better understanding of the demands on land which is one of the reasons the Government has a number of policies and targets for land use including targets to increase the area of country covered by woodlands, improving security of food production and also renewable energy production.

John Elliot questioned the apparent contradiction between the Government's policies on encouraging road equivalent tariff and reducing transport's carbon footprint. Is the Government expecting urban areas to have greater reductions in carbon footprint to offset against road equivalent tariff?

Cabinet Secretary responded: Carbon reduction targets are national targets, but the responsibility to reduce carbon footprints rests at all levels: nationally, local authorities and individuals, everyone has a role to play.

Hamish Greig asked whether the Cabinet Secretary would like to comment on health and care facilities in rural areas - do community hospitals focus in the Government's agenda?

Cabinet Secretary responded that it was important that the rural agenda was not just about agriculture but also about services which formed an important part of the Government's rural policies e.g. rural schools and rural healthcare. The Government is placing a lot of effort on protecting rural healthcare and ensuring that it is fit for the 21st century, improved telecommunications would play a very important role.

Bruce Laird congratulated the Cabinet Secretary on the Government's targets for carbon reduction but felt that the majority of people are confused on whom and where to go to for advice, support and grants. He asked the Cabinet Secretary whether there would be more alignment and continuity in government support for renewables?

Cabinet Secretary responded that the reduction in public sector agencies and the streamlining of activity was very high on the Government agenda.

Willie Fergusson said that whilst welcoming the potential changes announced for SRDP as a training provider he cannot access funds through SRDP. Has there been any progress on training providers accessing the ESF for funding or changes to the SRDP?

Cabinet Secretary responded that he was aware of the good work being done by LANTRA with their agricultural apprenticeships and was happy to speak with Willie Fergusson separately on the matter. Clearly Europe dictates what can be done through SRDP and changes can take time and don't always succeed.

PRESENTATION BY UTE VIETING
Regional Coordinator of the LEADER Programme, Hesselberg, Germany

Ute explained how the Hesselberg area had benefited from the LEADER programme, with their project benefiting from €63m from Europe with match funding being put forward by the Bavarian Finance Ministry.

The network project receives cross government support with the Ministry of Agriculture, Ministry of Environment and Ministry of Finance all working together. There has been an active network since 2005 and there are now 40 regional managers. The network lobbies, provides policy information and provides funding advice to all 3 government departments.

Ute then went on to describe the Hesselberg region and outlined that agriculture and forestry were the traditional drivers of the economy, however in recent year's tourism and outdoor sports have become increasingly important.

The region has 24 towns and villages and an overall population of 65,000.

The overall philosophy of the project is that the economy, ecology and social stability of the region are all of equal status, and it is the role of the project to bring the 3 components together.

The Regional Network benefits from a steering group made up of management, project managers, local mayors, members and representatives of the Hesselberg administration. The network has a detailed action plan, developed by over 700 members of the community, which focuses attention and concentrates activity.

From the start it was identified that for the project to be sustainable then it had to get the grassroots of the community onboard. The network has grown substantially since 2005 and now includes a wide range of community representation.

Over 20 new network groups have been set up with a total membership in the region of 4,000 volunteers. The network groups and volunteers are responsible for delivery of projects on the ground. They have delivered a number of successful projects around regional food and drink, tourism, events, education, environmental improvements, retention of rural craft skills and creation of new creative industries in the area.

WELCOME TO THE AFTERNOON SESSION BY RICHARD WAKEFORD

Director General, Rural Futures

The afternoon session was chaired by Richard Wakeford, who in his opening remarks stressed the huge opportunities and benefits of successful networking and encouraged delegates to take ideas generated throughout the Gathering and networking sessions, away and follow them up.

He then went on to identify that Scotland as a whole faces difficult times ahead, with budget reductions and the current economic conditions. However Scotland is leading the world with an ambitious but deliverable Climate Change Plan which can be achieved if the national and communities can work together.

He highlighted reports from the World Bank which indicated that for the world to get richer then more cities are required. He questioned why there are no GDP values for rural areas, despite the fact that rural areas offer key products such as food, forestry and renewable energy.

Scotland is well placed, and has huge potential for renewable energy and rural communities are important in the delivery of this. He also highlighted Scotland's potential for forestry and the government's plan to increase the percentage of land covered by forestry to 25%.

FUTURE DIRECTIONS IN RURAL DEVELOPMENT: PROF DAVID FRESHWATER

Organisation for Economic Cooperation and Development

Professor Freshwater opened the presentation by stating that Scotland was one of the few countries in the world where rural areas do better than urban areas in terms of socio-economic indicators.

In the main, peri-urban areas (rural areas on the fringes of urban areas) have issues which are as important as remote rural areas.

From an international perspective the image of Scotland is as a rural country i.e. the landscape of the Highlands, whisky, golf and village culture. This rural image of Scotland is a very powerful image and should be used for pushing forward change.

He stated that the recent Rural Policy Review in Scotland had identified that the EU CAP based rural policy is very limiting and is driven by Brussels and warned that it could lead Scottish rural development into areas which it did not wish to go. Ideally locally based development policies are required and this won't work if policy is being driven centrally from Europe. It was also identified that the lack of affordable housing in rural areas is a huge impediment to rural development in Scotland.

A bottom up approach is much more effective, though this is dependent on strong local institutions and communities – it is crucially important to devolve responsibility to local communities.

The time is right to reconsider rural policy and rural futures given that we now appear to be nearing the end of the worst global recession since the Great Depression. The recession will change things fundamentally in rural areas and create new issues and opportunities including:

- Government funding for rural areas will face major reductions and therefore future development will have to be driven locally
- Credit for small businesses has either dried up or become significantly more expensive and lots of small businesses in rural areas have failed or are struggling
- Rural areas have been hit by the rapid drop in commodity prices and also the downturn in international tourism.

Looking ahead into 2010 and beyond:

- Large government debts will almost certainly result in a reduction in public spending and higher bank interest rates
- Consumers in the worst hit countries are likely to change their spending patterns to increase savings and lower consumption
- People will have to work longer so there will be fewer opportunities for younger people
- Increased climate change targets may impact on economic growth

It is clear that the world tomorrow is likely to be a very different place.

There are a number of potential issues, both positive and negative, that are likely to affect rural areas.

Positive aspects include:

- Most rural products are often necessities rather than luxuries and are less likely to be affected by reductions in consumer spending
- Domestic tourism is likely to grow as more people stay at home
- Rural policies are likely to become more focused, relevant and investment orientated
- Potential benefits from production of renewable energies and carbon sequestration.

Negative aspects include:

- Higher cost of borrowing for rural business investment and growth
- Pressure on governments to reduce the level of services and cost of delivery
- Reduction in population in remote rural areas
- Potential taxes on energy
- Additional restrictions on agriculture, mining and forestry

In addition there are other major structural forces affecting the wider community which are:

Demographic change leading to smaller families which in turn will result in a shift from excess rural labour to a labour deficit, with businesses in rural areas struggling to find workers. Rural areas will also not benefit from immigration as immigrants tend not to share the same rural values as Scots.

There will continue to be a **growth in urbanisation** and urban areas tend to benefit through stronger and increased levels of networking. Rural areas will continue to be at a disadvantage in terms of networking. This will need to be overcome if we are to build capacity and undertake effective local developments in rural areas.

Changes in the Environment are likely to lead to more expensive transportation costs which will have a proportionate higher negative impact in rural areas. However on the other hand, rural areas are likely to benefit from increased opportunities to develop renewable energies. There needs to be a logical analysis of the current drive to buy local, there is a limit to how far this can be taken before it starts impacting on the wider economy.

There are also likely to be significant **economic changes**. Professor Freshwater is not convinced about the effectiveness of the current push towards creating clusters. Instead we should be examining the potential of 'unbundling' - that is we are likely to see a major shift away from major companies and corporations in control of the whole production and sales process and instead see creation of a 'brand', which has a smaller team of people managing and overseeing the process, but using individual producers and a series of smaller firms.

It is clear that now even the **service sector is transportable** and that the world is getting smaller due to improved networks, communities and communication.

However there is likely to be social **resistance to change** in rural areas, as historically in the face of external pressure and change, rural communities often retreat back and are suspicious of cooperating with neighbouring rural areas that are often seen as competitors.

In the long term, the implications for Scotland will include:

- an ageing and shrinking population which will make it both more difficult and more important to keep rural Scotland an attractive place to live and work
- population decline in peri-urban areas may be less severe than in more remote areas due to inflows from urban area
- we will need to rely less on the EU CAP and look to find our own solutions

There will continue to be increased competition between countries and regions for tourism and consumer spending and it will be important to maintain Scotland's 'brand visibility' in this highly competitive marketplace.

Greater efforts also need to be focused on solving the high cost of rural housing which is resulting in perverse economic behaviour including rigid labour markets and excessive investment in housing.

Finally it is more important than even to realise that while national government can help improve the external network connections amongst regions, only strong local collaboration can build internal connections and develop social and economic capital.

CASE STUDY 1: COMMUNITY EMPOWERMENT – HERE WE ARE

Lorna Watt, Cairndow

Here We Are was first thought of in 1998 and is the inspiration of Christina Noble who identified a number of issues facing the local community:

- No opportunities for further education
- Lack of centre to encourage tourists to stop and learn about Cairndow
- Lack of local knowledge of local history
- Lack of access to IT skills
- Lack of affordable housing
- Insufficient workers to fill job opportunities in Cairndow
- Lack of access to Argyll & Bute Council information and services
- Lack of awareness for community sustainability
- Lack of revenue for community sustainability

Christina felt it was important that by understanding where you've come from, you can better appreciate where you are now and, more importantly where you are heading and what you can do to influence that.

It is important that both the community and visitors are able to find out and know what the place is about.

In terms of creating a successful project they have identified the following requirements:

- The need for a natural location for people to gather
- A community will to look at itself and decide where it wants to go for the future
- A strong leader and support team

As a result a series of projects have now been delivered including:

- The creation of a Here We Are Centre as a resource for the community and visitors which includes the establishment of a council service point, a meeting room, an Argyll College learning centre and a location for a series of community events
- An aquarium which provides information to visitors on what lives in Loch Fyne
- A renewable energy project including creation of a biomass wood chipping plant, a micro hydro plant, energy audit of village houses and an information point with Alienergy
- A project researching the history of every house in the area, including present day occupants
- Regular community newsletters and a website

- Walking map of the area with detailed local information
- Working with a community in Iceland to set up a second Here We Are project
- Accessing over £1m of investment into the community
- Creating 14 jobs and sustaining a further 5

Here We Are is keen to continue to play an integral part in the community of Cairndow and further develop their social enterprise programme with the aim of becoming self-sustaining in order to support, grow and sustain the community.

CASE STUDY 2: AGRICULTURE – USING SRDP TO MAKE A DIFFERENCE

Jane Brewster

Jane highlighted two SRDP applications and projects she has been involved in. The first project related to her family farm Easter Denoon at Eassie in Angus.

Easter Denoon Farm started the process of going organic in 1988 and achieved full organic certification in 2007. The farm employs 3 full time workers and 1 part-time worker.

Jane successfully applied to SRDP for support to complete a new livestock handling building. The new infrastructure has been of great significance to the farm and has helped to increase productivity. Jane would also like to see greater significance put on retaining experienced farm workers and new entrants into the agricultural sector.

She found the whole SRDP application process cumbersome and complex and would really like to see training sessions being offered to people to provide practical help and assistance when making applications. She urged the government to avoid using jargon and acronyms in the application process and that plain English would help. She also highlighted that with regards capital projects it was difficult to plan and manage the budget as the applicant has to put up funds in good faith.

Jane has now submitted a second application to SRDP on behalf of the community of Eassie, Nevay and Kirkinch Community Association to assist in building a new community hall for the area. The Community Hall is a lynchpin for the local community and will provide facilities for training, outreach services, business meetings, café etc.

It is clear that SRDP can work and is making a difference across Scotland.

CASE STUDY 3: RENEWABLES – COMMUNITY ENGAGEMENT WITH THE RENEWABLES INDUSTRY, THE MAGICAL MYSTERY TOUR,

Gordon Cowtan

Gordon explained that Fintry was a small community of around 330 households with a primary school, village hall and a sports club which incorporates the village shop and post office. The majority of people commute to work in Stirling, Glasgow and Edinburgh.

In 2003 a few members of the community started to look at the potential of some sort of community renewable energy scheme in the village, but shortly afterwards the village was approached by a commercial windfarm operator.

It was decided that the community could benefit significantly from working in partnership with the windfarm operator and there then entered a period of intensive discussions, with several proposals and counter offers between the commercial operators and the community.

In the end it was agreed that the Community would own one wind turbine which would be installed and managed by the windfarm operator, with the Windfarm operator agreeing to offer the community a loan of £2.5m.

The turbine was commissioned in 2006 and has been operating for the past 18 months and has generated an income to date of £200,000, with the community receiving its first cheque for £140,000 in May 2008.

The first projects undertaken in the community have been an energy survey of all the houses, free insulation project and a new heating system for the village hall.

Looking forwards, the community is currently prioritising a raft of projects including improving public transport, creating a community wood fuel supply, delivering an energy efficiency campaign and converting the whole village into a low carbon community.

Looking to the future it is clear that developers are now required to pay more than lip service to local communities and many are looking to engage successfully at a local level, there are several grant schemes available including the CARES Scheme and Social Investment Scotland but the big news is the Feed in Tariff policy (FITs).

FITs, which should be in place by April 2010, provide new financial support with the aim of encouraging domestic, community and farm scale renewables and makes medium scale projects feasible. A single turbine site, with a tip height of around 50m has the potential to earn around £150,000 per annum (gross).

QUESTIONS TO EXPERTS:

Question 1: Wind power costs 5 times more to generate electricity, when will the Government face the reality about wind farms and when is the Government going to drop subsidies to wind energy?

Answer: *Gordon Cowtan* indicated that he was unable to answer on behalf of the Scottish Government, that there was obviously both pros and cons for wind energy but that the Gathering was not the appropriate forum to discuss them.

Question 2: I am fascinated how LEADER works in Bavaria and how it is seen to create networks and networking opportunities. In Scotland it is seen more as just a funding stream for projects. How much resistance has there been in Bavaria to bringing in representatives from business and the community into the decision making process?

Answer: *Ute Vieting* advised that only 50% of the LEADER team was from the public sector in Bavaria, the rest of the team was made up of local community representatives, farmers, religious leaders, tourism operators, and a mix of other businesses. By not being too public sector heavy the team works well and encourages other people to get involved as decisions are seen as coming from the bottom up.

David Freshwater advised that LEADER varies from region to region, country to country. In the UK there is very little flexibility in approach compared to other countries, it would be much better if people in local communities could play a more active role in the decision making.

Question 3: In terms of the Fintry Renewables Project is the community happy with the direction the project has taken and will there be issues on what to spend money on every year.

Answer: *Gordon Cowtan* replied that at the very outset the community agreed on what the money could be spent on, thus avoiding a 'bun fight'. Communities need to be aware that money can cause problems so a clear agreement needs to be in place from the very outset.

Lorna Watt advised that it would also be a good idea to set up a rural common good scheme for general project funding.

Question 4: It is felt that the measuring and monitoring requirements for public funded projects had increased significantly. Does this indicate that the Government doesn't have confidence in regional LEADER managers around Scotland?

Answer: *Ute Vieting* replied it was the same in Bavaria with rules from both the EU and the Bavarian Government, so didn't just apply to Scotland.

SUMMING UP: RICHARD WAKEFORD

Richard summarised a few of the highlights from the day for him:

He was encouraged that David Freshwater had indicated that Scotland was the best rural area in the world – we now need to ensure we keep it like this, maintain the brand visibility and ensure it remains a viable and attractive destination.

It is clear we need to take note of the work of Here We Are in Cairndow – to move forward we need to have a clear idea of who we are, which in turn will help us put a plan together on where we want to be. We need to create a positive vision for the future.

As demonstrated so well in Bavaria, the future for rural Scotland must be a future that people living in rural areas want and need and should be tailored to individual communities.

Two points struck him from Ute Vieting's presentation:

- So often it is a crisis which brings people together
- In 24 locations with an overall population of just 65,000 people, every village and town has a Mayor - could rural Scotland benefit from having leaders in each community?

It is clear that we need to:

- Have the confidence to work with each other and learn from each others experiences
- The Government needs to give communities the confidence to do things
- People need to help Government to streamline things
- Grants can and do help communities to focus on what is required