

# The Southern Uplands Partnership

**INTEGRATED RURAL DEVELOPMENT CONFERENCE**

October 8<sup>th</sup> 2001 • Crichton Campus Dumfries

**Andrew Campbell**, D&GC Convenor welcomed everyone to the event.

Barbara Kelly gave a brief background to the Southern Uplands Partnership and what it was working to achieve. She then introduced the keynote speaker.

**Jim Walker**, NFUS

*The Future Shape of Upland Farming in Scotland*

The lesson of FMD was that farmers had to find solutions to a number of problems. He considered there to be five issues which were currently impacting on the future:

**CONFUSING SIGNALS**

**PROFITABILITY**

**HARSH REALITIES**

**FUTURE MARKET RETURNS**

**FUTURE SUPPORT PAYMENTS**

## **1. Confusing signals were being received by farmers**

Was it high quality that was wanted by consumers or was it low cost?

Farmers were being asked to take more account of the environment at the same time as they were working to ever tighter margins. He considered alternative incomes will be safer than farm diversification schemes.

Regulation verses competitiveness – rules were not applied equally across Europe and beyond so the drive to regulate more reduced the competitiveness of Scottish agriculture. If the UK applied regulations and our competitors did not do so to the same degree, we lost out.

Access versus food production. What do we want from our countryside? Tourism is fine, but it can reduce the effectiveness of farming. Tourism contributes very little to the bottom line for most farmers but it can add to costs.



## 2. Profitability

Profitability was being hit by drops in market prices, changes in support payments and increasing costs resulted in farm incomes being at rock bottom – Jim quoted a figure of £300 profit for an average LFA sheep farmer in 2000/01 (and that was before FMD) – down from £10,000 in 1996/7.

## 3. Harsh realities

Currency – the value of Sterling against the Euro was hitting exports hard even before FMD. The income to a LFA sheep farm changed with the £:Euro rate (the cheaper the pound the better the income). Farmers had no influence over this but were severely affected by these currency changes.

Consumer change. The increase in demand for ready-cooked meals had not benefited farmers because there was too little value-adding taking place close to the source of production. This was something farmers could do something about but so far too few had tried.

Retailer/caterer dominance. There was an issue over the power of the big buyers. The supermarkets and large-scale buyers were influencing production policy through pricing.

EU enlargement is going to have significant impacts on size of CAP budget and on priorities for support. The effect of this would be that less support would be available to UK farmers.

Global competition is only going to increase. The naivety of English agri-ministers was criticised and he commented on the unlikelihood of the UK being able to force through any broad changes to CAP.

FMD and BSE had cost us an export market worth £398M per year – this amounts to 26% of sheep production, 21% of pigs and 1% beef. This market would be difficult to regain once export restrictions were lifted.

## 4. Future Market Returns

Future demand was going to be for ever higher specifications, which would require higher inputs.

Returns would require more co-operation between farmers; this is something which farmers have not been good at to date.

More added value would be expected again, something which farmers were not succeeding in doing at present.

Alternative incomes to the farm – on or off farm - would be increasingly important. Clearly this would be easier for some than others, but would tend to favour the less remote farms.

## 5. Future Support Payments

CAP reform. There was no point in calling for the scrapping of all production subsidies if our competitors were supporting their farmers, as is happening in America. There has to be a level playing field.

Modulation would shift the emphasis of support payments from pillar 1 (production support) to pillar 2 (environment and business development). He cautioned on the future for modulation, believing that agri-environment is not the only answer, and that excessive modulation would force the best farmers out of the UK farming industry. Agri-environment schemes would no doubt increase, but could not be the whole answer.

He also cautioned on the changes to the LFA Support



Scheme, with the shifting from headage payments to area payments; this will result in Dumfries & Galloway farms being amongst the biggest losers.

He also cautioned on the implementation of Land Management Contracts, which he felt had not necessarily been successful in France, owing to the increased bureaucracy (4,000 farms had joined against a target of 50,000). Instead, he felt the greatest potential was in adding value to products, and in designing and selling new products.



## **MAKING CHANGE HAPPEN**

Farmers needed to change; however, they were poor at co-operating and adapting to change but they had no choice. The Government had to be realistic, consult and listen to the real issues and there was also a role for interest groups such as the Southern Uplands Partnership to assist the change process and find the shared ground. It was time to stop talking and start acting.

**Michael Williams, FWAG**

*Big Problems? Big Solutions? Real Options?*

The CAP and production grants were based on the idea of a ready supply of high quality, safe food provided from a vibrant countryside by a profitable farm industry. Where has it gone wrong and why has it not worked?

Scotland does produce quality food. The environmental impacts have been questionable and we could do better but the dream of a profitable farming industry has failed with the results of low morale, low motivation, poor returns, aging farmers and a declining rural economy.

The cynical and unsympathetic urban taxpayer is demanding the reallocation of existing resources and this audience will not be impressed by farmers bleating for more. Farmers have to work in the real world.

Most of us want to live and work in the countryside. We want to make it work and to enjoy a reasonable standard of living. The whole subsidy culture has undermined our enterprise, creativity and imagination. CAP reform will be important and there will be moves towards diversification and agri-environment schemes but what is really needed is a big solution and it needs to come from the bottom-up.

So, let's get a big fag-packet and do some thinking. Let's look at ourselves, our businesses and the environment we live in. Then let's take off the blinkers and turn over some stones .

..

Let's identify and audit the skills that are available and whether these skills are being used productively. Is training needed? How could these skills enhance income? Can we pool skills with neighbours and work co-operatively?

He suggested farmers should audit the business, enterprise by enterprise, and do SWOT analyses (Strengths, Weaknesses, Opportunities and Threats). Are these businesses viable (be honest). Question everything.

If it ain't broke – leave it. If it isn't working – adapt it or reconsider it as a concern.

Look particularly at time management. Is there spare time that could be better used? Look at all assets. There is a general need for reliable, hardworking skilled people on part-time basis.

"We must change attitudes and realise our full potential. We are not going to get help from out of the blue. We can not all win the lottery. We need to take on the challenge and get confidence back into the system. There is a lot that can be done at a local level!"

## EXAMPLES/OPTIONS

Woodland resource: There is a huge woodland resource which is currently under valued and often abused. These have landscape value and could be managed.

Tourism: The leisure industry, access, nature-based tourism, local quality. We need to manage this and welcome people with smiles.

Co-operation: Cooperatives. Marketing, labour and skills can be shared to the benefit of all parties.

Incoming capital should be welcomed – not resented - as it can rejuvenate local economies.

Horses are an undeveloped asset in South Scotland and there is scope to make more of the horse skills many of us have.

Conservation and environmental enhancement: We should not be embarrassed to be greener. There are funds to help, it is good for our self esteem and a better environment makes for both higher property values and a more pleasing back-drop for tourism.

We should be proud of our past but we need to change. Now. The challenge is clear. **Can the Southern Uplands Partnership lead the way?**

Alex Fergusson MSP paid tribute to the quiet dignity of the farming community during the FMD crisis and to the excellent response by D&G Council in helping to overcome the disease. He expressed some concern at the possibility that an opportunity might be missed to look at different ways of working in D&G and the Borders as farmers start to restock and return to 'normality'. The Forward Strategy for Agriculture was very welcome but the timespan for delivering the ideas contained in that document would be too slow to meet current needs. He had concerns over the movement of money to the north of Scotland under the HCLA payment restructuring from headage to area payments and that modulation would result in too few winners.

Integrated rural development is important, but we need to define what it means. Above all it means the oneness of the rural economy. Agriculture should look to the approach that forestry is taking. The future will require innovation and flexibility, a reduction in red tape and bureaucracy and the fostering of entrepreneurship.

Henry Birch of Douglas and Angus Estates has been involved with the management of the Douglas Estate since 1986.

He wanted to give an insight into the thinking, the strategy and the vision as to how he hopes to preserve and enhance the Douglas Estate as we move into the Twenty First Century. In his view it is equally relevant to an Estate owner, occupier or a tenant farmer with 200 acres – the same principles apply “adapt and survive, or don't adapt and ..... struggle”.

The Douglas Estate is owned by Douglas & Angus Estates, the Estate Company of the Douglas Home family; it comprises approximately 30,000 in South Lanarkshire on the northern edge of the Southern Uplands, with 17 tenanted farms, let on either traditional Agricultural Holdings Act tenancies or fixed term Limited Partnerships.

The farms are all traditional hill livestock farms dependant upon sheep and cattle. Historically the farming system comprised a mosaic of mixed cropping associated with marginal upland farming and heather moorlands. However, since the 1970s farming methods and techniques have resulted in increased stocking rates and either a monoculture of grass in the fields or more intensive grazing of the heather uplands.

The Estate does not have extensive woodlands, although there are significant areas of commercial Sitka Spruce forestry on



the periphery. The woodlands generally comprise small amenity shooting coverts and shelter belts. Historically these were largely softwood, but more recent plantings have incorporated a mix of traditional hardwoods and conifers as a nurse crop. These have been largely planted for shooting/conservation and amenity purposes.

The heather moorlands degenerated badly during the 1970s and 1980s. However, since the mid 1980s significant work has been done to improve the quality of the heather sward by an improved burning regime, reduced stocking rates and some areas of total exclusion of stock. This has resulted in a significant improvement in the quality of the heather moorland and associated wildlife, although sadly over the last 3 years the heather on both the wetter western moors and the drier eastern moors at Robertson have been devastated by heather beetle.

The community focus of the Estate is the village of Douglas which, like other villages of the Douglas Valley, grew to accommodate a now largely redundant coal mining community in the early part of the last Century. The Estate also has interests in Rigside, Douglas Water, Glespin and Robertson.

Crawfordjohn, unlike the other villages was not affected by mining and is more traditional and typical of a Southern Upland farming community and where the Estate has a particularly strong influence.

Douglas is an area of significant historic interest largely connected with the Douglas family over a period of 1,000 years or so, reflecting in a wealth of history, myth and legend associated with the village (the good Sir James Doulgas, the Earl of Angus and the Covenanters – the Cameronian Regiment, the Douglas Cause and in more recent years, of course, the late Prime Minister Sir Alec Douglas-Home).

Over the last 10 years or so in an attempt to bring jobs and income back into the Valley, the Estate has been successful in obtaining planning consent and for the development of a new opencast coal mine. Consent was obtained in 1998 and during the last 6 months work has commenced to open up the site, in the vicinity of Glespin Village. The duration of the scheme is estimated at between 5-10 years and it is hoped that it will secure 250 jobs during the period. As yet no detailed restoration plans for the site have been agreed, although there is a very substantial bond in place to ensure this is carried out properly.

The Estate has 5 confirmed SSSIs and SNH have now also re-notified the Muirkirk and North Lowther Uplands SSSIs, which are due to be confirmed later this year – a Moorland Management Scheme has been proposed for both of these areas.

## **Objectives**

Looking long term the family's objectives are to:

*Maintain and enhance a sustainable commercial business integrated with the environmental enhancement of the Estate.*

*Improve the long term viability of the Estate by an on-going programme of investment.*

*Enhance and improve the Estate's environmental biodiversity.*

*Create new long term employment and other commercial opportunities.*

*Provide new community benefits.*

*Raise the visitor interest in the Douglas Valley.*

## **Issues facing the Estate**

With the plight of agriculture and little prospect of improvement, 18 months ago the Directors of D&A began to look at ways in which they could try to both safeguard and improve the livelihood of the Estate tenants. The Board decided to have a conference with the Estate tenants to consider what opportunities might exist for cooperation between both them and the Estate and what might be done to try and identify sources of additional income to help sustain the viability of the Estate for the future. The conference was held in February 2001 with invaluable input from the Scottish Agricultural College.

The timing coincided with the introduction of the Rural Stewardship Scheme, which proved a catalyst for discussion; but on a more negative note it took place a week before Foot & Mouth broke out in Northumberland with the result that the immediate follow up was subsequently delayed. A second meeting of the tenants took place at the end of August to try and progress matters further.

**The conference did, however, give rise to a number of ideas and opportunities:**

*Joint ventures and the possibility of operating a co-operative buying group for inputs.*

*A Douglas Estate marketing initiative (or brand)*

*Cross over between the Estate's interests at Douglas and at Hirsel in the east - possibly sending organic lambs and cattle off the hills to be finished on organic grassland at the Hirsel, along with the possibility of using the existing Museum and Craft Centre at Hirsel as a local retail outlet for produce from both Estates.*

They looked at tourism as an option but Douglas is not like Loch Lomond or the Trossachs and does not have enough interest to tempt tourists off the M74 for a day out, let alone to stay the night.

It soon became apparent that the environment gave rise to the greatest opportunities. During 2000 and again in 2001 SNH notified and hope to confirm two major SSSIs – the Muirkirk and North Lowther Uplands, which are essentially for the protection of hen harriers. These two designations cover 5,000 acres of heather and rough grass moorland on the western edge of the Estate. The Estate have objected strongly to both because they feel they are inappropriate, potentially sterilise a huge area from any future development (without any guarantee of compensation) and, whilst theoretically protecting a habitat (which has only survived because the Estate and its neighbours have managed it as they have for very many years), will do little that is positive for hen harrier numbers. On the RSPB's expert's own admission it is not lack of habitat that is limiting hen harrier populations but illegal persecution, and SNH's own independent expert commented last year that an SSSI is not really an appropriate mechanism for protecting hen harriers.

This ongoing disagreement had caused concern that the family, who have historically been associated with a love and understanding of the countryside, were now being perceived as part of the "anti conservation lobby". However, until the issue is resolved and relevant information is released they believe they have no option but continue to object to both designations on scientific grounds

## **Vision**

That said it was the conflict with SNH and concern that the Estate were being seen to be negative that led them to consider the alternatives and they began to develop a "strategy" towards the environmental enhancement of the Estate as a whole, as opposed the piecemeal approach of the SSSI system and previous policy.

Having acknowledged that more could be done to benefit the Estate from an environmental point of view, the opportunities seemed endless. The Estate is about 30,000 acres and comprises a mix of habitats, some of which are good, some indifferent and some are poor but all with scope for improvement to one degree or another, to benefit all types of ecologically important features.

Habitats need to be managed, whether it is a grouse moor, a wood, a river, a pond or an arable field. Management, in turn, requires time, labour and equipment, expertise and cash. Looking at the Estate as a whole it was obvious that most of the physical and technical resources were already available; but the one internal resource that was missing was the availability of finance.

Everyone is aware that support for agricultural production has reduced and will continue to reduce over the next few years; but increasingly more money is available for the

environment by way of ESAs, Rural and Countryside Stewardship, the Moorland Management and other specific schemes.

As a result of this a "Vision" was developed whereby the Estate and its tenants could "plug" into more of this environmental money so as to would provide the opportunity to invest in the ecology of both individual farms and the Estate as a whole by way of payments to the tenants for doing things in an environmentally beneficial way for a variety of different habitats. Some works may be of a capital nature, some by way of annual management and others possibly of an experimental nature; but in whatever form an alternative injection of cash must benefit the community as a whole.

It was felt that if this could provide environmental enhancement on an "Estate scale", and an additional source of income for each individual farmer over and above that that they might otherwise be able to obtain, it must be beneficial for both the long term survival of the Estate as a whole and the individuals seeking to derive a living from it.

## **Implementation**

Over this autumn an environmental audit for the whole Estate will be produced in order that a pilot project can be put together. Environmental aspects might include improved heather management and regeneration, greater diversity of low ground cropping, improvement of hedges, dykes and vernacular buildings, extension integration and enrichment of the existing woodlands, river and wetland habitat enhancement, creation of wildlife areas and corridors, a scheme for the restoration of the Douglas Castle Policies, environmental enhancement in the vicinity of areas of development and a major environmental restoration project for the Glentaggart Opencast site – for which the opportunities seem limitless.

To date the concept of this scheme has been wholly funded (internally) by the Estate, but this is seen as a positive means of "kick starting" the project, which whilst initially being principally beneficial to the Estate tenants, will in the medium term provide a benefit to the wider world by the monitoring and recording of targeted species of birds, mammals and plants etc, develop a deliverable educational/management scheme of sustainable land use, as well as providing constructive information for the Public Sector in order to influence other land use policies and schemes in the future. Having got the basis of the concept agreed the Estate and its tenants are optimistic that they will then be able to put together a package and obtain funding to make the scheme a reality.

It is hoped that in turn these interests will attract people to the area for the benefit of the wider community and if a pilot scheme can be established at Douglas, which can act as a catalyst for the Southern Uplands as a whole, this will begin to encourage people to leave the M74 and for there to be something worthwhile to investigate, not just for a day but possibly longer.

"I don't know whether we have got things right or not, only time will tell; but you can be sure that doing nothing is not an option unless we are prepared to "live on depreciation" and watch the value of our assets dwindle. I, as an eternal optimist, believe that if we are prepared to adapt, we can both survive and those who are really innovative will prosper as well."

## **Questions and the SUP Role**

Richard Williamson, SUP Vice Convenor, pointed out that both the global picture and the local picture had been described and that both were important for the Southern Uplands. It was agreed by all that change was needed and a new approach was required. He reported that, given the opportunity to think afresh about farm businesses and future options, all Buccleuch tenants affected by FMD had chosen to return to what they were doing before the disease struck, however unprofitable that had been. He also reported how hard it was to get farmers to commit to new ventures such as Buccleuch Beef. If another source offered a few pence more per kg they sold elsewhere making reliability and

consistency for a new brand difficult if not impossible. Co-operation did not come easy.

He pointed out that the solution to the problem might be different in the S Uplands to elsewhere since there was no obvious magic answer.

There was a clear need to diversify away from dependency on single products.

If BSE and FMD are not enough to bring about change in the way farmers think and do business, then what do we have to do to stimulate the changes that are needed?

## Questions

Denise Walton pointed out that New Zealand could not be compared to the UK since they had had 15 years to adapt. She also stated that the BFRS study had found that 35% of farms had already diversified to some degree and that these new business ventures brought in an average of 8% of farm income. Countryside sports were vital to the rural economy bringing in £26M per year.

Cllr Tom MacAlpine of Biggar Community Council asked whether there was not a need for the initiative to have a broader base with the industrial sector and tourism sectors being key. He felt there was strong support for the circulated paper.

Cllr Alastair Hewat asked about innovative approaches to the forestry sector and Alex Fergusson responded that there was potential for D&G to be a centre of excellence for forestry. Andrew Campbell agreed that much was happening in this area.

Tony ? asked about adding value to the meat sector in the way that Pinneys were adding value to fish.

Jim Walker responded that there was a need to look at meat processing but that the abattoir sector was already 40% over capacity. Markets however had to be developed.

Ben Graham raised the issue of the attitude of the Council towards planning and thought there was room for more flexible and open approach.

Andrew Campbell agreed and assured that this was being addressed.

A question was also asked about the effect of regulations on those with new ideas. Entrepreneurs were too often stifled.

It was agreed that this was often a problem.

## **John Welbank** of the Bowland Initiative

### *A Partnership Approach to Farm Development and Environmental Enhancement*

John explained the three guiding principles behind the Bowland Initiative which were

**Partnership/Integration**

**Flexibility**

**Farmer Focussed**

The Initiative had been formed to address the need of the agencies to improve support mechanisms and to enhance delivery of support schemes but also to address the needs of the client – ie the farmer. He stressed that the role of the farmer was vital and the Initiative required ongoing support and involvement from farmers. The Bowland Initiative had put in place a specialist facilitation team to work with both the agencies and the clients.

He outlined some of the lessons that had been learnt: Paper and bureaucracy can become debilitating and need to be fought. There is a need to be perceived as separate from the agencies – some of whom have poor relationships with farmers.

There is a danger of being short-termist. It is medium and long-term change that is required and change must be sustainable. Long-term funding is clearly essential for this.



The Initiative had to have: a competent deliver team with sound farming experience/links. Staff were from Land Agency and/or FWAG backgrounds. Even the District Nurse who played a role was married to a farmer.

## **Multi-agency backing**

An agency advocate ie a lead partner amongst the agencies who argued for the initiative: adequate resourcing of core work

*There were 5 linked aims for the Initiative:*

### **1. Marketing**

Established a marketing co-op. Use of the hen harrier as a marketing brand for Bowland products. Dairy farmers were encouraged to work together and woodland thinnings were fed into a new local charcoal business.

### **2. Environment**

All environmental works were checked so as to be either neutral or positive in terms of impact on business. Much use was made of CSS funding but other sources were used for vernacular buildings and such like.

*£567,143 allocated through Countryside Stewardship Schemes*

*£211,000 invested in woodlands*

*Other investment of £326,094*

### **3. Business**

New enterprises such as mobile saws, sheep milking parlours and mobile shearing and dipping units were assisted.

*260 appraisals undertaken*

*117 grants panel approved*

*£881,082 in grants allocated*

*Total cost of projects £3,493,510*

### **4. Training**

735 training days delivered

### **5. Social**

Addressed through the provision of a health worker visiting farms and targeting farmers who are disinclined to visit doctors until often too late.

## **Jan Polley SEERAD**

### *Forward Strategy for Scottish Agriculture*

Jan gave a background to the development of the new Forward Strategy for Scottish Agriculture. This document reflects the true importance of modern agriculture as both an industry and as a steward of Scottish heritage. Its development had sought input from everyone with an interest in the industry and the future of the countryside. Jan described the purpose of the document as both to address the problems faced by agriculture and to influence UK and EU policy, both of which needed to be shaped by local and regional views.



She emphasised that the Strategy contained more than just a commitment to looking at the development of Land Management Contracts. The document contains 54 proposed actions which would result in significant changes in agriculture if all were implemented. Some of the key considerations of the Strategy were:

*the quality and integrity of Scotland's food is one of its strengths;*  
*agriculture is part of rural development;*  
*Scottish agriculture had high environmental standards and these are rising all the time;*  
*agriculture can result in mixed benefits;*  
*whole farm support must be provided;*  
*training, technology and support are vital.*

The conclusions that came from the strategy were:

Agriculture has to be a successful and profitable industry. A healthy rural economy needed a healthy farming industry. Farming was regarded as an integral part of the food industry but farming had to survive in the market. Farms that did not make a profit would not survive. Farmers had to understand their markets and their customers and produce the right product at the right time and at the right specification.

The environment was important and would become even more so. A joined-up approach was needed with good clear advice being made available through the involvement of both farming and environmental expertise. These sectors had to come together since it was almost impossible for a middle-man to come-up with policy that satisfied both and indeed this often satisfied neither. It was possible to find solutions that benefited both that were good for the environment and good for business.

Agriculture has to be seen as a part of Rural Development. Farmers had to make the most of their farm businesses by looking for opportunities to support the rural economy. The opportunities must be grasped to link farm businesses with other businesses in an integrated way in order to create new jobs and hence strengthen vulnerable communities. Planning can help in this respect in allowing people the opportunities to work outside towns and cities. Rural communities may become more vulnerable as subsidies decline and those leaving agriculture have to move into urban areas to seek employment.

Jan then went on to talk about the Whole Farm approach and Land Management Contracts.

World Trade Organisation enlargement was going to have ongoing impacts on farming. Farming differed across Scotland, and the environmental, social and economic needs also differed. This required a flexible system of support. There was an ongoing need to review the situation, to look at available finance and come-up with a scheme that addressed the identified needs. This would take time and Land Management Contracts would not be available for 2 or 3 years.

Finally she touched on the need for Integrated Rural Development which led to integrated prosperity – ie that benefited the whole rural community. Whether an initiative or a pilot was the best way forward was unclear, but she felt that each area of Scotland was different, that different approaches would be needed for different areas, and there should be no preaching of ideas from one area to another. It was, however, important to understand the linkages before trying anything new.

It was also vital to see public funding as a last resort. Projects and businesses should not be dependant on subsidies which are intended to assist change rather than maintain a non-viable system.



## Ken Parker Peak District National Park Authority (PDNPA)

The PDNPA has two functions and one duty:

*to conserve and enhance the environment*

*to provide and promote opportunities for public enjoyment*

*to carry out work in ways that benefit social and economic interests.*

The Park is essentially a farmed landscape. The PDNPA only owns 4% of the area. The PNPA is the planning authority. It works in partnership with land management agencies and has done so since 1974.

Ken believes that the PDNPA cannot achieve its objectives without support and active involvement of local community and local businesses. Local people own and farm the land, live in the villages, manage the businesses. Their ideas and initiatives are crucial.

An Integrated Rural Development project ran in the 1980s working with local people in three different small communities. Total population 748, these communities had been declining but this was reversed through the actions of the local community with the development of 24 businesses – either created or expanded, creating 60 new jobs. 30 farms involved in pilot agri-environment schemes. 43 different community initiatives including building playgrounds, a village hall and extending village school. Cost from public funds was £185,000.

IRD report advocated the three “i”s. as the key concepts.

*social, economic and environmental interdependence*

*take account of local circumstances, not predefined from above ie individuality*

*active engagement of local people in being means of achievement ie involvement.*



All three are considered to be equally important. There are a wide range of local skills which can be harnessed – these need to be sought. The lessons of the Peak District IRD Project are written up in the project report “Two Villages, Two Valleys” and would be a valuable starting point for any new IRD style project in Scotland.

He went on to talk about their new Land Management Initiative which was being sponsored by the Countryside Agency. Currently 90% CAP funds go to production linked support measures (pillar 1) and less than 10% goes to environmental or business development (pillar 2). EU and UK policy is to gradually switch support from pillar 1 to pillar 2. Modulation under Agenda 2000 is the first small step.

There are a number of other funding schemes available for environmental works and business support but these are complex each having different criteria and different application procedures.

Farm incomes are declining and are heavily dependant on public support. “Despite average annual subsidies of more than £30,000 per year, average farm incomes are around £6,000”. (MAFF 2000)

There is increasing doubt about the effectiveness of this support and FMD has highlighted the need to question the reasoning behind public funding for rural areas. The thinking behind the LMI is to take a trial area (90 farms in 8 parishes) and explore the effects of switching all support to pillar 2 – ie support for environmental and business development rather than production. The same money would be spent – but in a completely different way. The plan is to run this for 5 years and monitor the effects.

Criteria which will be applied included:

*Scheme would be voluntary*

*There would be a one-stop-shop for applicants and a single programme team to administer it*

*There would be a single application form for the grant scheme (the Alternative Payment Mechanism - APM)*

*Payment would be on basis of results achieved (not compensation for profits foregone..)*

*A feasibility study has indicated that the scheme could work.*

It is clear from work so far that existing support schemes are unpopular and difficult to deal with. They generate a heavy burden of paperwork (up to a day a week). Existing schemes tend to be “policing reinforced by penalties” – ie negative rather than encouraging positive action. Farmers are aging and the next generation is not keen to take over – where will innovation come from?

Any business has to focus on its major income source, and subsidy is the largest source at present. So farmers tend to farm to the subsidy rather than farm to the market.

At present the imbalance between the two support “pillars” makes pillar 1 the priority – at the expense of pillar 2. There is little time available for farmers to consider the environment when they are trying to maximise production subsidy. Support for production also tends to encourage stocking rates that reduce environmental quality.

The next stage is to sample 10 representative farms to work out the details of the APM (ensuring the scheme meets with the State Aid Guidelines) and then to get approval from DEFRA and European Commission. There is also a need to arrange a system whereby farms can disengage from existing support schemes such that they can rejoin, without penalty, at the end of the pilot. This issue is currently with the European Commission.

Finally the scheme funds need to be found since savings from existing schemes cannot be recycled. Estimated budget is £500,000 per year for 5 years. This will be an issue for DEFRA to resolve once they are satisfied that there is a workable scheme.

The aim is to start the operational phase in April 2001 and discover over the following five years how farmers and other rural businesses will respond to a new set of incentives. The social, economic and environmental impacts will need to be evaluated.

## **Workshop feedback – the following is based on the five group reports**

*What are the main barriers to there being a more integrated approach to Rural Development in the Southern Uplands?*

*Do we understand the market/audience/purpose?*

*do we know who we are trying to help?*

*what are we going to do for them?*

*what is an integrated approach? - we need to explain in straightforward terms*

*Land-use or rural development?*

*Issues are similar to those faced by other industries – do we need farming at all?*

## **Geography**

*sparse population – future projections of workforce availability are alarmingly short of predicted need*

*transport/communications are difficult*

*can we attract new people into areas that are declining*

*we don't know what people value here what makes us different/special*

*Identity of the Southern Uplands – what is it and do we all agree the boundaries?*

*Do we need to raise awareness of what we are?*

*Central belt tends to look North*

*What about England?*

*huge area to cover but, from European point of view, very small.*

*variations N to S and E to W.*

*Local Authorities are different across the area - they have different systems and structures and focus which are a barrier*

*real upland and real lowland areas have different problems, can they co-operate*

*Industrial decay v agricultural problems can the integrated approach tackle both at once  
integration in rural communities not there yet eg tying towns to hinterland*

*Vision is needed – a cultural shift needed in approach/thinking*

*entrepreneurs come into area but find resistance to new ideas*

*especially public organisations unwilling to co-operate*

*need to think laterally – allow new ideas/joint approaches to issues*

*'Aye been like that' attitude betrays a lack of readiness to change*

*Green tourism may be important but how do we ensure economic benefits go to those who provide public benefits?*

*Risks – esp economic risks may inhibit initiatives. Too many official bodies too far away.*

*Are creative people encouraged to be creative?*

*Need to bring together the agencies, businesses and other bodies together to work towards common ends (also council departments).*

*there is a general lack of awareness about what is happening to declining communities within those same communities*

*Initiative fatigue people are confused by which is most relevant and apparent overlaps*

## **Planning systems**

*people wanting to invest can be put off/discouraged*

*new ideas could be supported through the planning process by better expression of community aspirations*

*Community plans need to be linked/joined to Structure and local plans.*

*no one has job to provide integrated approach*

*no one has specific responsibility to deliver*

## **Lack integrated Higher Education to date**

*being addressed by recent developments by Glasgow/Paisley/Heriott Watt in D&G and Borders but intellectual base is missing and will take time to develop*

## **Employment and services**

*Mix of people in communities – 24% agricultural 76% other (D&G) – what are the common needs?*

*Jobs need to be as close as possible to rural communities, not solely centralised in urban locations*

*Aging population and pressure on education budgets.*

*There is a shortage of entrepreneurial skills.*

*Markets may be a long way away. Marketing is very important.*

## **IT services and infrastructure development**

*needs urgent further investment/updating*

*If we wanted to add value to raw products like timber or meat we lack processing capacity*

*Is there suitable accommodation for people coming in to area?*

## **Information, funding and advice**

*There are too many agencies and communication between them is not always good.  
Crucial information is scattered and often unavailable  
Opportunity to enter RSS. Diversification needs to be assisted especially for tenants.  
Need local contacts.  
Match funding difficult to secure  
Funding diversity and complexity puts people off applying  
new business forums, may help address this  
need for flexibility in funding conditions*

## **Political awareness**

*the number of industrial communities in rural area is not recognised  
lack of attention to south Scotland issues  
Red Tape – bureaucracy. Are there rural people in positions of power?  
holding onto power/vested interests means we lack a co-operation culture  
Language can exclude sectors and create barriers pigeon hole people/groups*

## **What are the main issues that we want to address in a Southern Uplands pilot initiative?**

*One-stop-shop to unravel complexity and offer simple infrastructure  
All interests need to be included  
Unified funding – a single pot or simplified sources would be better.  
Geographical area needs to be defined  
Will agencies really work together  
Need to link schemes  
Need some quick wins and early successes  
Community needs need to be identified through listening to them  
Ensure process is relevant, focussed and widely understood.  
Involve Country sports  
Stimulate rural economy  
SUP as the catalyst  
Work with distance and scale  
NB role of environment in adding value  
Create links between agriculture and other activities  
Publicise the tourism opportunities eg cycling  
Exchange info improve info and develop best practice  
Local ownership strategic vision feedback to local ownership through project  
Work with Tourist Board to develop needs and market analysis  
Quality  
Engage with home community  
Grasp the concept of change and do it  
Build on existing initiatives and existing community involvement  
Individuals are important too  
Subsidies:markets – both have a role  
Forestry remains important  
Land-use and inward investment  
Environmentally cheerful farming  
Need for Leadership.*

## **Where in the Southern Uplands should/could a pilot project be tried and on what sort of scale?**

*This question was not discussed.*

## **What should be the key aims of an Integrated Rural Development Scheme?**

*Improve the social, economic and Environmental wealth of the Region with personal prosperity*

*Do not duplicate work already done.*

*Partnerships must deliver synergy.*

*Aims must be readily subscribed-to by all those involved*

*Appeal to all ages*

## **What sort of management/organisational structure is needed to deliver such an initiative?**

*Use Community Councils more*

*IT infrastructure*

*People and Skills*

*Capital*

*A central small body coordinates and makes executive decisions.*

*No more partnerships.*

## **Who are the key players in getting such a scheme off the ground?**

*Community at various levels*

*Farmers*

*Tenant farmers*

*Federation of small business*

*Large Estates*

*Accommodation providers*

*Local Authorities*

*Enterprise Companies*

## **In developing the work**

*use existing baselines from other documents*

*don't reinvent wheels*

*lot of initiatives happening at present*

*communication essential*

*can we group existing activities and avoid need for new pilot?*

*develop awareness of Southern Uplands as a location with people living and working in SU.*

*SUP best placed to scope out project.*

Barbara Kelly thanked all the speakers and contributors for their input to the day and thanked everyone for coming and making the event so stimulating.

## LIST OF ATTENDEES

Name	Company or Organisation	Name	Company or Organisation
Mrs Doris Adens	SBC	Ms Alyne Jones	
Ms Samanta Barber	Scottish Business in the Community	Mr Bob Kay	SLF
Mr Karl Bartlett	FE	Mr Colin Kennedy	Scottish Woodlands
Mr Russell Brown MP		Mr David Kirkpatrick	Cairnhead Community Forest Trust
Dr Colin Brydon		Mr Bob Lee	
Mrs Anna Campbell		Mr Terence Leigh	
Mr Roy Carlaw		Mrs Ann Livesy	Campaign for the future Border Hills
Ms Fiona Chalmers	NTS	Ms Lorraine Luescher	
Mr Stephen Chorley	E Ayrshire Council	Mr John Maddison	S Lanarkshire Council
Ms Louise Cox	SBC	Cllr Tom McAlpine	S Lanarks Council
Mr Stuart Coy	SEPA	Mr Quentin McLaren	Tweed Forum
Mr Derek Crichton	D&GC	Mr Mike McLurg	Nithsdale CVS
Mr Bruce Davidson	E Ayrshire Woodlands	Mr Bill Meadows	FE
Mr Seamus Donnelly	SAC	Mr Nigel Miller	
Mr Peter Duncan MP		Mr Alex Morris	FC
Ms Joanna Edwards	Roxburgh Estates	Mr Donald Muir	BASC
Ms Sarah Eno	SNH	Ms Marion Oates	BTB
Cllr Beith Forrest	S Lanarkshire Council	Mr NSP Parry	
Mr John Forteach	D&GC	Mrs Sheila Pate	
Mrs Ann Fraser	BHS	Mr Ross Paterson	
Mr Charlie Fulton		Ms Ruth Paterson	D&G CVS
Ms Liz Garner	Solway House	Mr Kenneth Phillips	SAC
Mrs Maggie Gordon		Mr P Playfair-Hannay	APRS
Mr David Graham	SWEAP	Mr Barry Rosendale	UCCA
Mr JB Graham		Mr AA Scott	
Mr Roger Grant		Ms Beatrice Scott	Newcastleton & District CC
Mr John Hall	Newcastleton & District CC	Ms Kate Seal	Tweed Forum
Mr Alan Hampson	SNH	Ms Marian Silvester	SLF
Mrs Jane Hannay		Mr James Simpson	Forest Enterprise
Mr Peter Harrison	Forestry Commission	Mr Alex Smith	University of Glasgow
Ms Norma Hart	DGTB	Mr Pat Snowden	SNH
Dr Mhairi Harvey	Glasgow University	Mr Roy Spence	
Mr Antony Heald		Mr Alan Stannett	
Mr Roger Hemming	Scottish Borders Rural Partnership	Ms Shirly Starkey	
Mr Chris Hopkin	D&GC	Mr Colin Strang Steel	
Dr Peter Hopkins	Cree Valley Community Woods	Mr John Taylor	
Cllr Jim Hughes	Moffat and District CC	Mr William Todd	
Mr Paul Ignatieff	Cairnhead Community Forest Trust	Mr Tony Turner	D&GC
Mr Simon Ingall		Ms Moira Weatherup	SWEAP
Cllr Robert Jack	SBC	Mr Malcolm Willacy	Annandale Fishermens Association
Mr John Jameson	GM Thomson & Co	Mr John Wykes	

