

Southern Uplands Partnership response to the Royal Society of Edinburgh consultation, August, 2007.

1) What would you perceive to be the main drivers of change and sources of income generation in upland and island areas of Scotland?

- The changes in support to upland farming from food product subsidy to Single Farm Payment and Less Favoured Area grants which are subject to modulation. There has to be an acceptance by Government that, if upland farming is to survive, it will require substantial continued financial support. Most hill land requires to be managed, whether its use is for stock-rearing, recreation, or habitat protection – or a combination of these. The challenge is to make multi-functional land use economically sustainable through a combination of income-earning opportunities and underpinning subsidy in return for delivering ‘public goods’ – such as an accessible and attractive landscape, biodiversity, flood mitigation, carbon sequestration, etc. The decoupling of subsidy from stock is leading to de-stocking of the hills, particularly of cattle and this is likely to have major impacts on upland vegetation and habitat quality.
- Decline in agricultural incomes and low interest in agriculture as a career is pushing up the average age of farmers and increasing the size of agricultural holdings. Upland family farms are particularly at risk and these are often the more environmentally sensitive.
- Agricultural markets – the current high price of cereals (partly as a result of interest in biofuels) is having a major impact on land-use.
- The combination of lack of well-paid employment for young people and the attraction of the accessible rural areas for retirement and second homes, is leading to serious demographic imbalance in some areas, such as Dumfries and Galloway. Inflation in house prices in line with the national situation and fuelled by the retirement and second home market, plus shortages in the rented housing sector, have led to real housing problems for local young people. The concern about acute labour shortages, particularly in the low-paid jobs, is at present being ameliorated by the influx of overseas labour. While many of these people are well-skilled, they are prepared to accept low-paid employment in areas such as food processing and tourism, unattractive to local people. Whether this is sustainable in the long-term is less apparent.
- Windfarm development – in landscape and community well-being terms (many communities are being divided over attitudes to local schemes).
- Broadband is allowing new businesses to be run from rural locations and this can bring new blood and money into the rural economy although the lack of services in rural locations is often a disincentive and it is important that mobile phone coverage is extended to support creation of new rural businesses.
- Access to infrastructure (eg sawmills, abattoirs, transport networks) is of increasing importance. For example at a time when local food is considered to be important (in terms of animal health, local economy and food-miles) some areas are very vulnerable to the loss of an abattoir. Once such a service has gone, the opportunity to process local meat locally will be lost.

2) What are the attributes of social, cultural and economic value in Scotland’s hill and island areas?

The hills and island are loved because of their high quality landscapes and good quality of life. People want to live and work here because of this and to some extent tolerate lower salaries and poorer provision of services. However, the rural economy needs to generate income if it is to sustain itself and agriculture and forestry no longer generate sufficient. New businesses are needed

and it is inevitable that these will often be based on the high quality of the landscape. Planning needs to be able to allow rural development at the same time as it cares for the asset on which businesses are based. New building in the countryside needs to be carefully considered but should be allowed where the benefits are clear. It is likely that expansion of the rented sector will be of significant importance for local people. Attempts to preserve these areas in "aspic" hamper initiative and discourage innovation and enthusiasm.

There are many individuals in any area who have inventiveness and enthusiasm to create new businesses and many people moving into the countryside do so for "lifestyle" reasons. The businesses many of these people run may not make significant profits but they support local jobs and they keep communities going and they need to be supported.

The hill and island communities are often rich with tradition and culture – and such communities have assets which they can benefit from with help and advice.

3) How will changes in agriculture, forestry and tourism affect the economies of these areas and what scope is there for alternative sources of income and employment?

Changes in agriculture have already had a big impact on the rural economy of Scotland – and these changes are now starting to be felt in S Scotland. The expansion of forestry-based employment in sawmilling and biomass renewable energy schemes is a welcome development. Attention must be paid to 'timber miles' to mitigate the environmental impact of timber haulage. The new Forestry Strategy with its emphasis on recreational use of forests and support for tourism is welcome. As existing commercial forests are harvested, it is important that the appropriate balance is struck, in each region of Scotland, between amenity and habitat planting, commercial timber to sustain industry, and recreational use of forests.

There are economic opportunities in the hills and uplands, particularly in tourism development. In addition to the traditional wildlife and countryside recreational activities, new challenging activities such as mountain biking and the growth of events-based tourism are introducing a different, younger clientele to the hills. It is important that all parts of Scotland, including the Southern Uplands, are helped to develop this potential through investment in training and accommodation. We believe there is scope for development of further niche markets (eg in equestrian and nature-based tourism) but there are few funds available for this sort of project at present. We are of the view that proactive support is needed to stimulate innovation and to nurture new ideas. A scheme called Making Tracks was able to support nature-based tourism for three years until 2005 – and some good projects started as a result. Developments have slowed or even stopped since the scheme closed.

4) What are the impacts of changes to land use and ownership on the landscape, environment and communities of these areas?

In the past, policy decisions have brought about major changes in the uplands. Tax-breaks offered to afforestation schemes resulted in blanket coverage of hills with sitka – with negative impacts on landscape, amenity, conservation and water quality. Rectifying these impacts has been time consuming and costly. Forestry policy is now much improved, but integration is still poor. Care is needed to ensure that the social, economic and environmental impacts are considered, and this can be done using local partnerships or fora. Future policy needs to be much more sensitive to the likely impacts of change – so that benefits can be maximised and negative impacts minimized. The new Rural Development Contracts should offer a means to ensure that public funds are targeted to where they will be most productive but this will require a degree of local control of the scheme and it is unclear as yet whether this control will be given.

Infrastructure improvements designed to help local business need to be supported. The move to remove freight charges from Island ferries makes good sense and should be completed quickly. Local businesses themselves should not be subsidised, but facilities such as local abattoirs to help all local farmers should be supported by the state. This is especially important where Health & Safety and EU regulations add significantly to the expense of providing local services.

For coastal areas, the most important requirement is to correct the current fishing regulation regime. At present, EU pressure on UK waters drives UK fishermen to over-fish local waters. This creates tension and reduces opportunity for a potentially important localised industry, in that local fishing businesses cannot be self-supporting.

5) *What are the implications of climate change on agriculture/forestry/communities in Scotland's hill and island areas?*

The unpredictability of weather that climate change may bring will mean that some areas suffer from droughts and increased loss of topsoils to wind erosion, while in other areas, floods and loss of soils due to water erosion will be a greater problem. There may also be an increase in pests and diseases which affect crops and animals.

If the West will get warmer and wetter, this may increase the importance of creating infrastructure to support industry, as opposed to supporting tourism. If, as suggested, the South and East of Scotland will get dryer, this increases the need to develop attractions which will improve the area for tourism.

There may well be a need to review water supplies and networks. The uplands are a vital source of water and changes in weather (and land-use) will impact on water quality. Extreme weather may increase the number of flash-floods and erosion events – we have already seen cases like this in South Scotland and thought is needed as to how to manage the uplands to maximise their ability to absorb and hold water during such events.

The need to absorb and lock-up carbon may result in the need to develop active peat-formation and this in turn may require changes in land-use policy and support systems.

The drive to develop energy crops has already been mentioned and care is needed to ensure that such a new industry is developed in a way that is sensitive to potential negative impacts to the environment, local community and economy. Already there are plans for huge plants linked to sea-ports which could convert rape seed to biodiesel, but such industrial scale plants may not bring much local benefit other than offering another commodity market to the farmer, and encouraging an increased area of intensive production of rape and potentially drawing-in cheaper raw materials from other parts of the world where environmental protection is weaker. The overall benefits to the climate may be minimal and the impacts on local and global biodiversity and landscape could be major.

We suggest such schemes should wherever possible be on a local scale, and in the Southern Uplands we believe there are real opportunities to develop new combined heat and power schemes running on forestry waste, reducing timber movements and maximizing local energy production and use. Such systems require support if they are to be more than good ideas.

6) *What are the regional variations in opportunities and disadvantage and how can these be accounted for in policies and support structures at the Scottish level?*

There are clearly differences between remote rural areas and rural areas that adjoin urban centres. These require a different approach – and one that works at a much more regional scale than the divide between Highlands and Island Enterprise and Scottish Enterprise for example. The

regionalization of the proposed Rural Development Contracts will allow local priorities to be discussed and agreed as part of the process. We have long called for the breaking-down of the sectoral barriers which have influenced previous schemes. Real public benefits will come when funds are allocated to where there will be clear environmental, social and economic benefits in return for the support. Debate on the local priorities for action is often well advanced through the Community Planning process and building on this work would see much better return for the available funding.

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