

SOUTH OF SCOTLAND ECONOMIC AND SOCIAL DEVELOPMENT AGENCY

This note gives some views on the Scottish Government's proposed South of Scotland Development agency.

My perspective

The HIDB/HIE model of rural areas development is very familiar to me as I was Head of the Industry Department for Scotland's Highlands and Tourism Division 1984-88 and Head of Rural Affairs Division of the Environment Department 1988-91. At the time of the establishment of HIE and SE, I argued that it was important to have a more integrated approach to delivery of government policy for rural areas rather than focussing merely on enterprise.

More recently, I was secretary of the Royal Society of Edinburgh's Inquiry on *The Future of the Hills and Islands of Scotland*, alongside Gavin McCrone, ex Head of both the Industry and the Environment Departments of The Scottish Office. In the report, we argued for a new style of agency, modelled on HIDB/HIE, for the rest of rural Scotland:

"We consider that there is a strong case for more integrated delivery of social and economic development for the rest of rural Scotland outside the Highlands and Islands. Integration of service delivery needs to go well beyond those functions administered by the Scottish Government Rural Directorate under the SEARS initiative. We also consider that there has been a high degree of centralisation in key organisations as a result of government decisions in recent years: the loss of local business expertise and knowledge with the abolition of the Local Enterprise Companies, the loss of local accountability through the abolition of the SNH Areas Boards, and the loss of local understanding and awareness of tourism opportunities through the nationally-focused marketing approach of VisitScotland and the removal of the Area Tourist Boards. We do not argue that all of these structures should be reconstituted. But new ways of operating are needed to ensure that government and its agencies dealing with the Hills and Islands, and rural areas more generally, have a closer knowledge and understanding of the needs and opportunities of these areas, and can deliver appropriate government support in an integrated way.

With the decline of agriculture, the further development of forestry, the opportunities for promoting enjoyment of nature, the need for action to mitigate and ameliorate climate change, and the vital importance of maintaining and developing viable human communities, we consider that a more targeted and focused approach is needed for rural areas outside the Highlands and Islands. In the light of these opportunities and the Scottish Government's decisions on reform of Scottish Enterprise, we strongly recommend that it gives serious and early consideration to the measures that could achieve this.

Recommendation 61: The Scottish Government should give serious and early consideration to integrated policy-making and delivery on social and economic development for those areas outside the Highlands and Islands."

And, for the last decade I have been partly resident in north Galloway and have directly observed the situation and the needs of the smaller and more remote rural communities at first hand.

The issues

The papers I have seen about the new agency indicate a good understanding of the issues in these areas across Dumfries and Galloway and Borders Council areas. Specifically, from my own observations these are: static population numbers, aging demographic structure, low community capacity to deliver all that is expected despite many community activists and expertise in the retired population, decline of traditional manufacturing industries and accompanying large loss of jobs, dominance of public sector jobs, lack of penetration of the tourism industry compared with for example the Highlands, inadequate transport infrastructure and relatively poor transport networks compared with Central Scotland, inadequate penetration of high speed broad band and lack of

reliability of the internet connections, reduction of local government services due to high unit costs of delivery, reduction in health provision in the remoter areas due in part to lack of attraction of trained staff. This is not to paint a dismal and doom-laden view, but that is how it is in many parts of southern Scotland. Hence, the importance of the Scottish Government's proposals and the need to ensure that they actually and urgently deliver real improvements to people and communities throughout the area.

What is required?

What I find missing from the papers is the connection between the analysis of the issues and how the new agency will deliver solutions. I make the following suggestions to help inform the development of the Scottish Government's proposals into reality.

1. Focus on **integrated approaches and solutions** and not just economy and enterprise with social and community issues as a bolt-on added extra. Experience in the Highlands and Islands, as well as in Norway and the Maritime Provinces of Canada, suggests that focusing on one element, such as economy and enterprise, to the exclusion others is unlikely to work.
2. This in turn has significant implications for the **skills and experience of the** people to be employed on the board and in executive roles. The organisation will need to employ people with practical experience of working with, communicating with and activating communities from the level of small towns to the level of small villages and dispersed populations.
3. The integrated approach also has significant implications for the ability to **interact successfully with the client population**. So, the use of the enterprise jargon, which pervades the papers I have seen, will leave most of the population shaking their heads in disbelief.
4. There will have to be genuinely **new money** available to fund the agency, otherwise it will be just shuffling public expenditure from one pot to another. It is difficult to estimate the level at this stage, but at least £20m pa is likely to be required.
5. There are a number of organisational models as the papers point out. The one most likely to be successful is a **dedicated agency** to deliver the integrated social and economic development of the areas and its constituent communities. This will require primary legislation. It would be extremely valuable to establish an interim, non-statutory agency in order to drive momentum, to develop the programme and to develop relations with all parts of the area and, most especially, to ensure that all of the communities of interest feel they have a say and are effectively engaged.
6. There are many other government organisations which play a role in southern Scotland. I do not advocate merging them into the new agency. Rather, it will be essential that **effective working relations** are established at the top level through Memoranda of Understanding, verified by the Scottish Government Minister, as well as codes of practice for working at the local level. Most crucial will be to define the interaction between the new agency and the two local councils, and with the health boards and other government agencies, such as SEPA and SNH. Also, the linkage with the community right to buy element of the land reform policy of government will be vital to release land for community development.
7. **Interaction with the many informal or non-governmental institutions** will need to be established with mechanisms to ensure effective cooperation. Crucial amongst these will be community councils and community associations, town hall and community centre committees, heritage organisations, and specific area bodies, such as the Galloway and Southern Ayrshire Biosphere Partnership.
8. The formal mechanisms available to the agency should be highly innovative, including experimental and developmental funding powers, ability to establish local committees, establishment of social enterprises, funding of the service sector to aid its development where there is market failure, being examples.