



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Rural Economy and Connectivity Committee

**Monday 14 January 2019**

**Session 5**



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**RURAL ECONOMY AND CONNECTIVITY COMMITTEE**  
**1<sup>st</sup> Meeting 2019, Session 5**

**CONVENER**

\*Edward Mountain (Highlands and Islands) (Con)

**DEPUTY CONVENER**

\*Gail Ross (Caithness, Sutherland and Ross) (SNP)

**COMMITTEE MEMBERS**

\*Peter Chapman (North East Scotland) (Con)  
\*John Finnie (Highlands and Islands) (Green)  
\*Jamie Greene (West Scotland) (Con)  
\*Richard Lyle (Uddingston and Bellshill) (SNP)  
\*John Mason (Glasgow Shettleston) (SNP)  
\*Mike Rumbles (North East Scotland) (LD)  
\*Colin Smyth (South Scotland) (Lab)  
\*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)  
\*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Finlay Carson (Galloway and West Dumfries) (Con)  
Ian Cooke (Development Trust Association Scotland)  
Rob Dickson (South of Scotland Economic Partnership)  
Barbara Elborn (Newcastleton & District Community Trust)  
Professor Russel Griggs (South of Scotland Economic Partnership)  
Emma Harper (South Scotland) (SNP)  
Dr Calum Macleod (Community Land Scotland)  
Joan McAlpine (South Scotland) (SNP)  
Bryan McGrath (Scottish Borders Council)  
Neale McQuistin (New Luce Community Trust)  
Councillor Elaine Murray (Dumfries and Galloway Council)  
Councillor Mark Rowley (Scottish Borders Council)  
Gavin Stevenson (Dumfries and Galloway Council)  
Pip Tabor (Southern Uplands Partnership)  
Lorna Young (Indigo Words)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

Easterbrook Hall, Dumfries



# Scottish Parliament

## Rural Economy and Connectivity Committee

Monday 14 January 2019

*[The Convener opened the meeting at 18:30]*

### South of Scotland Enterprise Bill: Stage 1

**The Convener (Edward Mountain):** Good evening, everyone, and welcome to the Rural Economy and Connectivity Committee's first meeting in 2019. We are very pleased to be in Dumfries to discuss the South of Scotland Enterprise Bill, which is the first item on our agenda. I ask everyone to ensure that their mobile phones are on silent. We will hear evidence from two panels of witnesses—first, from local authority witnesses and related representatives and secondly, from representatives of community organisations and small businesses.

We move straight to the first panel. I welcome from Dumfries and Galloway Council Elaine Murray, who is a councillor, and Gavin Stevenson, who is chief executive; from Scottish Borders Council, Mark Rowley, who is a councillor and executive member for business and economic development, and Bryan McGrath, who is chief officer for economic development; and from the south of Scotland economic partnership, Professor Russel Griggs, who is chair, and Rob Dickson, who is lead officer.

Before the meeting, I had my arm twisted to get me to agree that an opening statement would be made on the panel's behalf. I believe that Elaine Murray will make a brief statement.

**Councillor Elaine Murray (Dumfries and Galloway Council):** Thank you, convener—

**The Convener:** Do not touch the button—the microphone will be activated for you.

**Councillor Murray:** That is grand, convener. I assure you that, as a former member of the Scottish Parliament, I know how to count my words and be very brief.

On behalf of Dumfries and Galloway Council and Scottish Borders Council, we very much welcome the bill to establish an enterprise agency. We, along with the south of Scotland alliance of which both councils are part, have long campaigned for such an agency. We believe that its establishment can transform the efforts of current partners and drive forward the economy of the south by connecting efforts around a regional

agenda and providing structure, focus, alignment and momentum. The agency must be built in and for the south of Scotland, so that it gives us collectively the power to address the social and economic challenges that bedevil our large and distinctive rural region and to maximise the potential of our considerable assets.

We are not here to ask for handouts. We are ambitious to transform the south of Scotland into one of the most vibrant rural economies in Europe, which will make a significant contribution to both the Scottish and UK economies. The committee might want to explore some issues further—for example, whether the bill should be more specific on the region's problems and potential or whether those issues are better addressed in the action plan; whether there should be consultation with the board before ministerial directions are issued; and how local accountability is best achieved. There are issues around the bill, but in principle we support it.

**The Convener:** Thank you. The committee has a series of questions for you all. To save any confusion, your microphones will be activated for you. I have been at pains to stress to committee members that they should keep their questions as short as possible, and short answers are therefore also appreciated. If you want to come in, you can try to catch my eye. I will not necessarily be able to bring you all in on every single question, but I will try to ensure that the time is fairly distributed. I have warned members at previous meetings that if I waggle my pen at you, it means that you have nearly expended your time; the wagging gets more vigorous as time goes on. I have not yet had to launch my pen at anyone, but I ask you to bear it in mind that if the wagging gets very vigorous, your time is up, as we want to get through all the questions. The first question is from John Mason.

**John Mason (Glasgow Shettleston) (SNP):** Elaine Murray said in her opening statement that she would like the south of Scotland to be

“one of the most vibrant ... economies in Europe.”

Can you give us a feeling for where you currently are, and tell us what needs to happen, and what should change, over the next 10 or 20 years?

**Councillor Murray:** I will kick off on that. The south has tremendous potential—it has enterprising communities and wonderful natural assets—but we have not so far managed to capitalise on that as much as we could do. Some of the structures for economic support do not respond to some of the challenges that we face. We currently have problems such as demographic change, low wages and poor connectivity that we need assistance to overcome. We believe that, if we can get the correct support for our economy, the region's potential can make a tremendous

contribution to the Scottish economy. It is about how we move forward and succeed, and how, in doing so, we help to bring success to the rest of the country.

**Councillor Mark Rowley (Scottish Borders Council):** John Mason asked about change over 20 years. It will be tricky to get significant change going quickly, so it is right that we look at the long term. In 20 years' time, in addition to a more prosperous and vibrant economy in the south, I would like to see a change in some of the demographic trends. For example, we would no longer be losing all our young people and our population would be growing rather than shrinking. We need to encourage people to come to this part of Scotland to live. It is not just about the south of Scotland alone—the region needs to play its part in the wider Scottish economy, and I would like us to make a significantly greater contribution in that regard over the next 10 to 20 years.

**John Mason:** I will play devil's advocate for a minute. Mark Rowley and Elaine Murray both spoke about demographic challenges. Everywhere that I have heard of, including Germany, is facing such challenges. What is different about the south of Scotland? Do you face extra challenges that other places do not experience?

**Councillor Rowley:** Yes.

**Councillor Murray:** Yes—the problem is more severe in the south than it is in the rest of the country. Our young people leave to go to university and tend not to come back again, and we do not replace them with other young people.

**John Mason:** What about the trend of an ageing population? Again, that is a common problem.

**Councillor Murray:** I am not saying that an ageing population is a problem. The south of Scotland is a beautiful rural area and a lot of people like to retire here. Our region is not as expensive as the lake district or the Yorkshire dales, so it is a popular place for people to come to live. That brings a lot of potential, but there are obviously issues as people get older if we do not have the economy to sustain them.

**Professor Russel Griggs (South of Scotland Economic Partnership):** John Mason asked about our long-term vision. Last year, as we were considering what the new agency should do, we went round and spoke to around 600 local people about what they saw as the future for the south of Scotland. One of the challenges, in their opinion, was how the region is viewed from elsewhere in Scotland. The region is sometimes seen, as John Mason said, as having a lot of challenges to put right, whereas a lot of people in the south think that there are already a lot of strengths here on which we can build.

It was interesting to listen to the comments from the audience in the session before the meeting. If we start to mesh our social side with our farming and forestry, our tourism, our food and drink and everything else that we have, we will have a really strong foundation on which to build our economy over the next 20 years. Over the past few years, we have been missing a different type of connectivity, and we need to look at how all the different parts of our economy work together so that the farmers support the local shops, the community and local tourism. The crafts sector is now at the hub of all that we do in the south. In many ways, it is the force from the bottom, rather than something from the top, that will drive our economy. It was interesting that people raised no real negatives as we went round the region. The people of the south feel that there is a huge opportunity if everything can coalesce into one economy, with everyone talking in the same way.

No one is denying that we face all those challenges, but we should not forget that we have an awful lot of opportunities, some great industries and people, and some great communities. By bringing in our communities, we will create a huge future. Our vision for the next 20 years is to build on the energy that exists among the people of the south of Scotland and turn it into something that they themselves will create.

**Councillor Rowley:** On the point about demographics, it is true that everywhere has challenges, but in this region they are very specific. In parts of the south, the population is shrinking and there is a huge imbalance between young and old. Our written submissions include expected projections for the proportion of people over 75. The mix has to change, and we need to think—a young gentleman made this case eloquently in the earlier session—about focusing more on building a younger society. Part of that will involve making our towns more vibrant and addressing the connectivity issues, which are about not just the number of roads but the number of buses that run on them. There is a huge job of work to do, and the new agency could be incredibly helpful in that regard.

**Stewart Stevenson (Banffshire and Buchan Coast) (SNP):** I have a brief question, to which there will probably be a brief answer. Elaine Murray said that the region aims to be the best in Europe. Are there any ideas about which parts of Europe might have comparable problems and profiles while actually doing well? Given that we are looking at structural change, what are such areas doing structurally that might guide us in how to help the south of Scotland most effectively?

**Councillor Murray:** I cannot answer that question off the top of my head, but the new

agency will be able to look for examples of good practice elsewhere and see how they can be adapted to the south.

**Bryan McGrath (Scottish Borders Council):** The productivity challenge that we face is the flipside of the strong productivity in certain locations in Europe. We need to focus on entrepreneurship, and the new agency needs to drive forward innovation in the broadest sense. That means looking at business improvement rather than just the development of new products, which is what many people mean when they talk about innovation. In that way, we can pull the economy forward and encourage a more diverse range of businesses, including larger and growing businesses, to come to the area.

**John Mason:** Professor Griggs touched on the idea of building the economy from the grass roots up. On that theme, I want to ask about business start-up. The new enterprise board will focus quite a lot on businesses. In the south, is the main issue that we need to get more businesses started—although there have perhaps been more start-ups here than in the rest of Scotland—or do we need to grow existing businesses or bring in big businesses?

**The Convener:** Gavin Stevenson wants to come in, and then I will bring Professor Griggs back in. I am trying to steer a very tight course so that everyone gets a chance to speak. I apologise if I do not get it right—it is very difficult.

**Gavin Stevenson (Dumfries and Galloway Council):** The creation of the new agency is a fundamental opportunity. My answer to John Mason's question would be to say yes on all three points, but I would say that, would I not?

In the past, we have had a problem with access and reach and the availability of markets. We have a geography of many small communities that are not themselves economic drivers, and that has been difficult for business start-ups. The region has more businesses per head than elsewhere in Scotland, and they do not normally come through the public sector. We need to think about how we count them. The main sectors in the region are traditional, with long-established supply chains, and in a low-wage economy people do not have the ability to start up new businesses.

Without digital, which is now coming, access to markets—especially as one moves further west—has been almost impossible. The situation with businesses became almost a self-fulfilling prophecy—dumbing down took place over a period of years. In recognising that we want the agency to be everywhere, in every community, with all the partners present, we have an opportunity to be where the young entrepreneurs are. The R100 digital connectivity programme will

enable our businesses in the creative industries and in new industries to connect. If we make those connections, it will be like the moons aligning at once. If that happens, why would people whose market is Scandinavia, for example, not want to live in a beautiful place like the south of Scotland?

The agency can provide significant capacity in that respect. The councils have done what they can, but our business start-up teams contain less than a handful of people. If we have everybody working in every community in one large connected partnership team, we will start to pick out the people with skills and attract entrepreneurs to come to live here. Why would Tesla not want to build its products here? We are the green lungs—we sit between the central belt and the northern powerhouse. Why would a green company not want to locate itself here, if we can provide the skills and the technology? The enterprise agency can bring together connections in that respect.

18:45

**Professor Griggs:** We want to stop talking about businesses and talk instead about growing enterprises. It does not matter whether the enterprise is a community, a social enterprise, a small business or a large one. We want to see a culture of change through the new enterprise agency, with an understanding that we give support to everybody who wants to help to grow the economy.

Across our patch, there are as many growing communities as there are growing businesses. Those communities are a mix of small micro-businesses, community enterprises and all sorts of things, and we will need a very different support system to work with them. It could be similar to the system that operates in the Highlands and Islands—we went up to look at that, and we saw some good examples that we could take back to our region. We need to recognise that an economy such as ours relies not only on businesses; much of the thought and the growth comes from across the whole community. If we do not recognise a community as a business or as something that we can grow, that will have a detrimental effect, and we will not be doing our work properly.

We will do all those things, but we have to stop thinking that economic development is only about businesses. It is about a raft of other things that we need to grow at the same time.

**Jamie Greene (West Scotland) (Con):** We have heard about why people leave the area—it is partly to do with issues such as local housing supply and transport connectivity, of which there has been criticism. The new agency will not be the great panacea for those problems, many of which are already under local authority control. What

makes you think that the agency will be able to tackle such problems when you, as local authority representatives, have been criticised for not being able to do so?

**Councillor Rowley:** The essence of the agency will be its scale—it will be significantly larger than a small local authority that acts by itself with a relatively restricted budget. Over the past year, SOSEP has been ensuring that all the other agencies are aligned.

In the earlier session today, and in the committee's previous evidence sessions, there were questions about why X or Y agency is not doing more in the area. All those agencies—including VisitScotland, Scottish Enterprise and Skills Development Scotland—will still exist, and will continue to operate across the south. However, the new enterprise agency will provide us with an opportunity to drive those agencies forward and align them, and to call them to account effectively in a way that local authorities sometimes struggle to do. It is the additional heft that the new agency will bring to the work of the other agencies across the south that will make a big difference and start to drive significant and noticeable change.

**Councillor Murray:** I agree with Mark Rowley that it is about alignment. There are already many different agencies working in the region, and the south of Scotland enterprise agency will be an additional body, but it is the final part of the jigsaw. In order for the agency to work successfully, it is important that everybody knows what everyone else contributes and what everyone needs to do. Some consideration must be given to how that is done in practice, because otherwise we could end up with councils doing the same thing as the new agency and bodies not working together properly. The structure will be quite important when the new agency comes into play.

**Joan McAlpine (South Scotland) (SNP):** Thank you for having me at your committee today, convener. I have a brief question for Professor Griggs, who drew a comparison with the area that is covered by Highlands and Islands Enterprise. Can he confirm on the record that the new south of Scotland enterprise agency will have the same per capita funding as HIE, which has been very successful in that particular region of Scotland?

**Professor Griggs:** I can give a very short answer. My understanding is that that is what it says in the financial memorandum to the bill, so that would indeed be the case.

**Colin Smyth (South Scotland) (Lab):** I am interested in the fact that the new agency will exist alongside Scottish Enterprise, SDS and Dumfries and Galloway Council. The bill is currently silent on what mechanism would be put in place to

ensure that there is no duplication or—more significantly—that there are no gaps. At present, the biggest criticism is that there are gaps in the support that is provided to enterprises in the region. Do you have any views on what mechanisms could be put in the bill to ensure that all the agencies work together and that—as Elaine Murray said—everybody knows what everyone else is doing?

**Councillor Murray:** I will volunteer an idea. It could be done through some sort of memorandum of understanding between the different partners on what we all bring to the table and what we expect one another to contribute. That is probably quite important, and the committee may want to discuss it with the Cabinet Secretary for the Rural Economy. We will need to have something in place to ensure that the agency works as effectively as possible.

**The Convener:** Some of it will surely be to do with the dynamics of the person who leads the agency.

**Professor Griggs:** Part of the mechanism is already in place. As is the case with the bill, we are trying to give ourselves room to move as we grow. For example, we have so far agreed with Scottish Enterprise that, on day 1, the new agency will have the same relationship with SE as HIE currently has. The stuff that is done at national level—the Scottish manufacturing advisory service, overseas trade and so on—will carry on. However, as currently happens with HIE, all local services will be provided by the local agency.

As the agency develops, it may well develop some skill sets that are useful to the rest of Scotland. As we grow the three economic development agencies across Scotland, we want to see better sharing of expertise between them; we do not need an expert for everything that we do in every one of the agencies. That will get round the issue of duplication.

The agreement between ourselves and Scottish Enterprise is that, on day 1, our relationship will be exactly the same as SE's current relationship with HIE. The national programmes, including the ones that are operated with HIE, will stay where they are, and the new agency will take over the local services.

**The Convener:** Mike Rumbles will lead the next set of questions.

**Mike Rumbles (North East Scotland) (LD):** As Jamie Greene has kindly asked question 4, which was my first question, I will go straight to question 5. Why should the new agency cover only the Dumfries and Galloway and Scottish Borders council areas, and not South Ayrshire or South Lanarkshire, which—I would imagine—face many of the same problems?



**The Convener:** I do not know who wants to go first—I hope that the fighting among committee members will not extend to fighting between the two councils on the panel. Perhaps Gavin Stevenson would like to start off on that question.

**Gavin Stevenson:** On wage levels, Dumfries and Galloway Council now sits at the bottom of the list of 32 councils—it is below even Western Isles Council—so we need to move apace. By working together through the south of Scotland alliance, we have proven that we have long-developed working relationships. We know and trust each other, and we have shared aims regardless of each council's political colour—we have been able to come together around a shared objective. That will all help us to move apace.

The nature of the economy here is different—it has a different make-up, and there is no dominant large urban centre to draw on. The design for the new agency will allow us to move apace, but that does not mean that, where we see an opportunity to work across borders—for example, between Carsphairn and Dalmellington—the agency would not be stretched. That is a key point in the way in which the south of Scotland economic partnership currently works.

However, the agency needs to be able to move quickly, otherwise our area will be unable to recover. The working relationships that we have developed—in particular, the multi-agency way in which SOSEP currently works under the leadership of Russel Griggs—prove that we can work together at this level. Moving beyond that would start to dilute the agency's ability to move apace. Nevertheless, that does not mean that, on the edges, our opportunities and projects would not extend into the deep rural areas of Ayrshire, as they currently do.

**The Convener:** Do Mark Rowley and Bryan McGrath want to say anything, or do they totally agree?

**Councillor Rowley:** I would always agree with Gavin Stevenson. The south of Scotland—if you look at it as the two local authority areas—is a distinct and understandable proposition. As soon as it starts to take in parts of other local authorities, the picture becomes confused.

**John Finnie (Highlands and Islands) (Green):** Good evening, panel. I have a question for Professor Griggs or Rob Dickson on the SOSEP submission. When I read the “Key messages” section, I wrote, “Where is the south of Scotland?” across it. Key message 9 states:

“The suggested geographic area for the new Agency is correct, but the new Agency must be everywhere in the South.”

Can one of you expand on that? The example of Highlands and Islands Enterprise—along with its

predecessor, the Highlands and Islands Development Board—is often cited, but there are already historical and clear boundaries for that region, which are analogous with the crofting counties. What is meant by key message 9?

**Rob Dickson (South of Scotland Economic Partnership):** As Mark Rowley and Gavin Stevenson said, the basis for bringing the Scottish Borders Council and Dumfries and Galloway Council areas together is the consistent partnership that has existed for quite a long period of time—10 years or more—through the south of Scotland alliance. We definitely believe that the proposition, as framed in the bill, that the agency should cover those two council areas is correct because of the unique nature of the geographic area. Rurality is greater across those two council areas than in the areas that extend into South Ayrshire or South Lanarkshire, or the other Ayrshires. Even on a measure of population density, one can see that the changes are quite stark when one crosses into those other areas.

That is not to say that those areas do not have their own challenges—they absolutely do—but we are clear that the Dumfries and Galloway Council and Scottish Borders Council areas face similar challenges, and have a similar operational base and a similar position on current economic potential and challenges. That is why it makes good sense to bring the two council areas together in SOSEP, as is currently the case, and in the agency as it is formed.

**John Finnie:** The point has been raised in evidence that no matter where we draw a line on a map, people will have comments to make. I will continue to play devil's advocate. People in Peebles, for instance, might identify more with Edinburgh than with Stranraer. Similarly, people in South Ayrshire and South Lanarkshire might more readily identify with Dumfries and Galloway. Do you see any latitude in that regard?

**Professor Griggs:** I will try to answer that. We went to Peebles and spoke to people about the matter. All that I can say is that you are right, but they are also right when they say that they associate themselves with the Borders. Across the whole of the south, a lot of people think that they are different, but as we have gone round and spoken to them, we have found that there are a lot of key issues that affect everybody. I think that the people of Peebles see themselves not only as being drawn to Edinburgh but as playing a key part in the tourism offer in the south. Indeed, if we look down towards Galashiels at what has happened through cycling—which people now see as the key tourism driver for the whole economy in that area—we see that it is very much driven by the south of Scotland and not from Edinburgh.

One of the challenges in doing anything in an area such as ours is that of understanding the key drivers in each community. I go back to what I said about having communities lead what we do, rather than having somebody try to make a decision for all the communities. Nonetheless, while there might well be differences in detail between communities, there will be similar issues across them all.

**Emma Harper (South Scotland) (SNP):** Dumfries happens to be the town where I live—I welcome everybody who is here tonight. It is great that the committee has come to Dumfries.

Gavin Stevenson mentioned political colours. The agency will cover the Scottish Borders and Dumfries and Galloway council areas. When we explore long-term plans and key aims, priorities and goals, how do we ensure that the councils' political colours do not interfere with those objectives? Two local authority areas are involved, and there is all the history that comes with years of election cycles, but we need to ensure that goals are established and that people stick to the plan for the greater good of the whole of the south of Scotland.

**The Convener:** Should Gavin Stevenson answer that question, or would it put him in a difficult position? Perhaps a councillor should answer it.

**Gavin Stevenson:** I am always in a difficult position, convener. I would like to start on the question of politics. My answer is the same as it was in response to a previous question: we need to align the planning processes. I do not believe that anyone of any political colour does not want the same outcomes or does not define success in the same way—for example, having high-skilled jobs, and retaining our young people and providing them with opportunity and choice. If we keep to those strategic aims, how we get there will always be a matter of political debate. However, the critical point for the agency is to have a plan that enables other plans to feed into it in the same language. Too often, especially in the south of Scotland, the language gets in the way, and we end up talking about the same thing in different ways. We need to set high-level strategic outcomes and describe what success will look like in 10 or 20 years' time, align the planning processes and ensure that all the plans take account of one another. The agency will be a statutory community planning partner, and we will use that mechanism to ensure that everybody focuses on the key high-level aims. I have never met a politician who does not want our children to have opportunities, our elderly to be well fed and our area to benefit from good, well-paid jobs. It is important that we get the planning right at that level; there will always be politics lower down.

**The Convener:** It looks as if we are excluding politicians and moving straight to Bryan McGrath.

19:00

**Bryan McGrath:** I want to look backwards in this instance. The south of Scotland has, through the alliance, demonstrated a strong, cross-party, shared view on where it wants to get to. The chairmanship of the south of Scotland alliance rotates between councils each year, and different parties are represented around the table. That has worked effectively, and it demonstrates that there is a shared vision across the political spectrum.

**Councillor Rowley:** Emma Harper asks an interesting question. I have never seen these issues in terms of party politics—in fact, this is the first such discussion that I can remember. Elaine Murray and I are of slightly different political hues. From a Scottish Borders Council perspective, my predecessor in the role that I currently occupy was also from another party but, if he were here, he would be equally enthusiastic about what we are asking for the south. I do not see that issues of small-scale party politics come into the discussion at all.

**The Convener:** For balance, I invite Elaine Murray to comment.

**Councillor Murray:** The establishment of an independent agency might mean that the economic strategy is less subject to the vagaries of the electoral cycle, as it would not be determined by local councils. That said, I agree with the other witnesses. The establishment of a south of Scotland enterprise agency has been in the manifestos of all the political parties—in this region, we have all campaigned for it. When I was in Parliament, I found that members of different parties were prepared to work together for the area's benefit. All politicians across the south of Scotland tend to put the region first and, when it is necessary to do so, they put aside their political allegiance in order to further its interests.

**The Convener:** The next interesting question comes from Peter Chapman.

**Peter Chapman (North East Scotland) (Con):** Good evening, panel. I am interested in the practicalities of the set-up of the new agency, and I have some questions about offices. We want the new agency to be accessible, and it is felt that it should have more than one office. If a headquarters is needed for legal purposes, where should it be? Unlike in the Highlands and Islands, there is no natural capital of the south.

**Councillor Murray:** The headquarters is nominal—it is required for legal purposes, and therefore it does not really matter where the building is situated. What matters is that the

agency works across the south and co-locates in offices, whether that is with the public sector, the private sector or social enterprises—whichever location is most appropriate in a particular community. It will work throughout the south rather than from a spanking new headquarters building in Dumfries, Peebles or wherever.

**Councillor Rowley:** I echo that. The bill tells us that the Scottish ministers will make a decision on where the nominal headquarters will be. However, rather than seeing one big shiny brass plaque and a reception desk somewhere in the south of Scotland, I want to see plaques across the region that say “South of Scotland Enterprise is here”. The agency needs to be absolutely embedded in communities across the region. It might go to a tiny community only on a Tuesday afternoon or when it has specific appointments, but the vital point is that it should get out there.

Members have already drawn our attention to challenges around the scale and extent of the agency’s reach, issues of rurality and the differences between communities. That is why the south of Scotland enterprise agency needs to be in all those places across the south.

**Professor Griggs:** The headquarters will really be just a mailing address. We do not use the word “everywhere” lightly—we strongly believe that, whenever people need to access the new south of Scotland enterprise agency, they must have the means to do so locally. I go back to a point that Jamie Greene made in the earlier session about how we use our resource. A lot of our resource will go on co-location with community organisations, social enterprises and businesses; we will have hot desks everywhere. That will allow us to use our resource funding to create an economic driver by providing extra income to those places. Of course we will have a place to which all the mail will go, but it is really important that everybody in the south of Scotland believes that they can access the agency locally. That will guide resource planning for our infrastructure or—as somebody called it the other day—our Tube map for what happens across the region.

**Peter Chapman:** I have a lot of sympathy with that idea; co-location is one way to do it. If you want to run as many offices as you possibly can in a cost-effective way, it is probably the only option. However, if the new agency co-locates across the south, how do you see it developing its own identity? Will it lose its identity somewhat if it is always located alongside other organisations? Is that a possible danger?

**The Convener:** I see that Rob Dickson is nodding.

**Rob Dickson:** It is a challenge, but—as the committee has heard from the way in which the

questions have been answered and from the discussions in the earlier session—the agency is keenly anticipated. I was sitting at the back of the room earlier when the convener asked for a show of hands in favour of the agency’s establishment, and the vote was unanimous—or perhaps not quite; I might be exaggerating slightly, as there was perhaps one person against it.

The fact that people in the south want the agency to be established means that there is fertile territory for its creation. Of course, as a new organisation, it needs to do an excellent professional job of raising awareness and building a strong identity, but I believe that the existing public sector players genuinely want that to happen because they see the agency as helpful. In addition, businesses and communities want it to happen. We visited 26 events around the south, and we were told so unequivocally in every location.

**Peter Chapman:** That is fine.

**The Convener:** Perfect—we move to the next question, which is from Stewart Stevenson.

**Stewart Stevenson:** I am looking at the wording of the bill. Section 5(1) sets out four aims, which are to do with

“economic and social development ... amenity and environment”.

Section 5(2) gives a long list of further actions that the new agency would take; I will focus on one or two of them. They include

“encouraging business start-ups and entrepreneurship”

and

“enhancing skills”.

However, those areas are clearly the responsibility of other bodies, and may remain so. We heard from Russel Griggs and Elaine Murray about a memorandum of understanding. However, given the granularity of those various cross-cutting actions, are there particular challenges in how we ensure that they are on the list not only for the new enterprise agency but for other agencies? Alternatively, should we simply eliminate them from other agencies’ lists?

**The Convener:** Who would like to go first? I should have said at the beginning that, if you all look the other way when a difficult question is asked, I will end up nominating somebody. On the basis that you all looked the other way, I nominate Mark Rowley to start.

**Councillor Rowley:** Thank you, convener. No, I do not think that we should take responsibility for various things away from other agencies. When the agency is established, it is very much for the board to draw up a work plan and define who is doing what and who will push particular projects. I

think that Russel Griggs and Rob Dickson would do better than me at answering the question. The indications are that the south of Scotland economic partnership, which is the interim body leading up to the establishment of the new agency, has been successful in bringing national organisations to the table and asking them to do some heavy lifting, and in co-ordinating work with local authorities.

**The Convener:** Before I bring in Rob Dickson, I see that Gavin Stevenson has half-offered to answer the question.

**Gavin Stevenson:** I thought that Rob Dickson would jump in first. If we simply shove everything in one basket, we might create another beast, given that a public body, by its very nature, will grow itself. We want something that is focused. In the past year, we have proved, by working with Russel Griggs and Rob Dickson, that we can keep responsibility where it is and retain single accountability. Within the partnership, we all feel singly accountable.

Our experience has proved that we can work together if we have a framework for doing so. The partnership arrangements have given us a framework that enables us to build trust between bodies. Let us not create another beast with a life of its own—we need to split responsibilities with a scalpel, but we also need underlying joint accountability among all the partners. That needs to be framed in the planning and accountability processes. We want to be accountable as a partnership for the economy of the south, and we view the enterprise agency as essential to fill the gap that currently exists.

**Stewart Stevenson:** Before we move on, I want to be absolutely clear about something. You referred to responsibility and accountability. Are you looking for the other agencies with which the new body will work to be formally accountable to the new enterprise agency, or were you trying to say something slightly different?

**Gavin Stevenson:** Bodies are singly accountable. Everybody needs to agree on the plan that is created. For example, Skills Development Scotland is preparing a south of Scotland skills plan, and we need to ensure that everybody who commits to the plan is accountable for delivering it. It is not about us being accountable to the enterprise agency—as partners under community planning legislation, we should all be accountable to one another. In the past 12 months, we have been testing the ability of the partnership to withstand those tensions.

**Stewart Stevenson:** Sorry—I really want to bottom the issue out. Are you suggesting that, if SDS has developed a plan, possibly at the behest of the new agency, it should be appearing before,

and reporting and accounting directly to, the new body? Shared accountability is no accountability—forgive me, but with my business experience, that is how I look at things.

**Gavin Stevenson:** We should not create a governance beast, but you are quite right—if I agreed to deliver a plan as part of a partnership, I would expect to be called before others if I failed to deliver.

**Stewart Stevenson:** That is fine.

**The Convener:** I will bring in Rob Dickson, and then John Finnie will ask a supplementary. Rob, I ask you to be brief—you might get another bite when John has asked his question.

**Rob Dickson:** Thank you, convener. Gavin Stevenson has put his finger on the essence of the issue. We, under the partnership as a temporary arrangement, have been asked to build a new model and take a new approach. At an official level, I am charged with bringing together and co-ordinating the work of the seven public sector agencies.

At present, we are working in a partnership—that is our title. The willingness of the partners to sit around the table and contribute their resources in new and different ways has been one of the most exciting things that the partnership has been able to achieve in the past year. Initiatives such as a new assistant director for the Scottish Further and Higher Education Funding Council, which the committee heard about earlier from Michael Cross; the additional money that VisitScotland has been able to invest in the south; the SDS regional skills investment plan; and the £6.6 million that we have invested with the colleges have all been enabled by the new model.

The focus on delivery has been brought about by the presence of the partnership, but the organisation that is responsible for the delivery of each element remains the best-placed agency to do that particular job. I think that that is what Stewart Stevenson was driving at. The accountability needs to sit with each agency, which is positioned clearly as delivering something in the south for which it should be accountable, in time, to the south of Scotland enterprise agency.

**The Convener:** Stewart Stevenson's question has sparked a lot of supplementary questions.

**John Finnie:** With regard to the question about duplication, the one aspect that would mark the proposed agency as different from the current set-up is its social remit. I apologise for repeating what some people will have heard in the earlier session. Section 5(2) of the bill sets out six actions, five of which relate to economic and social development and only one of which relates solely to social development—it is quite narrow and refers to

“supporting community organisations to help them meet their communities’ needs.”

In my view, that last action is key. Is there an opportunity to look at things differently? One of the contributors to the discussion in the previous session talked about indicators for wellbeing. Is there an opportunity to consider that, although we want jobs, we might perhaps move our focus away from the balance sheet and concentrate on some of the fairly intrinsic things that make a community a good place in which to live?

19:15

**Professor Griggs:** I heard the earlier discussion, but I do not agree that the action to which John Finnie refers is the only such aim in the bill. His view rests on an assumption that only business can achieve the other listed aims in section 5(2), and I do not believe that that is the case. I believe that communities, social enterprises and all sorts of other bodies can be involved in the actions that are listed under paragraphs (a), (b), (c), (d) and (e). There is a spread of organisations. We are fixated on the idea that only businesses can deliver on those aims, and I do not agree with that. The bill is fine, as long as we place it in the context of what we are talking about, which is the need to get everybody, not just businesses, to contribute to economic development in the south of Scotland.

**John Finnie:** I should have said that my question was based on evidence that the committee received. Would you like to comment on whether there is an opportunity to view things differently? People talk about the humankind index and factors such as wellbeing that do not show up regularly on a balance sheet, but which are very important.

**Professor Griggs:** They are indeed. When we were asked to create the new agency through the partnership, we were asked to be creative and innovative, and to look at what was already there and decide whether we wanted to change it. We will do a lot of that. For example, with regard to the aim in the bill of “supporting inclusive economic growth”, we are just about to finish a big piece of work in the south of Scotland that involves asking what that looks like for the region. I would be happy to share that work with the committee.

Gary Gillespie’s economics team has pulled up all the stuff on inclusive growth, and we have had people talking to businesses and communities about what an inclusive growth model would look like for an area such as ours. We are trying to be innovative and see what we can change about how some of the bodies work and how we do things. We are now going to speak to farmers, foresters and small rural retailers and bring them into the way that we support businesses and

communities in the south. We need to look at how we do that and consider the changes to the rule book that we might have to make.

**John Finnie:** You always have to include the word “growth”, presumably.

**Professor Griggs:** Growth is an interesting word. If every business in the south of Scotland grew by 2.5 per cent, we would not be sitting here having this discussion.

**John Finnie:** If communities grew—

**Councillor Rowley:** If communities grew, we would not necessarily be having this discussion.

**Professor Griggs:** That is absolutely correct—I am contradicting myself. Growth is an interesting word, but the trouble is that it gets hooked up with the idea of businesses that want to grow at huge rates. That is not what growth is about. The little arts centre in my community of Sanquhar has grown from a small place to the point at which it has re-established Sanquhar knitting throughout the world, which has spun off another two businesses. In our little community, that is huge growth. That is the type of thing that we have to support. We need to understand that growth is not just about growing big companies.

**The Convener:** I think that we have taken that issue as far as we can in the time that we have available. Finlay Carson has a quick question.

**Finlay Carson (Galloway and West Dumfries) (Con):** I want to go back to what Rob Dickson said about all the different agencies coming together to deliver a plan. Would that plan be put together by the agency and subsequently approved by the Scottish Government? Would the various agencies be held to account for the plan or the enterprise board’s aspirations, or would they simply be expected to deliver on it? Who, ultimately, would make the plan? I presume that it would be the agency, and that the plan would then be approved by the Government. Would VisitScotland, SDS or Scottish Natural Heritage have to deliver on the aspirations in that plan?

**The Convener:** We will come on to plans in greater detail because there is a wider question there. Rob Dickson can answer the question briefly, but I would be happy to park the issue of accountability for plans until slightly later in the meeting.

**Rob Dickson:** I can answer the question in one word, which is yes.

**The Convener:** Perfect—it never happens on this committee that someone keeps an answer to one word. Let us see if we can get a short question from Joan McAlpine to follow it up.

**Joan McAlpine:** I go back to Stewart Stevenson’s original question about the different

agencies and partnerships. The creative industries have come up in a lot of the submissions—I know that that sector is a priority for a lot of stakeholders in the region. I wear another hat as convener of the Culture, Tourism, Europe and External Affairs Committee, and I know that there is enormous potential for job creation in the creative industries. However, we also know that there are tensions in the way that the creative industries are currently dealt with by different agencies, given that responsibility for them falls between Scottish Enterprise and Creative Scotland. I wonder whether Professor Griggs is aware of the existing tensions, and if he could say how they will be addressed when responsibility for the creative industries passes to the new agency?

**Professor Griggs:** Yes, we are aware of those tensions and yes, they will be dealt with when responsibility passes to the new agency. I have tried to keep my answer brief.

**The Convener:** So that is all under control and it has been dealt with. On that note, Stewart Stevenson has a follow-up question.

**Stewart Stevenson:** I will make this my last question for the panel. We have talked about what is in the bill and what the new body will do. However, Newcastleton & District Community Trust has told us—I suspect that others might say the same—that it has concerns that the bill does not cover certain areas such as infrastructure decisions on transport and connectivity. Given that such matters will be important in ensuring that the agency is a successful innovation, what relationship to decision making on those subjects, and perhaps one or two others, should the board and the agency have?

**Councillor Murray:** It is difficult to say what should be in the bill and what should be in the action plan; there is a tension there. We could include in the bill other important matters that we have spoken about today, such as the need to reverse demographic change, improve connectivity and promote cultural and natural heritage—

**Stewart Stevenson:** I will help you out a little bit. I am looking at section 5(2), which simply sets out a list of what the agency's remit "includes". The things that I mentioned are not on that list. Should they be?

**Councillor Murray:** There is an argument that they could be on the list; the committee would probably want to discuss with the Cabinet Secretary for the Rural Economy where exactly such matters should sit. As I said, some of them will be very important to the agency's success.

With regard to the earlier question about accountability, there is an important issue there. The new agency will be accountable to ministers,

but it does not say anywhere in the bill that it will be accountable to the people of the south of Scotland. That merits some discussion as well.

**The Convener:** I guarantee that we will come on to that point later.

**Councillor Rowley:** I would hope that topics such as connectivity, and digital connectivity in particular, would drop off the work plan in a few short years, as they will have been sorted out. There is no bigger critic of rural broadband in my part of the world than I. However, it is important that the bill is a high-level and enabling piece of legislation, and that it looks forward across 10, 20 and even 30 years and will still be relevant then. The topics that have been mentioned are very much for the board to tackle through its work plan.

**The Convener:** Everyone hopes that the issue of broadband connectivity will be fixed very shortly.

**Richard Lyle (Uddingston and Bellshill) (SNP):** It is clear that the panel members have high expectations for the new agency. I remind them that no council will be running it. How should the agency be managed, given that positive outcomes may take years to achieve?

**The Convener:** Who would like to lead on that? You are all doing it again—you are looking away.

**Councillor Murray:** To be honest, I am not sure that I totally understand the question. Richard Lyle said that no council will be managing the agency. I do not have any aspirations for the agency to be somehow managed by local authorities. The local authorities will work with the agency.

**Richard Lyle:** I have known you for a long time, Elaine, and I am sitting here with the feeling that the council wants to get its fingers into the management.

That aside, if we take on board the idea that there will not be positive outcomes for many years, who should be managing things?

**Councillor Rowley:** I disagree—I think that positive outcomes will come very quickly. This week, SOSEP announced that, in partnership with Scottish Borders Council, we are opening a textile centre of excellence in Hawick. The centre will start its work in a few weeks, so a good outcome will be delivered before the agency is even up and running. However, the benefits will not only be short term. Many big structural changes, and the region-wide demographic and economic challenges, will take longer to implement and address. On the simple question of who is there to run things, the agency will be there to do so once it has been established by ministers. That is why it is important that there is an incredibly good and rigorously chosen board that will hold the agency's officers to account.

**Richard Lyle:** Should the councils be represented on the board?

**Councillor Rowley:** I initially thought that the councils should be represented on the board, but now I do not think that they should. The board has to run things, and councils have to become very good and critical friends of the agency once it is established. We will probably have a much louder voice if we direct our comments to the agency from outside, rather than being on the board and having to sit on our council hands.

It was mentioned in the earlier session that the board needs to be packed with people who have exactly the right skills; I suspect that, if we were to stick a couple of councillors on the board, they would not be high on that list. The Scottish Borders Council submission makes it clear that we want to see local accountability through an expanded south of Scotland alliance that is heading towards the Highlands and Islands accountability model.

**Professor Griggs:** In the end, it is the people of the south of Scotland who should manage the new agency while a governing body runs it from day to day. It is no coincidence that the first large amount of money that SOSEP spent, which will go through into the new agency, was directed at ensuring that more young people in the south were trained in various skills. That came about as a result of listening to the people—we spoke to 600-odd people about what they most wanted us to do in the region, and they said, “We want to keep our young people.” One of the ways that we can do that is by ensuring that young people receive skills training here.

As was discussed in the earlier session, the board of the new agency will need to have tentacles or set up groups—however we want to do it—to reach out to the business community and the community in general, as well as to the whole population. In many ways, my answer to Richard Lyle’s question is that the agency has to be run by the people in the south of Scotland. In the end, if they do not like the south of Scotland enterprise agency, it should not have been set up in the first place.

**Richard Lyle:** I totally agree with you in that regard.

I will move on to my next question. The committee has heard that the new agency will not be given specific powers that both Scottish Enterprise and Highlands and Islands Enterprise currently have, such as the power of compulsory purchase and the power of information request. Do panel members agree that the new agency should have the same powers as SE and HIE in that regard, or perhaps even more powers?

**The Convener:** I will take one answer from a representative of each council and from Professor Griggs or Rob Dickson. Who would like to head off on that?

**Bryan McGrath:** We have closely considered the issue that Richard Lyle raises, and we do not think that there are any broad powers missing. Compulsory purchase is a classic example of an area in which the agency could meet its aims through partnership work with local authorities. It could build on the strong partnerships that would be in place to ensure that the powers that are currently vested in local authorities could be used in any rare instance in which compulsory purchase was required. If there is close partnership working, those additional powers are not needed.

**The Convener:** Does Elaine Murray want to come in? I should point out that HIE has never used its power of compulsory purchase.

**Councillor Murray:** I am not hugely exercised about whether the new agency has a power of compulsory purchase or whether it can compel people to give information under criminal law. I do not think that those powers will be crucial to the new agency’s work.

On the issue of accountability, a case could be made for having councillors on the board; there is a parallel with health boards and so on. I am more concerned about how people are held to account by local communities, and I would like reports on the action plan to be sent back—as they are from Police Scotland and the Scottish Fire and Rescue Service—to local authorities or to area committees, so that people in Wigtownshire or wherever can see how the agency is working for them and their community.

**Mike Rumbles:** Let us go back to the first question that Richard Lyle posed. He asked about managing the very high expectations that people have of the bill. There was a similar situation with the bill that became the Islands (Scotland) Act 2018, which the committee considered. The legislation before us is an enabling bill that sets up an agency, but nowhere does it discuss resources or money. From what I heard in the earlier session, it is clear that expectations are very high. Does anyone have any comments to make about the lack of any mention of resources in the bill?

19:30

**Councillor Rowley:** The financial memorandum makes it clear that ministers are looking, at least initially, to ensure that there is direct parity on a per capita basis with the budget for Highlands and Islands Enterprise.

**Mike Rumbles:** Would that not lead to a reduction in the Scottish Enterprise budget?

**Councillor Rowley:** You will have heard, in some of the discussions at the committee's previous meetings and in the earlier session today, that there has not been quite as much Scottish Enterprise activity in the south as a lot of people would have liked. However, I would not expect the SE budget to be cut just because the new agency is being created. The creation of a south of Scotland enterprise agency is about holding those national agencies to account at a regional level.

**Mike Rumbles:** Sorry, but I think—

**The Convener:** I would like to bring in John Mason on that point, and I know that Gavin Stevenson and Russel Griggs want to answer the question. I will try to spread the discussion out a bit.

**John Mason:** My question is on the financial side—I will play devil's advocate a little. Can any of the panellists justify the new agency getting the same amount of funding as HIE gets? Highlands and Islands Enterprise covers an incredibly big area with umpteens islands, which presents it with huge challenges. Surely the challenges in the south of Scotland are not as great.

**Councillor Murray:** The suggestion is that there should be funding parity with HIE per capita rather the new agency getting exactly the same level of funding.

**John Mason:** Yes.

**Councillor Murray:** We may not have islands here, but we have some extremely remote communities in both Dumfries and Galloway and the Scottish Borders.

**Mike Rumbles:** I would like to pursue the point. It seems to me that the witnesses are engaging in creating very high expectations. Perhaps that is a good thing, but I am worried. The same situation arose with the Islands (Scotland) Bill. We went to Orkney and Mull, where people had equally high expectations. They believed that, when the bill was passed and island proofing was put in place, things would magically change immediately and everything would get better. Resources were not mentioned in that bill, nor are they mentioned in the bill that is before us. I find it strange that the witnesses believe that an awful lot of extra money is going to come from somewhere and that the Scottish Enterprise budget is not going to be cut. Is it not the same money?

**The Convener:** I will bring in Gavin Stevenson. I am afraid that we will then have to move on to the next question, purely because time is limited.

**Gavin Stevenson:** First, we have entered the process in good faith over the past 10 years, and we are looking for additional funding—it must be an addition to what we currently get. It is about

having a larger rather than a smaller cake. Funding will be a matter for the cabinet secretary to decide in his bill, and we will hold him to account locally.

Secondly, the funding must be sustained. Highlands and Islands Enterprise was not a success overnight—there was sustained investment to enable it to make long-term plans. We have suffered from the lack of such investment. It is also recognised that an agency cannot spend the whole budget from day 1, given the vagaries of Government accounting. We are asking for a commitment that the cake must be larger than the one that we currently have.

**The Convener:** Russel Griggs is nodding.

**Professor Griggs:** I could not say anything else on that issue.

**The Convener:** Thank goodness—I am not going to fall out with you over not bringing you in. Colin Smyth will ask the next question.

**Colin Smyth:** Let us return to the issue of local accountability. Rob Dickson mentioned that it is important that the new agency is accountable to the south of Scotland, and Russel Griggs said that, to be frank, if the people of the region do not like the agency, it should not exist. I have the bill in front of me. In the section on accountability, there is absolutely no mention whatsoever of any local accountability. How should the agency be held to account locally? There is no mechanism in the bill to allow that to happen. Good will is fine, but it may not always be there.

The bill states that ministers will appoint all the members, and it goes on to say that the agency

“must comply with any direction issued ... by the Scottish Ministers.”

It also states that the agency's action plan can be changed by ministers. Unlike the situation with Highlands and Islands Enterprise, there is no legal requirement to consult the agency before such changes are made. There is a lot in the bill about the agency's accountability to ministers, but there is nothing at all about its accountability to the most important people in the process: those who live in the south of Scotland.

**Rob Dickson:** Councillor Murray touched on that point earlier. My way of addressing that challenge—which is legitimate and important—is to describe what I see as almost a triple lock. There is ministerial accountability on the organisation. In addition, as Councillor Rowley and Councillor Murray said, it must be accountable to local elected members. The evolution of the south of Scotland alliance into something similar to the convention of the Highlands and Islands, in order to allow that to happen, will be very successful.



The structure will take some time to develop, but I think that it will work.

My understanding is that the new agency will be a statutory partner in the community planning partnership. As Councillor Murray said, I expect and anticipate that it is absolutely four-square a prerequisite of the agency that it reports area by area to whatever area arrangements each council has. Those arrangements could include area committees or the local area partnerships that we have in the Scottish Borders. In other words, the agency should be visible to those people who will make the judgment that Russel Griggs identified. Those to whom the agency is accountable will include senior councillors, through a convention model; local ward councillors and community interests, through a local area partnership discussion; and the minister. That triple lock provides accountability across a range of needs.

**The Convener:** If there is to be a plan—a 10-year plan was suggested in the earlier session as a reasonable timeframe—should Parliament scrutinise or oversee it, or is it sufficient that scrutiny will take place at a local level?

**Rob Dickson:** I expect the agency to have to plan in a similar way to Scottish Enterprise and HIE. My understanding is that that planning process works pretty well. I believe that, with local development and discussion, and with the board agreeing a plan, it would be beyond comprehension that that plan would arrive without any public consultation with the minister or local stakeholders. I cannot foresee that that would happen. At that point, the minister would be accountable for the plan. I expect that the minister and the chair and chief executive of the agency will sit here in years to come while the committee has a look at the plan and at what has been delivered in the previous year.

**Colin Smyth:** I hear the phrase “triple lock”. However, the bill is clear that the agency is accountable to Government ministers, who can change the action plan without even consulting the agency, never mind the local council or other stakeholders having a say on the matter. Where is the lock in the legislation? Do we need a mechanism in the bill to underpin what you are saying? There is currently nothing at all in the legislation to ensure that what you say you want to happen will actually happen. The bill as it currently stands does not mention local accountability. Other panel members may have views on how local accountability can be ensured. We can have a lot of ideas, but, unless they are underpinned by legislation, we are wishing for something to happen rather than making it happen.

**Rob Dickson:** I genuinely think that that is a question for the cabinet secretary to answer. I have set out how arrangements could be made

locally that should satisfy the needs of local populations, communities and elected members.

**Councillor Murray:** I do not think that the ministers should issue directions without consultation. I understand that such consultation is in the legislation that relates to HIE, and I think that the same respect ought to be shown to the board of the new agency. It might be well worth considering whether local accountability should be included in the bill, because that is currently an omission.

**Colin Smyth:** Let us turn to the issue of engagement and the need to involve the community in the board's decisions. There has been a lot of discussion about the importance of young people and the demographic challenge that we face. Is there sufficient provision in the bill to ensure that the new agency consults key stakeholders, such as young people, in the region?

**Professor Griggs:** That goes back to the point that Stewart Stevenson made earlier and the comment from Mike Rumbles that the legislation is an enabling bill. There is enough in there, especially given all the conversations that we have had. Over the next six months, Rob Dickson and I will visit every high school in the area to ensure that young people have a say in the process. How we then proceed as the board comes into play will relate to all the enabling work that we do as a result of such consultation.

There is plenty in the bill. If we include young people in the bill, we will start to get into the question of who else we should include. I am content that there is enough in the bill, and in all that we have heard from everybody else, to enable us to say that, if we do not have young people at the centre of what we are trying to do—not just through the partnership but through the agency that will follow it—we should not be doing what we are doing.

**The Convener:** I am sorry, but we have run out of time. I know that I have upset two members of the committee because I cannot bring them in, but I am afraid that our time is up because we have another panel today. I thank those people who have come along to give evidence. I overheard someone speculating earlier on whether Professor Griggs would be made to squirm during the meeting. I do not think that that has been the case—all your evidence has been very useful, and I thank you very much for attending.

19:40

*Meeting suspended.*

19:43

*On resuming—*

**The Convener:** We move to our second evidence session this evening. I thank you all for coming. Pip Tabor is partnership manager for the Southern Uplands Partnership; Ian Cooke is director of the Development Trust Association Scotland; Dr Calum Macleod is policy director for Community Land Scotland; and then we have Neale McQuistin—I hope that I did not get his name wrong. Have I pronounced it right?

**Neale McQuistin (New Luce Community Trust):** That is exactly right.

**The Convener:** Thank goodness for that. Neale McQuistin is a board member of the New Luce Community Trust; Barbara Elborn is secretary of Newcastleton & District Community Trust; and Lorna Young is a consultant for Indigo Words.

You will have seen some of the previous session—you do not need to push the buttons on your microphones, as they will be activated for you. If you want to say something, you should try to catch my eye and I will bring you in. We are quite tight for time, so I hope that short answers will follow short questions. The first question is from the committee's deputy convener, Gail Ross.

**Gail Ross (Caithness, Sutherland and Ross) (SNP):** I thought that it was John Mason next.

**The Convener:** No, it is you. I am sorry—I have now wrong-footed the deputy convener.

**Gail Ross:** Apologies. Thank you for keeping me right, convener.

We have heard a lot during the committee's previous evidence sessions, the earlier session today and the evidence session that has just ended about the major challenges that face the south. However, we have also heard about all your assets and strengths. What are the major strengths and assets on which we can build, and what are the major challenges that the bill, by creating the new agency, can seek to address?

19:45

**Dr Calum Macleod (Community Land Scotland):** I thank the committee for the opportunity to give evidence in a really important session on a really important bill. There are, of course, challenges—demography is one such challenge; I am sure that you have heard much about that already

One of the south's interesting assets is land. It is mentioned in the policy memorandum to the bill but it has not, in my recollection, been discussed very much in the committee's evidence sessions—perhaps you will correct me if I am wrong about

that. Land as an asset is integral to the south of Scotland, and it is important that the region builds on that asset and has opportunities to make the most of it in relation to economic development and the social aspects that tie into the new enterprise agency's remit.

In that context, Community Land Scotland suggests—the committee would perhaps expect us to say this—that the agency should build on the land asset by providing support for community land ownership and asset ownership, and by looking at how such policies might be implemented in practice within its ambit. Highlands and Islands Enterprise has a clear remit in that regard, and it has had a community assets team in place since 1997. Community Land Scotland argues strongly that the new agency should have that type of resource within its own structure to enable it to build on an asset that has been identified as very important for the south of Scotland.

**Barbara Elborn (Newcastleton & District Community Trust):** Newcastleton has recently taken on and established its own community assets, and that ownership has engendered a feeling in the community to drive things forward. I whole-heartedly agree with what has just been said. In response to the first part of the question, about the strengths of the south, I would say that our strength is people. Without the strength of our people and communities, which are the backbone that make up the whole of the south, there is ultimately no strength at all. If the agency understands that and works with the public sector to give people the opportunity to share their wisdom and knowledge and to determine their own needs, it will have the strength that it needs.

**Ian Cooke (Development Trust Association Scotland):** The challenges have been well articulated in the committee's previous evidence sessions and in the earlier discussions today. I would like to build on what has been said about the area's strengths. Across not only the Borders and Dumfries and Galloway but the whole of Scotland, one Scottish success story is what is happening through community-led development and regeneration. A lot of that has been happening already, even before the agency has been set up. It was good to hear Professor Griggs talking about that.

The vision for the agency involves a fresh approach. My question is, where is that going to come from? The answer lies very much in the communities that are displaying amazing enterprise, creativity and innovation in the face of market failure. In my view, that is the key strength.

**Gail Ross:** Comparisons have been drawn with HIE and the whole Highlands and Islands area, but we have also heard that there are a lot of

differences between that region and the south of Scotland, and the new enterprise agency will work differently from HIE in some respects. Nonetheless, we have just seen a really good report that was commissioned by HIE—it says that the number of young people who want to remain in the Highlands has gone up significantly. Why do you think so many people leave this area? What will the new enterprise agency bring that will enable or encourage people to stay?

**Pip Tabor (Southern Uplands Partnership):** The Southern Uplands Partnership, which I manage, has been lobbying for something like the new agency for about 20 years. We have looked on with huge envy at what has been going on in the north of Scotland, where communities have been supported to develop all sorts of new enterprises, whether they are based on land, renewable energy or anything else. The new agency will have to spend quite a lot of time and energy on catching up, but we have the same assets and potential in the south. We can nurture that potential by working with communities that are already doing exciting things; I fully agree that there are some really good examples of good practice in this part of the world. However, a lot of our communities are starting from a very low baseline, so there is a lot of catching up to be done. I hope that the agency can start to work with high-capacity communities while also nurturing the lower-capacity communities. If it does so effectively, young people will want to stay in the region, because they will start to see huge opportunities that they can take advantage of. The reason that they have been leaving in recent years is that those options have not been visible.

**Barbara Elborn:** Our community is miles—hours—away from access to education, so it is a challenge to get our young people to attend college or stay on in further education. It takes an hour just to get them to senior school, and it takes two hours for them to get to college. Having an outreach education programme as part of the new agency initiative is fundamental to ensuring that we keep young people in the catchment area. I do not know how that will manifest itself, but the ability for young people to do local apprenticeships without having to go to college would make a massive difference.

**Lorna Young (Indigo Words):** In the longer term, the answer is not necessarily to try to keep our young people in the region, because they will naturally want to experience living elsewhere, as I did. I left the region and came back when I was in my mid-20s. What we need is a more balanced demographic. One reason that young people move away is that they want to experience other places and cultures and develop skills that are perhaps more easily developed in an urban area than in a rural setting. We need to provide

opportunities for people who want to come back, perhaps to start a family or to experience the high quality of life in the south of Scotland. We need to understand our region's broader offer to people in every demographic.

**Gail Ross:** We heard from Michael Gowan in the discussion before the meeting about the need to consult with young people. In the past, legislators have faced a challenge in trying to design bottom-up rather than top-down legislation. Russel Griggs said that he will go into every high school and speak to young people, which is fantastic. How do we engage more with young people to ensure that we do stuff that will benefit them, and that we do what they want rather than what we think we should be doing for them?

**The Convener:** I will bring in Neale McQuistin and Ian Cooke, and we will see where we go from there.

**Neale McQuistin:** I have some first-hand experience with young people who want to leave the area—in fact, I encouraged my children to go and see the rest of the world. However, I want to make the south of Scotland a place to which they will want to come back someday. When they have gathered experiences all over the world, I want them to want to come back here.

We have a lot of unrealised potential in the south, which it would not be difficult to realise with a little bit of imagination. I like the idea of community that Russel Griggs spoke about—the feeling of pride in our community and our area. It is about making the region a very attractive place.

On the question of how we engage with young people, I believe that, all too often, when we go to engage and consult with people, we spend far too much time talking and not enough time listening. There is not enough listening going on, and we are not going around to listen. Although the south of Scotland economic partnership has done its very best to get everybody's attention and get people talking, I think that we need to go around again. We have fired a volley—a warning shot—and attracted people's attention, so now is the time for us to start listening.

**Ian Cooke:** To pick up the engagement theme, there are already some great examples in the south of how we should engage with communities, whether that involves young people or the adult population. We are in Dumfries, where the Stove Network has a fantastic track record in such engagement. The use of creative arts activities is a really successful way to engage with people.

One key lesson from HIE's experience that is often missed is that, in the agency's early years in particular, there was a great emphasis on cultural development. The cultural renaissance that took place provided a backbone and gave young

people a stronger sense of place. They have come back to the region, and they have a stronger affinity with place. I agree with what has been said, but I add that point to the evidence.

**Finlay Carson:** I want to go back to a comment that Dr Macleod made. Where are the barriers in relation to community land assets in the south of Scotland? We have heard about fantastic examples such as the Mull of Galloway Trust. What legislation around the new agency would overcome those barriers?

**Dr Macleod:** Some of the barriers are cultural, to a degree, with regard to where communities themselves see opportunities to engage in purchasing land or assets. Historically, community land ownership—and land reform in general—has been portrayed as a rural issue that affects the north-west Highlands. However, if we have learned anything over the past four or five years, it is that community ownership is for all of Scotland, rural and urban.

In Scotland, we currently have 562,000 acres—give or take a few acres—in community land ownership. The vast majority of that land is in the region where I come from—the Western Isles—and across the broader Highlands and Islands area. We have 794 acres of land in community ownership in Dumfries and Galloway and the Scottish Borders combined. I would suggest, and Community Land Scotland would argue, that one of the main barriers lies in the culture and our thinking about where opportunities might lie.

As Finlay Carson said, there are some fantastic examples of community ownership in the region. We need a domino effect throughout the south in which people see and learn from other examples, and engage with community ownership where there are opportunities to do so. That is critical. We have legislation on the community right to buy, and the Scottish land fund is fundamentally important in supporting that right. However, it is also important that we have in place the institutional support that can enable communities to see where the opportunities are.

The Scottish Land Commission has just sent recommendations to the Scottish Government on the future of community land ownership. It recommended strongly that the new south of Scotland enterprise agency should have a remit and role that is equivalent to that of HIE's community assets team, which I mentioned earlier. That aspect will be critical in helping to move the agenda forward in a collectively beneficial way.

**Barbara Elborn:** One of the key barriers to community asset ownership is community capacity. Believe me—I have been there and done it, and I have run my own business. To be held accountable for something that you believe in, and

to add real strength to your community, is a challenge. It is an enormous responsibility to get funders to have confidence in you as a group, support the idea and the acquisition and give you the budget to be able to develop the asset. It is fundamentally important that the new agency includes community capacity somewhere in its remit. We desperately need support to help communities to drive that agenda forward.

**Gail Ross:** That leads me nicely on to my next question. Do you have any experiences or perceptions of the support that is currently available from the colleges and from agencies such as Scottish Enterprise, business gateway and Skills Development Scotland?

**The Convener:** I am guessing that Barbara Elborn might have a view on that.

**Barbara Elborn:** Yes. Going back to 2004, my community has struggled to get a development officer—or whatever you want to call it—appointed. We have worked as individuals and as voluntary organisations to drive forward projects, but we still do not have a development officer. We have been turned down by public sector agencies because we did not meet the pre-set criteria. It is critical that the new agency offers the opportunity to change that criteria. We have been turned down by funders because we did not meet the right agenda. They often have a prescriptive agenda that is right for them in awarding the budgets, but not for us. The new agency gives us an opportunity to start a new ball game and give communities the opportunity to get that support.

**The Convener:** There seemed to be a lot of nodding in response to that answer. Is there going to be some good news from someone?

**Lorna Young:** I have two points to make. First, I deal with a lot of small businesses and I work with a lot of community development trusts, so I see both sides. The current provision is quite segmented. All is well if a community fits the pre-defined boxes, but most people do not. That can be quite frustrating for people who are trying to access support.

20:00

The other big issue that we face in the south is sustainability, and the ability to plan for the longer term. A lot of community development trusts in the region are on annual funding, so they cannot make any long-term plans because they do not know whether they will have an officer in post this time next year. The agency should address those two issues as a matter of urgency.

**Pip Tabor:** I would back up Lorna Young's point. In our experience of working with communities, one of the key problems is that most

community development workers—when one can be secured—are project funded and therefore time limited to one or two years maximum. If we are serious about growing community capacity, as I think we all are, we need to remember that it is a long-term process—it cannot be done in a limited period of time. I hope that the new agency will take a long-term approach to community asset growth, because that is where the future is.

**Stewart Stevenson:** I have a fairly brief point. Under section 5(2)(f), the new agency must, among other things, engage in

“supporting community organisations to help them meet their communities’ needs.”

Is that provision sufficient? Section 5(2) sets out a list of things that the new agency has to do, but it does not tell us how they need to be done, because that will be the responsibility of the body itself.

**Dr Macleod:** The short answer to that is no, it is not sufficient. Community Land Scotland would argue strongly that it would be most beneficial to include in the bill a reference to support for community organisations—as I mentioned earlier—with regard to ownership of land and assets. As Stewart Stevenson says, those are broad aims—

**Stewart Stevenson:** May I intervene?

**Dr Macleod:** Of course.

**Stewart Stevenson:** Can you give me some specific words that you think should be in the bill?

**Dr Macleod:** The enterprise agency’s remit should include—I am happy to finesse the wording later—responsibility for supporting community land and asset ownership.

**Stewart Stevenson:** That is fine. Thank you.

**The Convener:** That was a quick answer—well done.

**Mike Rumbles:** I am going to ask a basic devil’s advocate question. In a previous committee session, we heard evidence from Scottish Enterprise, and we have just heard evidence from the two local authorities and the south of Scotland economic partnership. All four of those organisations have remits that are similar to—although not the same as—the remit of the new agency, and they already have responsibilities for economic development. We are going to create a fifth body in statute. My question to the previous panel was about resources and budgets. We are now going to spread the budget between five different organisations rather than four. Do you have any comments on that? In other words, why is it important for the south to have its own enterprise agency in addition to all those other bodies?

**Neale McQuistin:** We need a complete change of culture here. I heard some lofty ambitions from some of the witnesses on the previous panel. Some of them want the area to be the best in the world, or the best in Europe. To be perfectly honest, I would simply like our area to be the best in Scotland. That is achievable—I think—but it will not be achieved if we simply do more of what we have been doing so far. As has been proved, we will not end up as the best area in Scotland if we keep on doing the same thing.

There is currently a perception that all the heat that is being generated in the south is in the middle, and we are feeling quite cold out on the edges. There is huge potential in those edges. I live out in the west—the Rhins of Galloway peninsula is practically an island community. That in itself is a huge asset that could be developed. If people in Drummorie—which is as far west as you can go—wake up in two years’ time and discover that the south of Scotland enterprise agency is in Dumfries, we will have failed. If people in Eyemouth wake up in two years’ time and discover that the agency is in St Boswells, we will have failed. We need to ensure that the whole of the south is feeling the heat. In that way, we will all prosper. The whole of Scotland, not just the south, will benefit from that, but there needs to be a complete change in the culture.

**Ian Cooke:** I was going to make a broadly similar point. To be honest, a lot of what has happened in Scotland in community-led development and regeneration has taken place in spite of Scottish Enterprise, business gateway and so on. The exception is probably Highlands and Islands Enterprise. There is a desperate need for cultural change right across the public sector. We need to change attitudes and ensure that communities are taken seriously. We need to move beyond the rhetoric.

I have worked in regeneration for 30-odd years. Communities are always at the heart of policy documents, but that seldom translates to the reality of what communities face and how things work out. A change in culture and attitude is crucial, and there is a key role for the new agency in that regard.

**The Convener:** Richard Lyle has a supplementary.

**Richard Lyle:** I will be very quick. I was a councillor in local government for 36 years. I totally agree with what has been said, especially the point that has just been made. We need to spread the jam.

I go back to my original quick question. Should councils be represented on the board of the new agency, or have any control over the board?

**Neale McQuistin:** My answer to the question is no.

**Richard Lyle:** Thank you.

**The Convener:** I love short answers. Does anyone else want to comment on that?

**Dr Macleod:** My apologies, convener—I came in towards the tail end of the previous evidence session. Local accountability for the agency is fundamentally important. To go back to Mike Rumbles's point about why another body is necessary, that is one of the reasons why we need a new agency.

There needs to be a broad representation of skills on the board—the representatives should not simply be the usual suspects. It should certainly include community interests in the broadest sense. We are talking about doing things differently. If we want the new agency to actually address economic, social, environmental and cultural issues, we need it to have bottom-up, grass-roots accountability.

**The Convener:** Does Pip Tabor want to come in on that?

**Pip Tabor:** Not particularly. In my experience, where the council treads, it tends to create suspicion and angst. If we do not have to have council members on the board, it might be better if they were not included. That is just my personal view.

**The Convener:** I will park that there without taking it any further.

**Jamie Greene:** I will keep my questions brief, because we are short on time this evening. Some of the people in this room have been campaigning for a new agency for decades. Does the bill deliver on what you have been asking for? If it does not, is that because you have not been properly consulted during the process? In other words, could the bill be better?

**Pip Tabor:** It does not fully satisfy us yet. We were happy to work with Rob Dickson and Russel Griggs on the community consultation that they undertook across southern Scotland. The messages that came out of that consultation exercise were loud and clear: people wanted to be engaged, they wanted a new agency and they wanted that agency to reflect the culture, heritage and values of the region. There was a huge amount of excitement and positivity. There were strong calls for clear accountability, and everybody wanted the new organisation to be as transparent and as close to people as possible. The message that the agency needs to address community issues came through extremely loudly. My concern is that the community and environmental components are very weak in the bill. I would like

both those parts to be strengthened, as we mentioned in our written submission.

**The Convener:** There is quite a lot of nodding from the panel. Does anyone want to add anything?

**Barbara Elborn:** I concur with what has been said. In addition, as was mentioned in the previous session, the agency needs to have arms and legs in order to be able to influence infrastructure decisions. Newcastleton, like many other communities in the south, describes itself as a landlocked island. In areas such as accessibility and deliverables, we face insurmountable challenges. The agency must be able to work with others in a streamlined process so that there is joined-up working among all the public sector agencies. We cannot continue to go into battle and fight every single war as individual communities, which is what it feels like sometimes.

**Maureen Watt (Aberdeen South and North Kincardine) (SNP):** Good evening, panel. To follow on from Barbara Elborn's comments, I note that her written submission said—others may take the same view—that the bill lacks powers to enable the agency to influence decisions on infrastructure for transport and connectivity. We could add housing to the mix. Can I have the views of the rest of the panel on that point? Why would the new agency make a difference in that regard, given that powers already lie with other bodies?

**The Convener:** The previous panel said that broadband connectivity did not need to be specifically included in the bill, as the issues would all be solved shortly. I see that a few people are shaking their heads. Perhaps they will help to answer Maureen Watt's question.

**Dr Macleod:** It is clear that, as other panel members have mentioned, the agency will have an important role to play in helping to connect different elements in respect of development. It is a laudable ambition to want to sort out digital connectivity imminently, but I am not sure that that will happen. Connectivity is fundamental—that takes us back to the earlier points about people being the region's most important resource and the need to ensure that we retain people and maintain our population. The agency will have a very important partnership role in connecting with areas for development such as housing, job opportunities and cultural and social opportunities, in order to play to the strengths of the region and build on its asset base.

**Ian Cooke:** Communities take a holistic view of place when they consider how they will move forward and address quality-of-life issues. It is about more than just economics—it is about place. We almost touched on that in the previous

evidence session. A key challenge for the new agency will be to look at what it can do beyond its narrow economic remit. Unless there is more affordable housing, young people will leave or will not come back to the south. The agency needs to have a wider vision and look at how economics sits within the creation of good-quality places where folk want to work and live.

**Dr Macleod:** I want to come back on what Ian Cooke said, because it is important. The idea of placemaking and the need to look at the assets in a place that make it attractive and ultimately sustainable are very important points. Over the past 18 months or so, Community Land Scotland has been engaged in work on what we refer to as people's legitimate place in the landscape. We are asking what it is about rural areas, which are often sparsely populated—there are many such areas in the southern uplands—that will improve the prospects for rural repopulation. The solution needs to focus on placemaking and on having in place the right conditions and infrastructure, and the opportunities for jobs and for the wellbeing of communities more broadly. People need to experience that in their everyday lives. It is clear that the agency has an important part to play, if not an exclusive remit, at the regional level in that regard.

**Neale McQuistin:** The agency does not need to be loaded up with superpowers. As has been mentioned, it will have a 10-year plan, so change will be a marathon rather than a sprint. As long as the agency gets off to a good start and creates a good environment to work in, it does not need to be top-heavy with powers. It will work, but it is not going to work overnight.

**Lorna Young:** It is important to be aware that the new enterprise agency will be transformative because we will have a public body that will put the south of Scotland first. That in itself is new and different, and it will change how other public agencies are influenced. It will act as a conduit or link between the south and the rest of Scotland.

20:15

Secondly, rural development in general works well where the area is understood as an ecosystem in itself. Support is traditionally segmented in different agencies with a sectoral focus. The south of Scotland agency will look at the south as an ecosystem in itself—an economic ecosystem and a network of communities. The systems approach is new and different, and fairly radical. That takes us back to a key point that was raised earlier. As we move forward, it is how things are done rather than what is done that will be more important.

**Maureen Watt:** We had an idea of that from the previous evidence session, in which comparisons were drawn with Highlands and Islands Enterprise. There are probably more social enterprises in the Highlands and Islands because there is a different land ownership system in many parts of the region. Is the current land ownership system in the south of Scotland a bit of a brake on development and economic growth? Are there opportunities to bring about more community land ownership, and therefore more social enterprises and a bit of growth in the economy?

**Dr Macleod:** Thank you for that question. I was reading the evidence from the committee's previous meetings, and I noticed that you asked the same question of Douglas Cowan from HIE. I was interested in one of the points that he made in response, which was about applications to the Scottish land fund. He said that Dumfries and Galloway was the local authority area with the third-highest number of applications to the fund. To my mind, that indicates interest among communities in the south, or in Dumfries and Galloway at least, in the possibilities for community land ownership as a mechanism for sustainability and placemaking.

That is important, because you will hear different arguments about the place or otherwise of community land ownership in development. Some will argue that it does not matter who owns the land—it is how it is used that counts. To be sure, it is important how land is used. Nevertheless, ownership gives communities an element of control and enables them to shape their own destiny to a large extent, because they are able to think about the choices that might be made to make places more coherent and more suited to the aspirations of the people who live in them.

At the start of the session, I mentioned the glaring disparity between the levels of community land ownership in the Highlands and Islands and the south of Scotland. A total of 794 acres of land in community ownership across Dumfries and Galloway and the Borders combined is not indicative of a flow towards that model. There are issues and opportunities that the agency could help to address in that respect.

**The Convener:** I am sorry to cut people short, but we have more questions, and short answers will allow me to get through them all. That will keep the committee members talking to me. I think that Ian Cooke wants to come in with a short answer.

**Ian Cooke:** I will be brief. As has been said, economic development and regeneration require the efficient recycling of land and property in a legal sense. Whether it is an empty shop in the high street, a gap site or whatever, the important

point is how that is done. We need to get property out of the hands of people who are not doing anything with it and into the hands of people—in communities, the public sector or wherever—who will do something constructive with it. That is a crucial task for the new agency.

**Maureen Watt:** Pip Tabor's organisation, the Southern Uplands Partnership, took the view in its submission that the aim of improving

"the amenity and environment of the South of Scotland"

needs further interpretation in the bill. Can you expand on that a little, please?

**Pip Tabor:** Our concern is that the wording is a bit passive. It slightly suggests that the land and nature are there to be capitalised on. To some extent, that is absolutely fine, because we want to see southern Scotland making more of the assets to which it has access. Equally, however, we think that it is important to capitalise on those assets in ways that will not damage them. Our feeling is that the bill should be a bit more specific about how we value our environment and our natural and cultural assets. We should use those assets by all means, as creatively and innovatively as we can, but we should do so in a way that is not going to harm them. It would be valuable to make that explicit in the bill.

**The Convener:** I am afraid that we have to move on.

**Maureen Watt:** I have a final point to make, convener. You did not let me in during the previous session. Can I just ask—

**The Convener:** With the greatest respect, I am sorry, but we have four more questions to get through in four minutes.

**Maureen Watt:** You did not let me in earlier.

**The Convener:** I am going to have to move on. I am really sorry—I apologise. The next question is from Colin Smyth.

**Colin Smyth:** Do panel members have any thoughts or views on how we can ensure the local accountability of the new agency? Specifically, how do we ensure that the board reflects the make-up of the south of Scotland? For example, we need people who have experience of small businesses, family-run enterprises, the third sector and trade unions as well as young people and community groups. How do we ensure that they are on the board of the new agency? Should that be specified in the bill?

**The Convener:** I saw that Pip Tabor was nodding furiously.

**Pip Tabor:** I am sorry, convener—I beg your pardon if I was. I agree completely. Those are all important audiences for the agency, and we need

to find a mechanism for engaging with and being accountable to them. As to how we do that, I am afraid that I do not have a magic solution. It is a huge task, as the south is a big geographic area. There is a very broad audience, and the agency will be delivering on a very broad agenda. The partnership has started well by going out on the road and speaking to communities across southern Scotland. That is an excellent way to begin. Repeating that exercise regularly would be one way to listen to what people are saying. Someone has already said how important it is that we listen—the agency needs to take that message on board.

**Dr Macleod:** It is critically important that the agency has local accountability and is accountable to communities themselves. I do not have an obvious answer to the question, but the bill must not lose sight of that point.

**Barbara Elborn:** It is important that the board is made up of people who are of the right calibre to do the job. Representation must be skills based first. The board must be inclusive in order to deliver on the job that it has to do in the marketplace in which it is operating. By definition, it must include representation from communities, social enterprise companies and so forth.

**Richard Lyle:** I know that we are running out of time, so I will keep my question tight. How would you ensure that the south of Scotland economy benefits from the employment and procurement opportunities that the new agency could bring to the region? Imagine that you have all just been elected to the board and tell me what you would do.

**Ian Cooke:** Procurement is a huge frustration for communities. For the past seven or eight years, the Scottish Government has been talking about creating opportunities for communities. Communities want to run local services and create local jobs. I do not understand the barriers in detail; the issues are blamed partly on procurement directives from the European Union, and I do not quite understand that. We have to push contracts and tenders down to the lowest possible community level. If we do not do so, the same companies will come in and mop up, and the money will not stay in local communities. We have to build local economies, and procurement is key to that.

**Barbara Elborn:** Again, I speak from experience. We have had to go out to public procurement, which has added hundreds of thousands of pounds to the cost of projects that we could have better administered ourselves locally. We understand the need to be accountable to the public purse, but we could look at procurement in a new way to ensure that it is done within a catchment area.



**Richard Lyle:** Thank you—you are all employed. [*Laughter.*]

**The Convener:** Normally, the final question is mine, but I am afraid that we have run out of time. That is not because we do not want to hear more evidence from the witnesses—it is purely a logistical matter. We need to get people back to Edinburgh; I am thinking about trains and connectivity. I thank you all for giving evidence to the committee. The session has been hugely informative, so I thank you for your time. I previously made an offer to witnesses that, if I had missed anything or anyone felt rushed, they could submit more evidence to the clerks via email by the end of the week. I ask everyone to remain seated while we move on to the next item on our agenda.

## European Union (Withdrawal) Act 2018

### Import and Trade of Animals and Animal Products (Amendment etc) (EU Exit) Regulations 2018

### Animals and Food (Transfer of Functions) (EU Exit) Regulations 2018

20:25

**The Convener:** Item 2 is consideration of two consent notifications for United Kingdom statutory instruments. The instruments are being laid in the UK Parliament under the European Union (Withdrawal) Act 2018. Both statutory instruments have been categorised as category B, to the extent that the transition from an EU to a UK framework would be a major and significant development. Committee members have had a chance to look at the instruments. Are there any comments?

**Stewart Stevenson:** I agree with the recommendation in the clerks' paper that, in relation to both instruments, we should ask that we be kept updated by the Government on, respectively, the replacement for TRACES—the trade control and expert system—and the system for the identification and registration of various animal health-related issues.

**John Finnie:** I agree with Stewart Stevenson that it would be helpful to be kept up to date. In addition, I would like to comment on the letter of 3 January from the Minister for Rural Affairs and Natural Environment and—as I did in the previous session—draw attention to the fact that, although the arrangement as described is satisfactory, it is a very poor substitute for remaining in the European Union. It is important that that is on the record.

**The Convener:** Right—okay. We will write to the Scottish Government to confirm that we are content for consent to be given for the UK statutory instruments to which the notifications refer, and we will note and request a response from the Scottish Government on the wider policy matters that have been identified. Is the committee agreed?

**Members indicated agreement.**

**The Convener:** That concludes today's business. I thank the committee members, and all the people in Dumfries and Galloway and the Borders for hosting us today. It is extremely kind of you, and we very much enjoyed being out of Edinburgh. I now conclude the meeting.

*Meeting closed at 20:27.*



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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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