

Cross Party Group in the Scottish Parliament on Rural Policy 2016-17

Wednesday 28th September 2016, 5.45-7.30pm, Committee Room 6

Group Re-registration and the Implications of Brexit for Rural Scotland

Minutes (approved)

Attendees

Name	Organisation
John Mitchell	Anderson Strathern (Speaker)
Lorraine Cook	COSLA (Speaker)
Caroline Warburton	Scottish Tourism Alliance (Speaker)
John Scott	MSP (Co-convener, Chair)
Graeme Dey	MSP (Co-convener)
Alan Hampson	SNH
Alison Smillie	Anderson Strathern
Alistair Stott	SRUC
Andrew Heald	Confederation of Forest Industries
Angus Phimister	
Ann Packard	Chair, RSA Fellows Scotland and MCICH Network
Bob Lee	
Bruce McConachie	Cairngorms National Park Authority
Bryan Powell	Shelter Scotland/Lochaber Housing Association
Calum Macleod	University of Edinburgh
Caroline Winchester	European Commission
Clare Magill	Scottish Government
Clare Slipper	NFUS
Conan Phimister	
Dave Roberts	SRUC
David Miller	James Hutton Institute
David Walls	Lothian Broadband Networks Limited
Deb Roberts	James Hutton Institute
Eleanor Tonks	Student
Elliot Meador	SRUC
Emma Megaughin	Newington Communications
Eve Keepax	Keep Scotland Beautiful
Fergus Murray	Argyll and Bute Council
Fiona Simpson	The Crowne Estate
Gill Dykes	Head of Office and Principle Advisor to Finlay Carson MSP
Graeme Beale	Scottish Government
Harriet Donald	Loch Lomond & The Trossachs National Park
Helen MacInnes	
Ian Macdonald	Farmer
Ishabel Bremner	Argyll and Bute Council
Issie MacPhail	University of the Highlands and Islands

Jane Atterton	Rural Policy Centre, SRUC
Jimmy Gilchrist	British Association of Landscape Industries
Julian Pace	Scottish Enterprise
Kris Chapman	Youth Borders
Laura Stewart	Soil Association Scotland
Leslie Byle	Scottish Government
Liz Brooks	Crichton Carbon Centre
Liz Hawkins	Scottish Government
Lorna Philip	Aberdeen University
Maggie Gordon	Scottish Rural Action
Margaret Currie	James Hutton Institute
Mark Walton	Shared Assets
Michele Macdonald	Farmer
Nicola Hill	Dumfries and Galloway LEADER
Peter Quinn	Keep Scotland Beautiful
Peter Ross	Dumfries and Galloway LEADER
Philip Canavan	Scottish Government
Robin Clarke	Highlands and Islands Enterprise
Ross McLaren	Scottish Churches Rural Group
Sam McMillan	McMillan Consultancy
Sarah Allison	Scottish Association of Young Farmers
Sarah Hunter-Argyle	Agriculture & Horticulture Development Board
Sarah Knight	Student
Sarah Skerratt	Rural Policy Centre, SRUC
Sarah Yardley	Student
Scott Murray	SRUC
Steven Thomson	SRUC
Susan Smith	East Lothian Council
Tracey Forbes	University of Aberdeen
Vanessa Halhead	Duthchas
Willy Browne-Swinburne	Rural Solutions

Apologies

Name	Organisation
Alistair Prior	Scottish Government
Andrew Copus	James Hutton Institute
Andrew Heald	Confor
Brian Williams	SRUC
Bruce Wilson	Scottish Wildlife Trust
Caroline Millar	Go Rural Ltd
Chloe Purves	Scottish Enterprise
Christiane Valluri-Nitsch	University of Edinburgh
Clare De Bolle	Youth Borders

David Gass	Upper Quartile LLP
David Watts	Institute of Nutrition and Health
David Whiteford	North Highland Initiative
Davy McCracken	SRUC
Elinor Mitchell	Scottish Government
Emma Patterson Taylor	SAOS (Scottish Agricultural Organisation Society)
Eric Calderwood	University of Stirling and the Cooperative Group
Eva Milroy	Crichton Institute
Ewan Mearns	
Finlay Carson	MSP
Frank Beattie	Scottish Enterprise
Graham Blythe	European Commission
Hazel Baxter	
Jackie Baillie	MSP
Jackie Brierton	GrowBiz
Jamie Stewart	Scottish Countryside Alliance
James Ogilvie	Forestry Commission Scotland
Jane Smernicki	SRUC
John Glen	Buccleuch
John MacDonald	Community Transport Association
Karen Dobbie	SEPA
Kelvin Thomson	
Kerry Clark	NFUS
Lorne Macleod	Community Land Scotland
Marion MacAllister	
Martin Price	University of the Highlands and Islands
Mary Laidlaw	Crossroads Community Hub
Mike Bonaventura	Glasgow University
Neil Watt	Scottish Government
Ninian Stuart	Falkland Estate
Patrick Krause	Scottish Crofting Federation
Priscilla Gordon-Duff	SRUC
Rev Lorna Murray	
Richard Heggie	Urban Animation
Sarah-Anne Munoz	UHI Division of Health Research
Sarah Skerratt	SRUC
Stephen Graham	The Highland Council
Tanya Castell	
Wayne Grills	British Association of Landscape Industries

1. Welcome, introductions and apologies

John Scott MSP (chair) welcomed everyone to the first meeting of the Group following the election. Tribute was paid to previous Group's conveners (Graeme Dey MSP, Alex Fergusson MSP, Jim Hume MSP, Claire Baker MSP and Claudia Beamish MSP). It was

noted that the Group was one of the most successful CPGs in the Parliament in the previous session.

The minutes of the final meeting of the Group in the 2015-16 session (on Rural Crime and Responsibility) were circulated and posted online following the meeting.

The apologies for this meeting will be recorded in the minutes (see above).

John Scott MSP noted that several MSPs were in attendance: Graeme Dey MSP, Rhoda Grant MSP, Alex Burnett MSP, Peter Chapman MSP, Edward Mountain MSP, Angus MacDonald MSP. Apologies were received from Finlay Carson MSP and Jackie Baillie MSP.

2. Group re-registration and election of office bearers

John Scott MSP noted that as we are in a new Parliamentary session the Group needs to be re-registered and office bearers - co-conveners and Secretariat - need to be elected. Three Group co-conveners were elected:

Graeme Dey MSP proposed John Scott MSP as a co-convener, seconded by Alexander Burnett. John Scott MSP was elected as a co-convener.

John Scott MSP proposed Graeme Dey MSP as a co-convener, seconded by Peter Chapman MSP. Graeme Dey MSP was elected as a co-convener.

Rhoda Grant MSP proposed Colin Smyth MSP as a co-convener, seconded by John Scott MSP.

Graeme Dey MSP proposed that SRUC's Rural Policy Centre (RPC) continue as Group Secretariat, seconded by Rhoda Grant MSP. No other proposals were put forward. The RPC was confirmed as the Group's Secretariat.

3. Presentations and discussion

Three presenters had been selected to kick-start discussions on the night. Their presentations are all available to download [here](http://www.sruc.ac.uk/info/120670/current_secretariat_year_2016-17/1734/meeting_1_the_potential_implications_of_brexit_for_rural_scotland) (http://www.sruc.ac.uk/info/120670/current_secretariat_year_2016-17/1734/meeting_1_the_potential_implications_of_brexit_for_rural_scotland).

- **John Mitchell**, Rural Partner at Anderson Strathern: *The implications of Brexit for rural Scotland*
 - Covered a range of issues, including: changing trade relationships and membership of the WTO; the differences between 'soft' and 'hard' Brexit; a comparison of different potential scenarios using existing countries as illustration (Norway, Switzerland, Turkey, Canada and US); the CAP and what might replace it in different parts of the UK (again comparisons to other countries' approaches, e.g. New Zealand, Norway, etc.); challenges for the UK if there are changes to the free movement of labour; potential changes in land prices; potential future regulatory situation, including relating to VAT,

health and safety, GM, pesticide usage; and varying currency exchange rates.

- **Lorraine Cook**, Policy Manager in COSLA's Migration, Population and Diversity Team: *The implications of Brexit for Scottish local government*
 - Covered a range of issues, including: the significance of inward migration for Scotland and need to attract younger workers in future; a cluster diagram of Scottish local authorities based on their population projections demonstrating the potential impacts of reduced movement of labour in particular areas; the potential impacts of skills shortages in particular sectors (including education, care and primary industries) in different parts of Scotland; and the need to ensure that the positive messages regarding the benefits that migrant workers bring to the Scottish economy are widely publicised.
- **Caroline Warburton**, National Strategy Delivery Coordinator, The Scottish Tourism Alliance: *The implications of Brexit for the Scottish tourism sector*
 - Covered a range of issues, including: the importance of the visitor economy to Scotland; the results from a members' survey shortly after the referendum, including relating to business confidence and the negative impact of uncertainty, potential opportunities from the ref result, including relating to the exchange rate, changing/reducing regulations, the implications of the different referendum result in Scotland compared to the rest of the UK, etc.; Scotland is an expensive destination for visitors (in the regular price competitiveness survey, the UK is the 5th most expensive destination out of 141) so we need to ensure that visitors are getting a good experience for their money when they come; the issue of labour movement is critical for the tourism industry as it relies heavily on overseas workers; this year has been a good one for the industry with Scotland generally seen as a 'safe' destination but the industry's long term outlook might be more challenging depending on variations in the exchange rate and costs of business and how the Brexit negotiations evolve; the need for businesses to work together to ensure a high quality tourism offer to visitors; and the importance of having viable rural communities to ensure a viable tourism industry as the two are so closely intertwined.

Key issues raised in the discussion included:

- ***The potential for significant restructuring in the agriculture sector.*** The extent and nature of this restructuring is dependent on future negotiations regarding 'hard' or 'soft' Brexit, currency fluctuations and the effect on competitiveness, new trade relationships, and the shape of future agricultural/rural/environmental policy/policies and support. It was noted that agriculture and other rural industries tend to be very resilient and demonstrate an ability to adapt and move forward, but this will vary across different sectors, geographical areas, farm sizes, etc. There was acknowledgement of the need for restructuring in the agricultural sector irrespective of the outcome of Brexit negotiations.
- ***The potential for negative impacts on the agricultural sector if there is no longer freedom of movement of labour.*** Some sectors of the Scottish economy are hugely dependent on seasonal labour (often from Eastern Europe) and there have been suggestions that if free movement of labour is no longer possible, these sectors/businesses may leave Scotland which would have serious negative implications. If a future employment scenario involves more paperwork, permits for overseas workers etc. this may deter employers who often need flexibility and

workers to be in place quickly. A number of organisations have already sent out strong messages that overseas workers are welcome in Scotland.

- ***There is a challenge around demonstrating that careers in some of the land-based, tourism and care sectors are high value:*** We need to better demonstrate to our young people that these are sectors in which they can have rewarding careers, based in rural Scotland. A new skills development plan has been launched recently for tourism and a Youth Council for Tourism will be set up over the next year to give young people a voice relating to this sector specifically. With respect to agriculture, work is ongoing to break down barriers to young people entering the agricultural sector. We need to ensure that young people have a voice in negotiations relating to the future of these sectors.
- ***There are many key questions around the shape of future trade strategies:*** How will the UK engage with other Commonwealth countries, with the US and Canada, with China and with the EU? There are also key questions around tariffs on products, with a likelihood that higher tariffs would apply on added value products – potentially with implications for some of Scotland’s key exports.
- ***Trade and tourism relationships are strongly inter-related:*** US visitors in Scotland tend to spend significantly more than EU visitors so this is an important market for Scotland. China is a small tourism market for Scotland at the moment but numbers of Chinese visitors are increasing. Scotland has a strong brand awareness internationally.
- ***Making the case for future support for agriculture/rural Scotland:*** Much future discussion will be focused on the shape, size, focus, format etc. of future support for agriculture and rural businesses and communities. There are key questions around the basis on which the case for financial support should be made, when there are many other sectors, issues, etc. competing for the money. This is intertwined with other issues, including the future price of food, Scotland’s future landscape and how we (residents and visitors) value different elements of it (e.g. the uplands, peatlands, etc.), challenges such as food waste, poor health and obesity, traceability and food safety issues, etc. so ensuring that the public is well informed about all of these issues is critical. There are key differences in agricultural systems in different parts of the UK that need to be recognised in future negotiations.

John Scott MSP concluded the meeting by thanking the speakers and the audience for their contributions.