

## **RURAL DEVELOPMENT –**

### **Setting the Scene**

#### **THE HIGHLANDS**

The Highlands of Scotland is one of the most sought after places to live in the United Kingdom, due to the quality of life enjoyed in an area of outstanding beauty. Indeed looking outside the window here reminds me of my homeland.

Our area covers 26,000 sq km, with a population of 208,000. Even with the urban centre of Inverness which has 50,000 inhabitants, the pop density is very low at less than 8 per sq km. Our mountains, unlike alpine Europe rise from sea level to a plateau of around 1000m. Our coastline is almost 5000km long.

The area is well served by a network of hospitals and health centres, rural Doctors and Nurses, Ambulance and Paramedic Services. However central government policies pressing large training hospitals towards ever increasing specialisation, the EU working time directive, new national contracts for doctors and consultants medics, are making it more and more difficult to provide the range of local services in rural mountain areas that the population aspire to. As I indicated yesterday, the lack of activity in our hospitals is also a risk to our services. Doctors are required by their own code of conduct to carry out minimum numbers of say surgical procedures to be able to continue their practice safely.

We have an increasing amount of public and private sector building programmes in the Highlands.

New housing is being provided in many areas, with the city of Inverness now accepted as the fastest growing urban area in the UK. However the Highland Council as the strategic housing authority still estimates that there is unmet need of 5000 homes in the Highlands over the next 5 years at the current rate of build.

Our primary and secondary education building programme has recently been boosted by a 200m Euro PPP scheme that will provide 12 new schools across the region.

It is perhaps to our shame though that it is only recently that the Highlands has developed its own University. The University of the Highlands and Islands Millennium Institute brings all the tertiary education colleges within the Highland and Islands area together to create a multi campus structure providing access to degree level education to students in their own communities for the very first time.

The development of UHIMI is considered by most authorities to be the single most important development project in Highland at the moment. Our own Mountain area suffers from the same migration of young people to the cities as many of you describe, and the ability to keep a percentage in the locality and even attract young people from other regions and countries offers an exciting prospect to us.

The Highlands is served by only two airports, despite its size. We have no motorways within our region and many of our secondary roads are single track. We have a limited rail network linking to the south, an extensive Bus service and many ferry links to our Island communities to the West and North. The Highlands has a greater dependency on private transport than any other region of the UK. It follows that our peripheral mountainous location and sparse

population including remote island communities have significantly higher unit costs for services than other regions of the UK and EU.

Countless visitors come to the Highlands and Islands each year to enjoy the unparalleled range of recreational activities and facilities. To those who are lucky enough to live and work here, such attractions are part of everyday life. In addition to the range of outdoor activities, there are thriving amateur sports leagues, a wealth of music, song and dance, and a variety of performing and visual arts events throughout the year.

### **THE HIGHLAND COUNCIL and Highlands and Islands Enterprise**

Based in the most northerly area of mainland Scotland, The Council spends around E 700m million each year on the provision of a wide range of essential services for its people. In addition, HIE, the Enterprise agency invests around E 160m across the Highlands and Islands. However the total public sector annual investment in the Highland now approaches E3.2m

Like most countries represented here today, the geography of the area presents massive challenges in terms of service and project delivery and each agency positively responds to these challenges. I will now outline the key economic policies and vision the agency partners use to tackle these challenges.

## **RURAL DEVELOPMENT**

**The key policies the agencies operate within the Highland area**

### **1. A Smart Successful Highlands**

- **Strengthening Communities**
- **Growing Businesses**
- **Global Connections and**
- **Developing Skills**

**As a sub text to these aims, the agencies collectively share the following vision**

- **A strong sense of community and place,**
- **Distinctive culture, values and traditions**
- **Good quality services**
- **A desirable quality of life**
- **A healthy and safe population**
- **High educational standards and skilled people**
- **A modern ICT infrastructure**
- **An outstanding natural environment**

Rural development means different things to different people – there is no one size fits all. The provision of a community bus might mean as much in a rural development context as the creation of twenty jobs in another. Establishing a rural college in a fragile area may have more impact than creating new businesses. It is essential to identify the priorities in each area to avoid wasting resources and reducing effective delivery elsewhere.

To develop effective rural development strategies it must take account of what is currently available, what is needed and what resources are required to deliver it. It must be evidenced.

This information is often best assembled into an overall strategy. The preparation of a strategy ensures that there is opportunity for an integrated and coordinated policy response to local circumstances. In any one area there is a range of policies and programmes being undertaken by a number of agencies and private sector organisations who are trying to tackle local problems and promote entrepreneurship - the real value of the strategy is in bringing these different groups together – avoiding duplication of effort, identifying gaps in delivery and pooling resources. This can be particularly important in rural areas where there may not be clear responsibility on any particular agency to provide a service. It can also help identify related issues such as the need for incoming workers but a shortage of housing.

In less strategic terms, individual projects also benefit from a robust rural development strategy being in place and in overall terms a well-researched strategy gives a community a closer understanding and confidence in the services being delivered by the local agencies.

### **Partnerships are vital.**

Without partners a strategy would be severely constrained in what it can offer. But partners bring more than just money – they bring specialist knowledge, expertise, a new perspective and new ideas. They can add ‘gravitas’ – giving that stamp of approval to community ideas and enthusiasm.

An effective partnership will deliver a shared vision, offer strategic thinking, provide added stimulus and drive and a more dynamic synergy than would otherwise be possible.

However an effective partnership is not achieved by agencies, community and the private sector just meeting. There has to be a common purpose and the members of the partnership are relevant to that purpose – most importantly the working of the partnership needs to be evaluated and must either be altered to meet evolving objectives or wound up when a project has truly achieved its aims.

## KEY CONSTRAINTS IN THE HIGHLANDS OF SCOTLAND

So what are the issues challenging successful rural development in the Highlands of Scotland? Probably many of these will be familiar to you

- depopulation
- an aging population
- a diverse population
- upgrading global connections made difficult by low populations and vast distances
- broadening the learning and skills base to take account of new technologies and opportunities
- expanding productivity - reducing dependence on a few key industries
- the competition brought about by our new, global economy

These challenges are being effectively tackled at a local level with the policy tools I referred to a few moments ago, but these local policies must be in tune with national and EU policies if they are to be ultimately successful and this is precisely why the INTERREG IIC project is so important to us, It begins to quantify the challenge and provide advice at a higher level of government to help sustain and improve the quality of all our interventions.

Undoubtedly the greatest change to shape the world economy is the development of e-business. Anyone unwilling or unable to change will not be able to compete effectively. In direct response to this the Highlands has developed an economy well-placed to compete in international markets. But this has to be an ongoing effort in order to remain at the leading edge – Highland Council with its strategic partner Fujitsu and Highlands and Islands Enterprise have been instrumental in ensuring bringing world class opportunities to the Highlands. In addition we work do-operatively to ensure that accessible and relevant advice and information is available throughout the area and working with other partners have lobbied to ensure that broadband capacity will be available throughout the whole area. You will hear more from Alastair Miller in a few moments about that partnership.

The Highland and Islands Fire Brigade are required to provide a responsive Fire and Rescue Service. This service must also be world class quality, safe for our fire fighters and safe for our communities. It must also be a service based on evidence of need and must be affordable. Trevor Johnson will outline the tools we are now using to examine risk and provide effective and smart responses to deal with them.

The Regeneration of the village of Kinlochleven in the West Highlands has been subject to examination by Euromontana on a number of occasions during the past 5 years. Today Jamie Smith the MD of the ICE FACTOR, a new private sector development in the village which took a redundant factory building and turned it into what is for today our third world class case study.

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Yesterday, we considered the consultants paper. I think we must acknowledge that this task has been immensely difficult but has produced valuable results. I hope the case studies we have this morning will prove interesting and thoughtful insight into the Highland experience on the ground

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