



Scottish Affairs Committee

Oral evidence: [Our Borderlands – Our Future](#), HC 571

Monday 26 January 2015

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Members present: Mr Ian Davidson (Chair); Mike Crockart; Graeme Morrice; Pamela Nash.

Questions 1 – 17

Witnesses: **David Mundell**, MP for Dumfriesshire, Clydesdale and Tweeddale, and **Archie Dryburgh**, Councillor for Dumfries and Galloway, gave evidence.

Q1 Chair: Can I start off by welcoming you both to this meeting of the Scottish Affairs Committee? As you know, we have been investigating the question of the Borders, the Borderlands and how they do in terms of Scotland as a whole in the UK and whether or not people in the Borders get a fair deal from the system. We are very glad to be here today, as part of our tour of the Borders, here in Langholm. The last time I was in Langholm rough boys were trying to hit me because we were playing rugby, so I hope that doesn't happen today. I wonder if we could start off by asking the two of you to introduce yourselves and give us an indication of what capacities you have for the area. We will start with David who is an old hand.

David Mundell: Thank you, Chairman, and thank you to the Committee. I am absolutely delighted to welcome you to Langholm, as I was to welcome you to Peebles where I want to put on record that your evidence-taking session was particularly well received by those attending, and the community more widely. Indeed this event has been seen as the Committee looking to listen to people in outlying communities that often feel that they are not necessarily listened to as much as other parts of Scotland or the UK.

I am here in my capacity as the Member of Parliament for the constituency of Dumfriesshire, Clydesdale and Tweeddale. That constituency covers both parts of Dumfries and Galloway and the Scottish Borders. It also includes rural South Lanarkshire and the area around Biggar. Some people there think they are in the Borders. They certainly have, as you will appreciate, a strong rugby heritage in Biggar, which is similar to other parts of the Borders.

I am very pleased the Committee is here. I have also had a lot of feedback from local people because the event has been well discussed in the local media, which I hope will be part of the feedback I can give.

Archie Dryburgh: Yes, as David said, my name is Archie Dryburgh. I am a Councillor for this ward, the Annandale East and Eskdale Ward of Dumfries and Galloway Council. My background is I have been a councillor in this ward since 2007 and the council's Armed Forces Champion. I was also an area activist here for Dumfries and Galloway for several years before that, and T&G District Committee Chairman for that side of things.

As David said, I think it has been well advertised this Committee coming here and I want to thank you as well for coming along and giving people, through their representatives, an opportunity to say what they need to say on the issues with regards "Our Borderlands - Our Future". I think the actual paper that was brought forward is long overdue and, certainly, from talking to some people in Langholm, Gretna and other areas, there are some concerns. Thankfully this time it is not about constitutional reform, it is about what happens in the future and hopefully we can put some messages forward that you can take and hopefully come up with some suggestions to improve the connectivity especially around this area.

Q2 Chair: I wonder if I could start off then by asking you what you believe are the key problems facing people in the south of Scotland, in the Borderlands area; starting with David first.

David Mundell: I think the most important issue for me is ensuring that we have jobs and employment here and, therefore, that we have balanced communities. If you look at the statistics for this area you would see that there is very low unemployment, but that is a reflection of the fact that people who are looking for employment are not necessarily here any more. I do not want to see this area, or indeed any part of my constituency, simply become retirement communities. We want to ensure that there are vibrant, balanced communities with people of working age in work. I think that a significant challenge is to ensure that we have work in the south of Scotland. We face a number of significant challenges. We are in an increasingly metropolitan society.

I am not placing blame for that on any set of politicians but I do think we are a much more urban based society. There is much more of an urban mindset, both at Holyrood and Westminster, so I think that often policies and decisions do not effectively reflect the specific rural needs of an area like this.

Obviously, coming here today you would see the issues of connectivity. We do have the excellent M74 motorway that runs through the middle of the south of Scotland but, once you are beyond that—both to the east and west—the road connectivity is very poor. We do not have good broadband and mobile connections and we are struggling with the number of younger people here to provide an ongoing workforce. So there are a number of specific issues in there that impact on Dumfries, Galloway and the Scottish Borders.

We also have faced the issue, which has become more apparent over the last 15 years, that a large part of this area does face to the south to Carlisle and, as everybody has committed to work within devolution within the Scottish Parliament, we have found that we have perhaps neglected our links to the south and, therefore, we do need to proceed on a basis

that we enhance those and work more closely together with agencies and organisations in the north of England because what happens in Carlisle, for example, has a very, very significant impact here in Langholm in terms of economic activity, in terms of social and leisure activity.

Archie Dryburgh: I would agree with David. I think there are five key issues within the Borderland areas. Transport, as David has mentioned, is one of the key areas. When you look at the rail connectivity, the nearest station after Lockerbie, of course, is Carstairs. It is the longest piece of rail link without a station in between. There are a lot of community groups who are working to try to improve that system. Youth employment, as David has mentioned, is really important. The other thing about employment is that, although unemployment isn't high in the Borderland area, what you will find is families and individuals in those families have two jobs to make sure that they can bring the funding in for their family.

David was right about the connectivity; the connectivity of IT, the connectivity of mobile is a huge concern especially in this part of the region—the Langholm hills around here cause problems with airwaves and so on—and David mentioned about this becoming a retirement area for people. I think, in essence, we are about 75% there. When you look at the demographics of Dumfries and Galloway and when you look at the demographics of the Scottish Borders, we are almost there anyway and with the lack of opportunities for youth the urban migration of young people not coming back is causing us real concerns. They reckon by 2020 75% of people in the Dumfries and Galloway and the Scottish Borders will be over that retirement age.

One of the other problems that we certainly see from a Scottish Government perspective is the potential of centralisation and more centralisation of officials, such as the police and the fire. They reckon to supplement that in Dumfries and Galloway they gave us four jobs in Dumfries that did not help the situation there.

I was at a meeting very recently in Glasgow talking about the collaboration of road works with Transport Scotland and the improvement of service. It tended to look like technically all the councillors that were there—and there were councillors from every council in Scotland there—it tended to look like the thin edge of the wedge, where perhaps roads are now going to be centralised as well. At least that is an opinion I heard coming back from that particular area. So I think transport is certainly one issue, employment and the connectivity. There is also the issue with how do we deal with those that are coming into the area that are of retirement age with regards health and wellbeing and the road works.

I think locally what we are seeing from communities is an upsurge in the hope that some form of community trust can be put in place so that we can keep those young people in place. There is a very keen following in this area of the extreme sports side of things. David mentioned Peebles, and they have the 7stanes issue up there where they are looking at an uplift, which is going to cost in the region of a £1 million, something like that. I was fortunate enough to be in Peebles just before Christmas, and the amount of mountain bikers that were in that area at that time, covered in mud, was huge and that would bring a lot of commerce into that particular area. We have the same in Dumfries and Galloway with the 7stanes and across in Wigton as well. So there are four or five certain areas where we can look to do that.

Importantly, however, as David said, the influence on what happens in Carlisle in this area is huge. Carlisle is more or less Dumfries and Galloway's only city. We have the potential for Carlisle airport opening up, which again will improve commerce and the potential that way. So these are things that we could be looking at to help each other across the Borderlands. Northumbria, Cumbria, Carlisle are very similar with regards to what the issues are. I think the migration of the youth is one of the main things that we need to be looking at.

Q3 Chair: I wonder if I could pick up on one point, David. Archie emphasised quite a bit the question of centralisation. You did not pick that up as much but is that just simply a question you could not fit everything in? Do you accept that that is an issue also?

David Mundell: I absolutely accept that, Chairman. This area has seen a significant loss of autonomy and authority by policies that are being pursued by the Scottish Government. The creation of the single police force is an excellent example, because what that did is it sucked quality jobs out of Dumfries and Galloway to be replaced by only four other jobs. A new control centre was created, which led to the closure of ours. Now we are constantly told because of new technology these centres can be anywhere, but what we find is they are never here in Dumfries and Galloway or the Scottish Borders. The loss of the police force here has had more of a disproportionate effect than it does in more urban parts of Scotland because I think—from some of the statistics I referred to in this area—one of the things that is very prominent is the lack of professional or senior managerial jobs. As I said in my own remarks what we are looking to achieve is balanced communities, where you have a range of people living in communities to make them vibrant and successful.

Q4 Graeme Morrice: I wanted to pick up on the aspect of barriers or restriction to economic development and growth in the area. I think you have probably spelt out one or two of those issues when you were responding to the Chair's initial question and, in particular, you have talked about road connectivity. I think when Michael Crockart and I were coming down this morning in the car we seemed to be going around the houses and it took us a good few hours to get here. You also touched on broadband and mobile phone connectivity, and again I think we are experiencing that in this hall today. You also touched on the migration of young people. We might touch on that in greater detail later on. When we were in other parts of the Scottish Borders last year—Peebles and Galashiels in particular—people raised the point of inadequate public transport as well. But in addition to these things, or maybe you might want to expand on some of these points, what would you see as the kind of main barriers to economic development and growth in this area.

David Mundell: I think you have summarised the position that we have both set out. There is little political disagreement as to what the fundamental issues are. Firstly, a point I did make, there is a failure to recognise the rurality of the south of Scotland. I applaud friends and colleagues in the Highlands and Islands for the relentless lobbying that they do, but here in the south of Scotland we face many similar issues and I don't think that is fully acknowledged.

A very good example that was a great disappointment to me was that in the rollout of broadband across Scotland the initial proposal was that there would be a Highlands and Islands project and then there would be a south of Scotland project, which would in fact recognise the equivalence of the challenges faced. Unfortunately, the Scottish Government

chose to roll the south of Scotland project into a Scotland-wide, other than Highlands and Islands, project. Therefore, I don't think, in dealing with that issue, we got the focus or the speed in terms of turning that round. So that is a clear example of the failure to recognise that a lot of the issues here are equivalent to issues that are faced in remote and rural areas in the Highlands and Islands and should be given equal weight and priority if we are to tackle, again, what are fundamentally the same issues about young people leaving the demographic, getting businesses going.

The second issue is the need to have a greater joined up approach with the north of England. I can give you two very good examples. The A7, which you may have come down, is between—

Graeme Morrice: We thought we were going to come down it but we came down the A60A. I am not sure that was the right route but—

David Mundell: There is an issue there with the driver. The A7 is a trunk road between Galashiels and the border. The part of the A7 between Scots' Dike and Carlisle is not a trunk road. We have worked hard to try to get improvements to the A7 but there isn't a strategic joined up approach. A second transport issue, which I have been very heavily involved in, relates to junction 45 on the M6 at the point where it crosses the border. If you are travelling north and want to come into Gretna then you have to leave the motorway in England in order to do so. Therefore, that junction is very important to Gretna; the layout of that junction to the Gretna area and to the south of Scotland and it links into the A75. But it is of course the responsibility of the Highways Agency.

A local issue arose in Gretna about heavy vehicles passing through Gretna because of the layout of the junction, which is when I initially became involved, but now there is scope for strategic economic development in terms of the MoD long-term site, which is on the English side of the border. We are hoping to have the Star of Caledonia, which is a major sculpture, on the border and there is a lot of other economic business development in Gretna. Getting the various agencies on both sides of the border to come together has been a nightmare because our friends in Transport Scotland, although they profess interest, they have a line on the road and on the other side of the road that is not them. On the other side we have the Highways Agency and of course it is extremely peripheral to them, so their interest in it is not the same as if it was in the heart of the motorway network. Both councils have become engaged, but developing a new motorway junction, which would provide benefits to people on both sides of the border, is proving extremely difficult because there is no one with an overview with the wider strategic interests of both at heart.

Archie Dryburgh: I would agree with David, when the Highlands and Islands Enterprise Company that was set up there was certainly a lot of canvassing and a lot of support went into that particular area. It appeared and it still appears that the south of Scotland has been left out to some extent.

There are a few issues that I see that can cause some problems, and are still causing some problems at the moment, about economic investment in the area. I didn't want to talk about constitutional fails but when you look at the potential implications of the taxation issue where most people—and certainly the ward I represent here in Langholm and Gretna—work in the Carlisle area, what does that mean for them when they are going to be taxed at different rates and where are they going to be taxed? There are some issues there.

I am working with a recycling company in Cumbria at the moment that are looking to relocate to the south of Scotland, but because of the uncertainty of that taxation system they are not in a position to move on that at the moment. In the local development plan there are five specific locations on the M74 between Gretna and Lockerbie that are highlighted for industrial sites. Ideal connectivity for people like haulage, travellers and things like that, which is another point I want to bring up.

I was talking to Curries, which is a major haulage company in Dumfries. They had to sit with six wagons in their depot just before Christmas because they didn't have wagon drivers or they could not rely on the agency that supplied those particular drivers. That was a big income loss for that particular company. Looking at the whole of the UK, I am sure you will be aware that there are over 100,000 less drivers than are actually needed. So when you look at the connectivity with regards haulage, for instance, and the potential for the M74 then that is absolutely huge.

David discussed about the link with the M6/M74. The opportunities there are absolutely huge. A lot of people from Langholm, for instance, worked for the MoD for a long time before they downsized, so there are issues where people can work. Scottish Enterprise may say the right things when we talk about projects within certainly Dumfries and Galloway, but I don't see the commitment from the Scottish Government to bring in those. Now John Swinney was down in this particular hall almost a year ago saying to Scottish Enterprise, "Get down into Dumfries and Galloway and get some projects on the go there". When you start to talk to the officers, certainly within the council who are talking to officers within Scottish Enterprise, there appears to be some form of block or barrier for those projects to take place.

The opportunities I think are huge in West Cumbria. There is an energy company setting up there. There is the Energy Coast that is there. I worked in the nuclear industry at Chapelcross. Magnox have been taken over by a European body organisation. Magnox as a whole are now looking at putting their funding streams into the English and Welsh decommissioning stations. There is concern—certainly at Chapelcross and Hunterston A—that that funding stream isn't going to be as much as it should have been to keep people employed there for as long as possible.

I think the potential for energy within the whole of the Borders is huge, and I am not a big supporter of the issue of windfarms by any means but I think the opportunity for a renewables sector is massive within this area and perhaps we can look at that in the future.

Q5 Graeme Morrice: Maybe just to follow up—and you raised a whole range of issues that I think all of us will touch on in greater detail later on—with regards to the existing structures that we have locally, do you think they are working well, working effectively? Of course there is an argument for greater joining up within the Scottish Borders, you mentioned Dumfries and Galloway and obviously across the border, the north of England as well. In terms of what we have out here do you think it is working well; is working effectively, the structures that we have, the organisations and bodies?

David Mundell: Scottish Enterprise isn't working for us and I think, certainly across Dumfries and Galloway, there would be broad agreement with that. We used to have a very distinct Scottish Enterprise Dumfries and Galloway, Scottish Enterprise Borders.

There were some criticisms of those because, for example, they did not interact even when they were there with, for example, agriculture or tourism and hospitality, which are very, very important industries in this area. But in fact my experience is that, effectively, all the decision-making and core responsibilities have been stripped out of the Scottish Enterprise offices locally and they do not have a clear remit here in the south of Scotland, so we do not have the equivalent of Highlands and Islands Enterprise. We do not have an agency at that level that is beating the drum and, in fact, often we end up feeling that we are a bit of an inconvenience.

There is a very good example with the decommissioning of Chapelcross. The Nuclear Decommissioning Authority—NDA—provided funds for the creation of a business park in Annan. The creation of that business park, and indeed some units at Gretna, was managed by Scottish Enterprise but they tell us, well, they don't do business parks and units any more. The project has been a nightmare in order to be delivered. So even when funding was provided by another body they failed to deliver for us because it wasn't one of their priorities or something that they gave weight to or claimed that they had a speciality. I don't think for this area the existing Scottish Enterprise structure is delivering anything and it needs a complete overhaul perhaps, as your work is I think showing, in conjunction with the agencies in the north of England.

Q6 Graeme Morrice: Just on that, so you are suggesting that compared to how it used to be having the centralisation of Scottish Enterprise clearly is not delivering for the south of Scotland, but when we had the Local Enterprise Companies, the LECs, presumably there would have been one for Dumfries and Galloway and one for the Scottish Borders or was it one for the south of Scotland? I am not sure. They were working on the basis that they were more responsive. Would that be the case?

David Mundell: That was my experience because there was a head of Scottish Enterprise in the Borders, who was very engaged with the Borders and knew and understood the issue. Likewise, there was a head here in Dumfries and Galloway. I am not going to say that we didn't have criticisms. I have set out some of them because I felt that, for example, in an area where agriculture and related activities is 23% of the economy, you do want to surely have some engagement with it. So I have some criticisms of Scottish Enterprise. I haven't shied away from that in the past. But what has replaced it I must say in my view is wholly ineffective. I think what we lose out from is there isn't anybody in the internal structures of Scottish Enterprise or the Scottish Government who is championing the south of Scotland, as far as I am aware, in the equivalent way that it would be done with Highlands and Islands Enterprise.

Archie Dryburgh: I agree that Scottish Enterprise isn't working in the south of Scotland but I think the South of Scotland Alliance has the possibility of improving that opportunity for connectivity plus economic investment within the area. David was absolutely right, agriculture is 10% of the jobs within the south of Scotland. There are some issues I think and again it comes back to the taxation and also rural payments with the situation in 2017: are we going to have a referendum type of thing where agriculture will say, "Wait a minute here, we get quite a few grants from that particular area". Being on the border of course there are some farms who have land both north and south of the border, and that could have a knock-on effect to the agriculture industry. I am sure when the NFU come along and do their presentation they will mention something like that.

If we are going to look at European funding with regards to NUTS 1, NUTS 2, that type of thing, if that is not possible then a South of Scotland Alliance set up, where that in itself could become the enterprise of the south of Scotland, I think the opportunities are massive there. The connectivity between the north of England and the south of Scotland: we are all rural. We have the same culture and I think there are opportunities. So within that framework or looking at how can we improve the situation in the south of Scotland and the north of England, I think that cross-border application should apply, and if we can find a way of getting through that then I am sure it will be to the advantage of both the south of Scotland and the north of England.

Chair: We have given you the opportunity to expand at some length on a range of issues—and I think you have given us the overall picture—but because we are time constrained because of a vote in London this afternoon, I want to try to focus more narrowly and more briefly in on specific points if we could within the overall framework. So, Pamela, I wonder if you could pick up a couple of questions.

Q7 Pamela Nash: Good morning. Other than Scottish Enterprise and the potential for the South of Scotland Alliance, can I ask each of you what more you feel that both the Scottish and UK Governments could do to support economic growth in this area and, in particular, how they could assist in the development of the Borderlands Initiative?

David Mundell: I am a firm supporter of more devolution and decision-making here within Dumfries and Galloway and the Scottish Borders. Obviously it was a matter of some concern to read that there is a senior Scottish Government SMP/MSP had questioned the role of local government. I think that is absolutely the opposite way that we want to travel. We want to see more decision-making here locally by people who know what the local circumstances are and what is needed in Langholm. Even within our range of communities, what is needed in Langholm is quite different from a mill town with the transport links very directly to Carlisle—road and bus transport—to what might be needed in Lockerbie or Moffat or Castle Douglas. So we need, from the Scottish Government, in particular, more capacity for local decision-making, more devolution and less centralisation.

I am still a strong advocate of ensuring that a UK Government as well is a Government that does understand rural communities, rural needs, the specifics, and that is why I pushed very hard in relation to the mobile initiative because we have such a high number of what are known as not-spots here. The initiative that the current Secretary of State at DCMS is pursuing in terms of getting the mobile companies invest more in rural areas will make a really significant difference here, but it is revealing that it is because of their engagement in the rollout of the last project that there is a greater understanding of what rural needs are. The previous mobile project was based on households so that some percentage, say 98%, of households could get a mobile signal. But in this area what is important is that you can get a mobile signal between here and Hawick, where nobody is living. So that house to house wasn't the right criteria. It was strategic arteries. So I think that we have to get—and I continue to press as hard as I can—the UK Government to also have a clear understanding of the distinct needs within rural communities.

Archie Dryburgh: From my perspective, what we are asking for growth in in the south of Scotland is the cottage industry where there are maybe one or two people who are working

within the industry. Local councils are doing what they can to help support the youth employment within that industry. Certainly, in Dumfries and Galloway, part of the budget setting process that we are in at the moment, we have committed £3.5 million a year to get a young person a job within four months of leaving school or at least a training place or something like that. What you find with the smaller businesses, the small and medium enterprises, is that they are sometimes scared of the legislation that is in place with regards to HR policies, employment policies, health and safety policies and things like that.

Where we can support that, if the South of Scotland Alliance was in place or an organisation like that, is to help get them through that mire of legislation to make it easier for them to understand and actually employ people. If every cottage industry happened to take on one young person in Dumfries and Galloway then the youth unemployment would be gone. So I think support from both Governments in the form of perhaps tax breaks or at least employment opportunities with regards to grants, support with HR and health and safety.

What we are doing in Dumfries and Galloway is we are saying to them, “Let us take, as a council, and give you advice and support through your HR policy, through your health and safety policies, so it is not such a hard thing for you to think about and let us expand as much as possible within that area”.

Q8 Mike Crockart: I have a couple of areas that I wanted to cover. We have touched on them already, so what I want to try to do is to pin it down to specific questions to tease out of you what you think the best structure is going forward. You have already talked a lot about Scottish Enterprise, the centralising and the new structures that are in place of the much more national authority rather than the Local Enterprise Companies that were there before. What should we be aiming for to help the Borders and Dumfries and Galloway, is it a structure similar to the Highlands and Islands Enterprise that would have the same priority to strengthen communities in fragile areas, like Highlands and Islands Enterprises, or should it be a strengthened South of Scotland Alliance or should it be a cross-border enterprise structure? What would you say would be the best way forward?

David Mundell: I think it is very important that the South of Scotland Alliance does strengthen. It is something that I heard it called on Scottish Borders Council in the past, because they have more options of where they could look to. They can look to Edinburgh & the Lothians in some strategic interests. Indeed, at one stage there was a suggestion of Scottish Borders connecting to some city region from Manchester, because we have to remember Scottish Borders is all the way to Berwick.

I would like to see both councils committing that the South of Scotland Alliance is their number one most important partnership. Dumfries and Galloway unfortunately gets put into various groupings for different things. Sometimes it is with Ayrshire; sometimes it is with Lanarkshire. You just end up with this view that it doesn't always fit because from the other end, the Stranraer end, obviously Belfast is the nearest main city. So I think a real commitment, a political commitment to the South of Scotland Alliance to make sure that we have a strong, coherent south of Scotland voice; that we are all saying the same thing across the political divide. That is what I admire from the Highlands and Islands. It doesn't matter whether it is Labour MSPs in the Highlands, my Conservative colleagues, Scottish Nationalists, Liberal Democrats, Independent councillors, they all come armed

with the same lobbying message and sing from the same hymn sheet. We have to do that a lot better here. I think then the other structures can flow from that and be helpful in that. Yes, I would like to see a more Highlands and Islands level. If there is going to be a Scottish Enterprise then that is the model that should be followed because we are not getting the bang for our buck.

I very much welcome the moves now—and the Dumfries and Galloway Council deserve a lot of credit for that—in terms of moving forward with the Borderlands, working with the other councils across the border and seeing what these common, particularly strategic, planning interests are. So it is a bit of all three but I think the fundamental is the strengthening of that political, with a small “p”, alliance and demonstrating that we have a rural area the equivalent of the Highlands and Islands. After all, 250,000 people or more live here that have distinct needs.

Q9 Chair: I wonder if I could come in there, David, and ask why you think there is such a lack of political momentum behind the idea now of a Borderlands future? The Committee has been up in all the islands and one of the things that struck us when we were there was the clear political support. Later on we are seeing officials from the various councils. Now, if this had been the Islands or indeed the Highlands, it would have been the council leaders we would have been seeing. Maybe things are different here and the officials drive the councils but I have always taken the view that it should be councillors that drive the councils. The clear indication that we had was that in the islands it was political leadership that was 110% or more behind that sort of initiative and the officials follow. Here you simply do not have the same impression of enthusiasm. Is that just because the Borders are parochial or they are slow or what? We had some evidence in from one group of councillors, which was astonishingly petty and parochial but I wasn't sure if that was entirely typical. Can you give us an explanation for this?

David Mundell: First, I think you will be aware that the Scottish Cabinet are in Dumfries this morning and I am sure that there is an engagement required from the council there as well. One fundamental difficulty that has arisen actually comes from the lack of connectivity between Dumfries and Galloway and the Scottish Borders. I know you can say that in relation to the Island communities, but it is extremely difficult in fact to go from Dumfries and Galloway to the Scottish Borders. The communication routes are north/south. We have the excellent motorway. So there isn't a to-ing and fro-ing in the way that might otherwise happen. But I agree with you—

Chair: But Shetland and the Western Isles has to be—

David Mundell: Yes, I have acknowledged that. I do not think we can explain it satisfactorily. We have to renew that political commitment. It is partly because of the fact that there have been other arrangements made. Sometimes I think, Archie, some Scottish Government issues Dumfries and Galloway link with the set of Ayrshire councils and sometimes they are working on that, sometimes they are working with South Lanarkshire, sometimes they are just on their own and there has not been the momentum to create this link. I believe it is essential and that we have to achieve it, but councils are often driven by funding streams and other objectives, so I think now, when we see that the south of Scotland is marginalised in many ways from Edinburgh, that should be the incentive to

come together and say, “Look, it is in our joint interests, whether you are in Eyemouth or Stranraer, to have this unity of purpose”.

Q10 Chair: Archie, is it all the councillors’ fault?

Archie Dryburgh: It is definitely not all the councillors’ fault. I can only talk of Dumfries and Galloway Council of course, and our commitment to the South of Scotland Alliance is there. I think there is a lack of the bigger political sort of commitment within both Governments to come and try to sort something out down here. The suggestion that I made earlier on about the enterprise companies officers may want to work with council officers in making sure projects go ahead, but that connectivity with the Scottish Government or even the UK Government Ministers is perhaps missing.

The community, certainly round about the Scottish Borders and Dumfries and Galloway, are committed to working and ensuring that their place is as successful as it can be. You can see lots of good practice going on, as I mentioned earlier on, with co-operatives and community trusts popping up all over the place. So what I think we need is a clear steer from both Governments to say, “We are committed to help your communities within the area of Dumfries and Galloway and the Scottish Borders”. But I also have to say that we cannot miss that link with the north of England authorities as well.

Q11 Mike Crockart: Perhaps I could remind Archie of the question I asked: what should be the best structure? You seem to be pointing towards perhaps a cross border enterprise structure as being the best way forward, but in the meantime do we need a Scottish Enterprise specifically for the south of Scotland?

Archie Dryburgh: I think in the longer term there has to be, because you have issues with local government legislation that could cause problems with the Scottish authorities working with the north of England authorities. Initially settling on a south of Scotland alliance-type enterprise because the commitment is there from both the Scottish Borders and the Dumfries and Galloway Council on the South of Scotland Alliance, and I think that is the first step. But I think it will take a bit longer, especially when I mentioned earlier on with regards to NUTS funding, and things like that, and where the opportunities lie within that. So as a first step the South of Scotland Alliance, as an enterprise, could take a lot of things forward that way.

Q12 Mike Crockart: That leads nicely into the second point, which was to do with the EU structure of funding and the difficulties that there are in redefining NUTS1 and NUTS2 boundaries. My question is: how can the UK Government work with both the Scottish Government and EU partners to assist in developing what should be the correct boundaries for the purposes of allocation of the structure of funds?

David Mundell: I obviously tried to influence the boundary discussions. I am disappointed that we ended up with the arrangements that we did because basically that has seen very little funding come to this part of the world. Not just the boundaries but the mechanisms I think prejudice us, which has come up in the discussion already. We are looking to support very small enterprises. Say, for example, you had a youth training programme, it is very

difficult to bring together a critical mass of young people at a particular location. Here in Langholm one of the issues is of course it is much, much easier to physically get to Carlisle and attend college in Cumbria than it is to go to Dumfries. It is not an easy journey from here to the college in Dumfries, yet people face increasing bureaucracy in trying to do that.

So I think it is the failure of all of these systems to take into account our rurality and specific needs. I recognise the serious employment needs in Glasgow and other parts of Scotland, but our needs are very distinct and we need processes that are able to accommodate a distinct need not just an urban settlement on a rural area.

Q13 Mike Crockart: Archie, I ask the same question but can we specifically focus in on what would be best for the south of Scotland in terms of the structures that we are aiming for, for the NUTS1 and NUTS2 boundaries?

Archie Dryburgh: Obviously coming from the Dumfries and Galloway side we are in with the Glasgow and west of Scotland NUTS area. That is one area and, as David said, we have been unfortunate in not an awful lot of that funding is coming down. When you look at the overall size of the areas where there has to be 100,000 inhabitants, you are not going to get that in the south of Scotland with the Borders and Dumfries and Galloway, which I think is around about 250,000 as we said before. But when you bring in Northumbria, Cumbria and Carlisle City then you are looking at that particular funding area to be beneficial for the area. It is obviously going to be a long journey because I think the next NUTS funding criteria is going to be in 2020, if I remember properly, so bringing them all together and putting the footwork in now, to try to get south of Scotland, Northumbria, the City of Carlisle and Cumbria into the one particular area, would be a good way forward.

From the perspective of where we are at the moment, I think we need to focus more on why we are not getting the funding from the two areas at the moment and if there is any reason for that. As David said, it is going to be small projects in the south of Scotland. I hate saying that size doesn't matter but we need to look at that and say, "It might be a small enterprise project that is working down here but it can have a massive effect right across the Borderlands area".

Q14 Chair: Again, coming back to the question of evidence, certainly from some of the written evidence that we have had, there were some groups that seemed to almost have an ideological objection to working with the English and the thought that we shouldn't be crossing the border in any way. Some of the evidence seemed to be quite astonishingly complacent saying, "Well, we are getting there. In the fullness of time we will move things on". Is that a widely shared view, do you think? Are either of those views widely shared?

David Mundell: I don't think that those views are shared. You are here in a community like Langholm, which as you can see is a very attractive community. There are a lot of good things happening. People aren't complacent, they don't want the community to stagnate. They want to see a future for their community. How is that going to be achieved? For some places like this it can only be achieved by working in conjunction with communities that are 15 minutes away. So I don't think these views are shared at all by local people. They understand the importance. I think the reverse is important and perhaps

again we haven't done enough to say to people in, for example, Carlisle City Council, Cumbria County Council, "Look, the decisions that you are taking have a really big impact on us and what is happening here and we want to work with you on those decisions". So I think that perhaps as well as us looking north there has been a more looking south within the north of England, and I think we have to get that message over to the decision-makers in the north of England, "Your decisions have a really big impact here and we need to work with you to make sure that they are not adverse".

Archie Dryburgh: I think from my perspective there is probably a minority of people who would not work with the north, but the majority—and I am talking about the biggest majority, probably 90% of people—want to work with the English south of the border and the Scottish Borderlands as well. I will give you an example of that. I have been working with five young people in Annan who are now electrical and mechanical engineers at Sellafield. Now, Gen2 who are a training company within that area, who train up the apprentices in those areas, have said they are the best apprentices they have ever had because of the Scottish education system. They understand probably better than their English counterparts, and they want more Scottish graduates and apprentices going down there. The energy course is going to have something in the region of 4,000 apprenticeships over the next five years. We need to be able to help that situation because when you look at the whole demographics, we want people coming back of course and spending their money in the south of Scotland, especially their pay. The taxation system that I talked about earlier on, is that going to have a knock-on effect? I think it probably is. But the situation is I want to work closely with Carlisle, Cumbria, Northumbria and I think it was around about November time that I went down to see the Mayor of Carlisle. We were talking about the commemoration projects that are happening here, the Quintins Hill project that is happening in Springfield next to Gretna Green. They are very keen to work with the south of Scotland, especially on that 74 corridor, because they can see a massive benefit of cross-border economic viability happening there.

Chair: We have some questions about the high levels of unemployment. We have covered most of those but we want to particularly pick up some questions with youth unemployment, Pamela.

Q15 Pamela Nash: Yes. I was interested, David, about what you said earlier about the youth unemployment all-party group in Parliament. You were talking about not just the specific issues here but the fact that the figures might not be as clear because a lot of young people have moved away from the area in order to find work. Can you tell us a bit more about that? Also, for people who don't live in this area, both of you were talking about the issue of—I think you used a figure of 75% of people by 2020 being retirement age. That sounds quite nice to a lot of people who are listening to or reading this evidence. Can you tell us a bit more about the impact and how that affects the community?

David Mundell: I am very positive about older people in the community. I start by saying that. Yes, I think one of the innovative—I will come back to your specific point—things that is being looked at here in Langholm is recognising that there are a lot of older people and thinking, "Well, there are business and employment opportunities in caring and supporting those people". Those are sustainable job opportunities and we should look positively on the care sector but improve upon it.

It comes back to the point I made in my opening remarks. What I am striving to support is balanced communities where we have people from each age demographic, so you have people who are working, people who are then able to engage in the very fabric of society in the community organisations, be on the school council, and all the rest of it, because that is part of the package of living in a community.

I think your younger people, particularly younger people who are out of work here, are isolated. That is what I feel for them because there is not a critical mass of other young people from here. I think Jobcentre Plus does a very good job. It is in Annan. That is not straightforward to get to. It is not as easy to be part of a job club or other initiatives that bring people together. That is my concern is that young people out of work here are very isolated and, therefore, it is more difficult to support them than it might be elsewhere.

Q16 Pamela Nash: Sorry, Chair, I know we are very tight for time but I think there is one very important issue there. Can I ask at a practical level do unemployed people have to travel to Annan in order to sign on and seek advice or are there provisions in local communities for that support?

David Mundell: From different communities they do have to travel. They don't have to travel on the same time basis. There are different periods depending on the length of time they have been unemployed. The DWP to be fair to them are looking at flexibility and in Upper Nithsdale, for example, they bring in the DWP service. It is unfortunately an area where there is a high level of unemployment and they bring the service there, which is very helpful. But obviously the more rural, the less numbers, they are not in a position to do that.

Archie Dryburgh: From my perspective, I think some of the older people within Langholm are really important in seeing how we can help that situation. I am really pleased Langholm Academy, for instance, are looking at a job forum where they have taken on younger people into local employment, into things like hotels. What sort of jobs they have available for them and they mark out a route to get them into employment.

One of the biggest problems we have is a low wage economy. As I mentioned earlier on, some people have to have two jobs to make sure they can fund their family. If we have a living wage sorted out then that would stop some of the outward migration that happens within the area. Educational facilities are important and using the new schools that we have in Dumfries and Galloway as a place where we can teach and again increase the skills of young people to get employed is important.

From the perspective of the issue of transport we mentioned earlier on between here and Carlisle, here and Dumfries, it takes something like an hour and a half to get to Dumfries from Langholm because you have to go via certain routes. We have the Annandale Transport Initiative; a really important local community run rural transport initiative. If that was to be expanded—understanding what we were saying earlier on about we have 100,000 drivers across the UK short—then perhaps there is an opportunity as well to look at the rural transport side of things of how we get people to jobs, then that can increase the opportunities for young people.

When you look at the care sector again we had a seminar in Dumfries and Galloway Council, and it looked at care at home and care homes and people who work within that

particular sector. There are people who work in the sector who are on a minimum wage. They have a lot of responsibility in looking after the clients that they look after, when along the road there is a Burger King that they can get an extra 50 pence an hour with absolutely no responsibility. So we need to look at how we can improve the opportunities within the care sector and try to get our young people involved in that. In Dumfries and Galloway it is mainly females that are involved. I would like to see an opportunity for males to get involved in the care sector as well. So I think looking at what we have been saying before about opportunities with tax breaks, with training, with HR responsibilities and all of that, that can increase the opportunities for young people to stay within the Borderlands area and, hopefully, thrive from there.

Q17 Chair: Yes, I would reiterate your point that older people—or as I think of them voters—are extremely important, but again as somebody who left the Borders at 17 and was never able to come back, I am very conscious of this. Of course, if I had never left the Borders at 17 I would not have gone to Glasgow and met my wife and my life would have been different.

We always say at the end: are there any answers you had prepared for questions that we haven't asked? Any additional points that you want to make that you feel we haven't covered already? I think we have covered most of the ground and a lot of the stuff was in the evidence in writing that we have already had. But is there anything in particular that you think we have missed?

David Mundell: I just want to say at the end, we have discussed the challenges, and Dumfries and Galloway are great areas to live in. It is a great part of Scotland. Perhaps you have seen a bit too much of the scenery in getting here but there is a positive sense of community here. I mean Langholm; the community people are involved in annual events like the Common Riding here and elsewhere in the Borders, a real sense of community. So there is something worth being here for. What we have to do is to provide the economic framework that means that people can be here and that is the challenge. The things that are happening south of the border are very, very important. We haven't touched on all the specifics. For example, the reopening of Carlisle Airport, which has been a vexed project, that would have a very significant impact here. As High Speed Rail is developed, it is very, very important that Carlisle is a stop on that route. So what is happening south of the border really matters here. But this is a great area to live. It is a great area to bring up your children. It is a great area to be an older person. But it cannot just be picture postcard. It cannot stagnate. We have to have the economic framework to allow us to have jobs and a diverse community.

Archie Dryburgh: David brings up the issue of Carlisle Airport, and I mentioned it earlier on, but most people do not realise that the people of Langholm put £120 in when it was first set up and that is why we went to see the Mayor of Carlisle because he is invited to the Common Riding every year, so he wanted a reciprocal event and so some members of the community, council, myself and the other elected members of the ward went down there. I think for the future of the south of Scotland and the north of England Carlisle Airport is a must. We have to look at putting infrastructure in place there. David mentioned the economic side of things. It can be a boost for the area. There is absolutely no doubt about that. I think from my perspective when—if you will forgive me for not talking about old people for a minute—the opportunities for young people within this area

is huge, especially when it comes to, as I mentioned before, extreme sports, the mountain biking and that type of thing. When I was up in Peebles I was talking to a young guy who was only 22, he said there are 86 world champions in the UK and they all come to Peebles for that mountain biking experience. We have the Muckle Toon Adventure here in Langholm, which is a weekend. It has only been going for the last couple of years and it has been really successful bringing people in for the hill running as well as the mountain biking and that type of thing. The opportunities are huge.

The care industry and what we can do with the opening of the new Dumfries and Galloway Royal Infirmary; how we can get training for young people to work through from perhaps start to auxiliary nurse and beyond, RGN, there are massive opportunities. We certainly have the commitment from the councils in Dumfries and Galloway and the Scottish Borders to take anything forward that is going to enhance the area, both economically and to ensure that our young people stay within those boundaries.

Chair: Could I thank you very much for coming along and giving us your evidence? That has been very helpful to us.